



children's books ireland

reserves policy



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every child a reader



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Children's Books Ireland/Leabhair Pháistí Éireann

receives financial assistance from

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funding
the arts

Date policy first drafted:

April 2023

Date policy last updated:

November 2025

Date policy due for update:

November 2026

Children's Books Ireland Reserves Policy

Why does Children's Books Ireland need reserves?

Children's Books Ireland is committed to ensuring that the organisation meets the highest standards of governance and transparency. According to the Charities Regulator's *Advice on Charity Reserves*, 'Reserves help to maintain financial stability and allow a charity to meet its commitments, continue to undertake work, and deliver services, even when unexpected events or costs arise.'

As part of the organisation's risk management process, and on the recommendation of the company's auditor and of the Arts Council, the Board of Directors is aiming to accumulate a reserve so that the company can make provision for unforeseen or unpredictable expenses, such as maintenance of equipment and significant rent increases, and risks, such as loss or reduction of funding.

Children's Books Ireland has worked to diversify its income streams so that our reliance on one funding source is reduced; however, we are aware that circumstances outside of our control (e.g. recession) may cause a drop in income across various sources and that, as a responsible charity, we should be prepared for any eventuality that leaves the organisation exposed to financial risk. The executive team has grown, with running costs of the organisation therefore increasing. Maintaining an appropriate level of reserves will ensure that Children's Books Ireland's core activities could continue during a period of unforeseen difficulty, and that staff would not suffer a loss of earnings.

Level of reserves

The board has determined that a reserve should be adequate to provide for six months of salaries and administration costs. The previous targeted level of reserves of €190,000 which was set in April 2023 was achieved when the 2022 audited accounts recorded a surplus of €88k which was transferred to reserves. In 2025, a risk assessment was again carried out on each project line of the 2026 budget, as well as on the core expenditure not funded by grants or donors, while also having regard to the 2024 audited accounts, and the 2025 forecast figures. Following this review, it was decided to increase the reserve level from **€190,000** set in 2023 to **€200,000**.

How will Children's Books Ireland establish and maintain this level of reserves?

- Children's Books Ireland has an accumulated surplus of €338,035, as per audited accounts documentation at 31/12/2024. There is currently €190k of this reserve in a separate reserve account. €10k will be transferred from the 2025 forecast surplus to the 90 day separate reserve bank account to increase the reserve level to €200,000.
- Funding of the required level of reserves is an integral part of the organisation's annual planning, budget and forecast cycle.

- €100k of the €200k reserves are maintained in a 90-day deposit account. The remaining €100k of this is invested in a 10 year National Solidarity State Savings account with An Post.

This policy will be reviewed annually as funding streams vary from year to year.



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