



Reserves Policy [FRG012]

THE ORGANISATION'S VIEWS ON RESERVES

British Triathlon is aware of the need to secure their viability beyond the immediate future. In order to be able to provide reliable services over the longer period, British Triathlon must be able to absorb setbacks and take advantage of change and opportunity. British Triathlon has therefore provided for this by retaining some of its previously generated surplus as a reserve against future uncertainty, which would allow it sufficient time to restructure (if required) or seek alternative income.

Reserves are defined as being the organisation's Total Net Assets (which equate to its total reserves) as reported in the British Triathlon Federation Annual Report and Financial Statements. For the avoidance of doubt, Reserves also include the Triathlon England Designated Reserve.

SUSTAINABLE RESERVES

Since British Triathlon enters into commitments - through the agreement to deliver services, the employment of staff, the leasing of premises, the purchase of goods or service etc. - it is imperative that it has sufficient resources to meet these commitments. By carrying Sustainable Reserves, British Triathlon is able to:

- Cover immediate closure costs; and
- Provide 3-6 months cover for known liabilities.

UNRESTRICTED RESERVES

The Organisation defines "Unrestricted Reserves" as that portion of reserves that are in excess of Sustainable Reserves. Holding a level of Unrestricted Reserves, British Triathlon is able:

- to provide a buffer against setbacks and to take advantage of change and opportunities;
- to demonstrate that they have thought through how they might secure their viability beyond the immediate future and provide reliable services over the longer term; and
- to demonstrate to potential funders that they are effectively managing their resources and have given consideration to their long-term plans and viability.

RESERVE LEVELS

British Triathlon has set its reserve policy by considering the following levels:

- Critical reserve level - reflects the funds required to cover an immediate closure covering redundancies and lieu of notice.
- Sustainable reserve level - comprises the total of critical reserves plus cover for between three and six months in relation to known liabilities
- Contingency reserve level (unrestricted reserves) - provides a buffer for unexpected or unbudgeted setbacks

- Investment reserve level (unrestricted reserves) - permits the organisation to take advantage of change and opportunities and to provide a commitment to investing into our sport.

TIMING

British Triathlon's reserves policy will be reviewed every two years but updated, if necessary, at the end of each financial year to take account of any change in circumstances and to recalculate the total reserves based on the 31 March financial year-end balance, as reported in the British Triathlon Federation's Annual Report and Financial Statements.

Level of Reserves Policy			
	Triathlon England Designated Reserve	British Triathlon Designated Reserve	Total BTF Reserves
	£ 114,691	£ 130,286	£ 244,977
Critical Level	£ 114,691	£ 130,286	£ 244,977
Additional reserve levels to meet;	£ 116,253	£ 293,526	£ 409,779
Sustainable Level	£ 230,944	£ 423,812	£ 654,756
Additional reserve levels to meet;	£ 50,000	£ 50,000	£ 100,000
Contingency Level	£ 280,944	£ 473,812	£ 754,756
Additional reserve levels to meet;	£ 75,000	£ 50,000	£ 125,000
Investment Level	£ 355,944	£ 523,812	£ 879,756

In the case of Total Reserves reaching Investment level, the British Triathlon Federation will consider investing in opportunities of strategic significance to the extent that Total Reserves exceed the Contingency Level.

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