

Reserves Policy (FRG012)

Policy Introduction and Purpose

The British Triathlon Federation (“BTF”) is aware of the need to secure its viability beyond the immediate future. In order to be able to provide reliable services over the longer period, BTF must be able to absorb setbacks and take advantage of change and opportunity. BTF therefore facilitates this ambition 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 for it to seek alternative sources of income.

The level of Reserves should be set at a level that balances the current cash requirements of the business, alongside the Strategy of BTF which is to invest in the sport of Triathlon in Great Britain.

Scope and Definitions

Reserves are defined as being the Total Net Assets as reported in the BTF monthly Management Accounts and also in its Annual Report and Financial Statements. For the avoidance of doubt, Reserves also include the Triathlon England Designated Reserve.

Reserves for Triathlon England are noted in the Annual Report and Financial Statements in the eventuality of there ever being a need to split BTF into its two trading divisions. But for the avoidance of doubt, the reserves defined below are at a total BTF Statutory level.

Level of Reserves

Since BTF 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 necessary that it has sufficient resources to meet these commitments, at least in the short term.

The Total Reserves required are split into two levels:

Redundancy Reserves – this is the level of reserves required to pay redundancy costs for staff, in the event of either a restructuring exercise taking place, or in the event of a managed closure of the business occurring, as referred to above.

Operational Closure Reserves – this is the level of reserves that would be required to cover the cost of a managed closure of the business.

Total Reserves – are the combined total of the Redundancy Reserves and the Operational Closure Cash Reserves.

These Reserve levels will be calculated each year as part of the annual budget process, and they will be reported against as part of the monthly management accounts process.

Board Discretion

Normally BTF should operate above the defined level of the Total Reserves. However, there may be certain circumstances where the BTF Board may decide to allow BTF to go below the level of Total Reserves, taking account of the economic outlook and/or other exceptional circumstances. However, the level of Reserves should not drop below the Redundancy Reserve level at any time.

For the avoidance of doubt, the Reserves Policy allows for an individual division of BTF to be in a negative reserve position, as long as the total reserves of BTF comply with this policy. However, should that happen, there should be a plan for that division to increase reserves back into a positive position within an agreed timeframe, to be approved by the BTF Board.

Cash Management

The level of cash held by BTF should never fall below the defined level of Total Reserves so that there is sufficient cash backing to support the Total Reserves. This position is subject to the flexibility provided to the BTF Board for BTF to operate at a level below Total Reserves, as set-out above.

Policy name	Reserves Policy
Policy ID	FRG012
Version	6
Date reviewed	April 2024
Editor	Anne Vinestock / ARG committee
Approved by	BTF Board & TE Management Board
Date approved	
Next review due	April 2026