



Financial Reserves Policy

Introduction

Broadstairs Lifeguard and Swimming Club is a non-profit making organisation and:

- Any surplus funds are re-invested in the Club.
- The Club's constitution has strict controls on the way in which the Club can spend money.
- The Club operates with financial reserves.
- The Club aims to be transparent and accountable to its members.

Financial reserves

The Club holds financial reserves for the following reasons:

- A level of working capital is required to operate day to day. For example – to pay pool hire fees each month.
- It requires protection to ensure it could continue operating despite a significant delay in income streams.
- In the scenario that the Club was forced to cease its operations either temporarily or permanently, reserves would be required to allow the club to fulfil its contracted obligations.
- It requires protection from general business risks, e.g. fluctuations in income streams and unforeseen costs.
- It may require funds to restructure or finance future growth and development.

The Committee believes that an appropriate level of reserves for the Club is around **£9,000** which would cover six months operating costs.

For practical purposes, the Committee has established an acceptable band of **£8,000 - £10,000** within which reserves can fluctuate.

The committee will allow the funds to drop to **£8,000** before looking to increase membership fees and if reserves increase above **£12,000**, the Committee will look to increase planned expenditure for the benefit of its members.

An annual review of reserves will be carried out in order to:

- compare current reserves held with current policy level; #
- ensure the reserves level requirement continues to be appropriate after consideration of all financial risks and current/future plans;



- ensure current budgets and future financial plans remain consistent with the reserves policy.

Review and Amendment of Policy

This finance policy shall be reviewed at least annually by the Committee and updated as necessary to ensure its continued relevance and effectiveness.

Conclusion

By adhering to this finance policy, Broadstairs Lifeguard and Swimming club shall ensure the effective management of its financial resources, promote transparency and accountability, and ensure its long-term financial sustainability and growth.

Treasurer

Andrew Motheseb

Date

30 March 2025
