



Blue Light Sports Foundation CIO
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FINANCIAL RESERVES POLICY

Dated 16th April 2026

Purpose

The Blue Light Sports Foundation aims to maintain sufficient unrestricted reserves to meet financial, legal, and moral obligations to service users, staff, and other stakeholders while ensuring continuity of operations and safeguarding essential activities.

Calculation and Target Level

Reserves are generally calculated as a multiple of months annual operating expenditure between three to nine months, factors influencing the level include:

- Uncertainty of income streams.
- Operational commitments and contractual liabilities.
- Estimated costs of emergency closure or staff redundancies.
- Planned capital expenditures or refurbishment projects.

Types of Reserves

- **General Purpose Reserve Fund:** Available for unexpected operational expenses, three months turnover.
- **Salaries Reserve:** Funds to cover critical payroll and national insurance contributions.
- **Redundancy Reserve:** Cover statutory minimum redundancies for staff.
- **Premises Reserve:** Intended for lease obligations and maintenance, with separate fund for capital improvements.
- **Asset Replacement Fund:** To replace IT equipment or furniture as required.

Review and Management

- Trustees review reserves annually as part of the budgeting process and may adjust the target level based on updated financial forecasts and risk assessment.
- This policy explains when reserves can be spent, e.g., emergency operational gap, urgent building and repairs, or strategic investment in projects.
- Any spending from reserves is monitored, documented, and reported in the charity's annual trustees' report, showing how reserves contribute to financial resilience.

Excluded Funds

Restricted funds (donor or grant-specific), designated funds set aside for specific projects already approved, and certain fixed assets are not considered part of free reserves.

Signed

A handwritten signature in black ink that reads "G. Callier". The signature is written in a cursive, flowing style.

Gary Callier
Founder and Operations Manager