

Esports Wales

Reserves & Investment Policy

Status: Board approved policy

Applies to: Board of Directors, Finance Committee, Senior Officers

Owner: Board of Directors

Finance Lead / Treasurer: Board appointed Director

Review cycle: Annual

Next review due: 12 months from adoption

1. Purpose

This policy sets out how **Esports Wales CIC** (“the Company”) will:

- build and maintain appropriate **financial reserves**, and
- manage any **investment of surplus funds**

to support **financial stability, sustainability, and responsible stewardship**.

It exists to:

- protect the Company against financial risk and uncertainty
 - ensure continuity of operations
 - demonstrate prudent financial governance
 - meet funder, auditor, and regulatory expectations
 - ensure transparency and accountability
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2. Scope

Policy Number: P0903
Version Number: 001



Esports Wales CIC:
12372413

This policy applies to:

- unrestricted reserves
- designated reserves
- any investment of surplus cash

It does **not** apply to:

- restricted funds (which must be used only for their specified purpose)
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3. Definitions

3.1 Reserves

Funds that are **freely available** to the Company to spend in furtherance of its objectives.

3.2 Restricted Funds

Funds received for a **specific purpose** and not available for general use.

3.3 Designated Reserves

Unrestricted funds that the Board has **earmarked** for a specific future purpose.

4. Principles Governing Reserves

Esports Wales is guided by the following principles:

- **Prudence** – reserves should reflect financial risk and uncertainty
- **Transparency** – reserve levels and rationale must be clear
- **Proportionality** – reserves must be appropriate to scale and activity
- **Purpose-Led** – reserves exist to support sustainability, not accumulation
- **Accountability** – decisions are Board-led and documented



5. Reserves Policy

5.1 Target Level of Reserves

The Board will aim to maintain unrestricted reserves equivalent to:

- **3–6 months of core operating costs**

This range reflects:

- income volatility
- reliance on grant or project funding
- emerging organisational scale

The exact target within this range will be reviewed annually.

5.2 Use of Reserves

Reserves may be used for:

- managing cash-flow fluctuations
- responding to unforeseen costs or emergencies
- covering temporary funding gaps
- supporting strategic development approved by the Board

Reserves must **not** be used:

- to fund ongoing structural deficits without a recovery plan
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5.3 Designated Reserves

The Board may designate reserves for:



- strategic investment
- infrastructure or digital development
- risk mitigation

Designation must be:

- formally approved
 - recorded in Board minutes
 - reviewed annually
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6. Investment Policy

6.1 General Approach

Esports Wales adopts a **low-risk investment approach**.

Primary objectives are:

1. **Capital preservation**
2. **Liquidity**
3. **Ethical alignment**

Income generation is a **secondary consideration**.

6.2 Permitted Investments

Surplus funds may be held in:

- UK regulated bank accounts
- instant or short-term deposit accounts
- low risk savings instruments



Investments must:

- allow access to funds when needed
 - avoid speculative or high-risk products
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6.3 Prohibited Investments

Esports Wales will **not** invest in:

- high-risk or speculative instruments
 - products that could compromise liquidity
 - investments that conflict with the Company's values, safeguarding duties, or integrity standards
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7. Ethical Considerations

Investments must:

- align with Esports Wales' values
 - avoid association with unethical or harmful activity
 - support public trust and confidence
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8. Governance & Responsibilities

8.1 Board of Directors

The Board:

- sets the reserves target
- approves any investment strategy
- reviews reserves annually



8.2 Finance Lead / Treasurer

The Finance Lead:

- monitors reserve levels
 - reports to the Board
 - ensures compliance with this policy
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9. Reporting & Transparency

9.1 The annual accounts must:

- clearly disclose reserve levels
- explain the reserves policy and rationale

9.2 Significant changes to reserves must be reported to the Board promptly.

10. Relationship to Other Policies

This policy must be read alongside:

- **ESW 0901 Financial Regulations**
 - **ESW 0902 Financial Controls & Delegations**
 - **ESW 0904 Risk Management Policy & Risk Register**
 - **ESW 0110 Gifts & Hospitality Policy**
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11. Review

This policy shall be reviewed:

- annually




- following significant changes in funding or risk
 - following audit or funder recommendations
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12. Adoption

This Reserves & Investment Policy was approved by the Board of Directors of **Esports Wales CIC**.

Date approved: ___02/03/2026___

Signed (Chair):___  ___

