Cambridgeshire CCC Reserve Policy

SCOPE

The aim of this policy is to establish the rationale for holding reserves, the level at which reserves are to be maintained, the basis for calculating the required level of reserves and the circumstances in which the company might operate below the required level of reserves.

RESERVES DEFINITION & POLICY STATEMENT

Reserves are the available funds that are set aside to cover specified potential future contingencies and uncertainties, and to ensure that the company remains solvent in accordance with the requirements of the Companies Act. These controls over solvency will be supplemented by at least annual cash forecasts which are subject to quarterly review by the Committee and the Finance Committee.

THE RESERVES POLICY STATEMENT:

Amounts are held to meet the financial risks associated with potential contingencies and uncertainties relating to the company's operating activities. These include:

- To retain eighteen months funding to enable the Club to run and compete in National Counties Cricket Association Competitions to enable our top talent pathway Cricketers to play at the highest level .
- to provide contingency funding for unforeseen occurrences that have not been provided for in the normal planning process; and
- to provide for future accounting periods where there is a possibility of a deficit as a result of a change in grant funding income or other income streams.

The policy is reviewed annually by the Committee

RESERVES REQUIREMENT

The Reserves Requirement is intended to provide for the level of reserves to be maintained to enable the organisation to meet its committed liabilities in the event of an orderly scaling down of operations

The key components and their basis of calculation are:

i. Staff Related Costs
To address an orderly scaling down of operations, it is expected that staff related costs should be met. In order to achieve this three months payroll costs, including the employers national insurance and pension liabilities for all staff.

ii. Running Costs

To support the staff related costs detailed above, the calculations include:

- 3 months of Payroll and Accounting services
- 3 months of operational expenses (mileage etc)

In order to provide a basic service to the affiliated clubs and leagues and to cover any obligations or commitments to our stakeholders , the reserves requirement makes provision for an element of on-going services on the premise that a new organisation would be established to support the delivery of the sport.

The calculation assumes:

- 12 months of insurance cover
- 12 months of website hosting

RESERVES GAP

A negative (deficit/unfavourable) reserves gap occurs when the level of actual or projected reserves falls below the calculated reserves requirement.

The organisation may operate with a negative reserves gap in the following instances:

i. when the gap is the result of a timing difference, for example, when the gap is deemed to be temporary or is part of the annual phasing of the short or medium-term plan that is approved by the committee , and
ii. the committee -approved budget or forecast identifies a pathway to achieving the calculated reserves requirement
iii. when an extraordinary or exceptional event occurs, taking the reserves to a lower than acceptable level, but the company is able to make the necessary operational changes (restructure) to bring the reserves back in line.

MONITORING AND REVIEW

The executive will put in place robust processes to maintain the required reserves levels in the planning and delivery of the organisation's operational activities. Any potential shortfalls must be notified to the Board on a timely basis

The Finance Committee will monitor the level of reserves and compliance to the policy on a quarterly basis, reporting any significant matters to the full Committee

The Committee will review and approve the projected level of reserves as part of the annual operational planning and budgeting and medium-term planning processes.

18th October 2025