

## Hertfordshire LTA Reserves Policy

Reviewed annually. Last reviewed January 2023 by Martin Corrie, Treasurer

It is Hertfordshire LTA's policy to maintain sufficient capital and operating surplus reserves to sustain all operations for at least the immediate planning horizon and to enable Hertfordshire LTA to invest into its own and member Club's facilities through the accumulation of capital reserves. We therefore maintain the following:

### General Reserves

This reserve is the equivalent of 18-24 months total gross operating costs, designed to ensure the ordinary activities of Hertfordshire LTA can continue in an orderly manner in the event that expected income does not materialise.

### Specific Sinking Fund Reserve

This reserve is to provide funds to replace the investment by Hertfordshire LTA into the indoor courts at Gosling which is being amortized over the life of the agreement which will end in 2038.

### Other Reserves

Hertfordshire LTA maintains a dedicated fund to support the activities and development of member clubs and organisations through the provision of low cost loan funds. The fund is equal to the loans outstanding and commitments made by Hertfordshire LTA at any one time.