



Reviewed and Updated: Brian Juliff + Gareth Kear 2019
Next Review: January 2021

Wales Rugby League Reserves Policy

1.1 The WRL Board believe the organisation should hold financial reserves because:

- (a) Its unrestricted income streams are irregular and uncertain from year to year and so income can be subject to fluctuation;
- (b) It requires protection against the ability to continue operating despite a significant delay in funding;
- (c) It requires protection should the organisation lose significant grant funding or have to cease its operations and make its staff redundant.
- (d) It may require funds to finance future growth and development.
- (e) It reduces the short-term impact on commercial ventures, which may have financial risk.

1.2 The definition of financial reserve for this purpose is the amount of unrestricted reserves not invested in fixed assets.

1.3 The Directors believe that an appropriate level of reserve for the organisation is an amount equivalent to three months operating costs calculated and reviewed annually and believe that the reserve should be built up to the desired level in stages consistent with the Company's overall financial position and its need to maintain and develop its activities.

1.4 Building a reserve constitutes a business, which makes annual profits so funds may be put aside for difficult times. WRL are forecasting circa £18,000 losses in 2018/19 predominantly as a result of reduced funding from RFL, late payment by our Major Sponsor and extra costs incurred due to our successful involvement in The Rugby League World Cup 2021 Qualifying Campaign.

Building and maintaining reserves will always be challenging to WRL and can only be achieved by strong and consistent financial planning and management.

1.5 At 31 March 2019, the anticipated level of reserves to be held for 2019/20 will be a minimum of £20,000 based on a current run rate of £6,000 per month which will cover operational costs for a three-month period.

1.6 The Directors recognise the need to maintain the reserves position. Efforts to build reserves and make up the shortfall will continue in line with policy and will be built into future financial plans and budgets.

Approval

1.7 This policy and procedure was approved at the WRL Board meeting on 25.1.19.

Review

1.8 This policy was reviewed by Brian Juliff and shared to the Board of WRL on January 25th. 2019 followed by electronic copy on 13/2/2019.

1.9 Next review January 2021.