Sailship Training and Learning for Life

Reserves Policy

CEO **CHAIR OF THE BOARD OF TRUSTEES**	Elizabeth Barritt Trevor Cottee
Effective from **Last Review Date**	11/02/2025 September 2025
Next review date	September 2026

1. Purpose
This policy sets out Sailship's approach to holding and managing financial reserves. It ensures we maintain sufficient funds to safeguard our operations, respond to unforeseen challenges, and invest in future growth—especially in support of our therapeutic gardening, inclusive education, and dementia-friendly initiatives.

2. Definition of Reserves
Reserves are unrestricted funds that are freely available to spend on any of Sailship's charitable purposes. They exclude:

- Restricted funds (earmarked by donors for specific use)
- Designated funds (set aside by trustees for planned activities)
- Fixed assets (e.g. land, buildings, equipment)

3. Why We Hold Reserves
We hold reserves to:

- Ensure continuity of services during funding gaps or delays
- Cover unexpected costs (e.g. emergency repairs, legal fees)
- Support strategic development and innovation
- Provide financial stability for long-term planning
- Meet obligations to staff, learners, and partners

4. Target Level of Reserves
Our target is to hold 3 months of core operating costs in unrestricted reserves. This equates to approximately £70,000 based on current expenditure.

This level is reviewed annually and adjusted in line with:

- Changes in funding landscape
- Expansion or reduction of services
- Risk assessments and contingency planning

5. Monitoring & Review
The Board of Trustees reviews reserves quarterly and formally at year-end

The Treasurer reports on reserves in financial statements and the annual report

Any significant deviation from the target level is discussed and addressed by the board

6. Use of Reserves
Reserves may be used for:

- Bridging short-term funding gaps
- Responding to emergencies or urgent needs
- Investing in new projects or infrastructure
- Supporting strategic transitions (e.g. staff changes, legal restructuring)

All use of reserves must be approved by the board and recorded in meeting minutes.

7. Transparency
We disclose our reserves policy and current reserve levels in our Trustees' Annual Report to the Charities Commission, explaining:

- Why reserves are held
- How much is held
- How they may be used
- When the policy will next be reviewed

8. Review Schedule

This policy is reviewed annually or sooner if circumstances change significantly.

Elizabeth Barritt MA/QCG/BA(Hons)

Sailship Trustee/CEO

Trevor Cottee MBA/MSc/Lt.Col.(retd)

Sailship Chair of Board of Trustees