# SILO THEATRE TRUST

## Reserves Policy

## Last Updated March 2026

### Purpose

The purpose of this policy is to ensure Silo Theatre (**Silo**) maintains an appropriate level of financial reserves to support the long-term sustainability of the organisation and manage financial risk.

Financial reserves provide protection against fluctuations in revenue, unforeseen operational costs, and broader economic uncertainty. They allow Silo Theatre to continue delivering its core artistic programme and meeting its commitments to artists, staff and partners during periods of financial instability.

### Definition of Financial Reserves

Financial reserves are defined as unrestricted funds held by Silo Theatre that are readily available to support organisational operations in the event of unexpected financial pressures.

Reserves do not include funds that are:

- Restricted for specific projects or programmes
- Committed to future productions or contractual obligations
- Held on behalf of third parties
- Allocated to fixed assets or non-liquid investments

### Target Reserve Levels

Silo Theatre aims to maintain financial reserves equivalent to **three to six months of core operating expenditure**.

This level of reserves is considered appropriate for a producing arts organisation with:

- Significant project-based income and expenditure
- Reliance on box office revenue, philanthropic funding and public investment

- Exposure to economic conditions and changes in audience behaviour

Maintaining reserves within this range allows Silo Theatre to respond to financial uncertainty while continuing to deliver its artistic programme.

The Board recognises that reserve levels may fluctuate over time due to the cyclical nature of producing theatre and the timing of production expenditure. Where reserves fall below the target range, rebuilding reserves will remain a strategic priority as part of long-term financial planning.

## Purpose of Reserves

Financial reserves may be used to:

- Manage temporary shortfalls in revenue
- Support cashflow during production cycles
- Respond to unexpected operational costs
- Protect the organisation during economic or sector disruptions
- Ensure the organisation can meet its obligations to artists, staff and suppliers
- Provide stability during strategic transition or organisational change

Reserves are not intended to fund ongoing operational deficits or replace sustainable revenue streams.

## Monitoring & Governance

The Board of Trustees is responsible for oversight of Silo Theatre's financial reserves.

The Board will:

- Review reserve levels annually as part of the budgeting and financial planning process
- Monitor reserves through regular financial reporting
- Consider reserve levels when approving strategic investments or new initiatives

The Executive Director will report to the Board on reserve levels and any significant changes to the organisation's financial position.

## Use & Replenishment of Reserves

Where reserves are used, the Board and leadership team will develop a plan to replenish reserves over an appropriate timeframe, taking into account the organisation's financial capacity and operational priorities.

This may include adjustments to expenditure, fundraising activity or revenue generation strategies.

## Policy Review

This policy will be reviewed by the Board every three years, or earlier if there are significant changes to the organisation's financial structure, operating environment or strategic priorities.

## Version History

| Version | Changes Made | Who | Date |
|---|---|---|---|
| 1.1 | Reviewed and updated | Tim Blake & Simon Vincent | March 2026 |
| 1.0 | Policy created | Silo Theatre | 2022 |

**The Silo Theatre Trust Board**