

**The Royal Shakespeare
Company
Stratford-upon-Avon**

Registered charity number 212481

Report and Annual financial
statements

Year ended 31 March 2024

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TRUSTEES' REPORT

The Trustees are pleased to present their annual report together with the consolidated financial statements of The Royal Shakespeare Company ("RSC", "the Company" or "the Corporation") and its subsidiaries for the year ending 31 March 2024.

The financial statements comply with the Charities Act 2011, the Royal Charter and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

INTRODUCTION

The Royal Shakespeare Company (RSC) is one of the world's best-known theatre companies.

We are a theatre and learning charity that strives to create world-class theatre, made in Stratford-upon-Avon and shared around the world, performing plays by Shakespeare and his contemporaries, as well as commissioning and performing an exceptionally wide range of original work from contemporary writers. We also place the craft of theatre making in new digital contexts, to create new theatrical experiences and reach audiences in new ways.

Our purpose is to:

- **Ensure that Shakespeare is for everyone**, unlocking the power of his plays in live performance, throughout the UK and across the world.
- **Train generations of the very best theatre makers** and nurture the talent of the future.
- **Reach more than half a million young people** and adults each year through our transformative learning programmes.
- **Create projects with and for communities** who have not historically engaged with our work.

The RSC is a vital national organisation, globally significant, embedded in the West Midlands with long and effective partnerships serving schools and communities across the country. It is one of the largest funded Arts Council England (ACE) National Portfolio Organisations (NPOs), generating economic, social and educational impact throughout the country, in our community in Stratford-upon-Avon, across the West Midlands, and throughout our vast national and international network of artists, audiences and partners.

Our Stratford campus is the home of the RSC with four performance spaces:

- **The Royal Shakespeare Theatre** (capacity c.1000) is known as our 'main house', producing large-scale Shakespeare, family productions and musicals.
- **The Swan Theatre** (capacity c.460) is dedicated to the work of Shakespeare and his contemporaries, other classical work and new writing. The Swan Theatre reopened in March 2023, having undergone essential structural maintenance work.
- **The Other Place** is our dedicated hub of new writing, research and development as well as housing our flexible Studio Theatre (capacity up to 250) which can be configured in a variety of different ways. It has, until now, been used for the New Work Festival each year. Our new Co-Artistic Directors, Daniel Evans and Tamara Harvey, are working to transform the theatre so that it can be programmed year-round. It also contains our rehearsal spaces and a public cafe and social space.
- **The Holloway Garden Theatre** will be brought back to the Swan Gardens in 2024 for shorter versions of Shakespeare's works, family-friendly workshops and a brand-new season of free performances by community and youth groups.

Stratford is also home to our restaurants, retail offer, public events programme, Museum and Archives, Clore Learning Centre, Costume Workshop, Costume Hire operation, Technical Workshops, gardens and an extensive residential property portfolio leased to artists during their time with us. As a key employer and stakeholder in the town, our relationship with Stratford and the wider Midlands is unique as the only major national theatre company based outside London.

In London, we have year-round performances of *Matilda The Musical* at the Cambridge Theatre (celebrating its 12th year in 2023). 2023 also saw us return to the Barbican with the award-winning, record-breaking adaptation of *My Neighbour Totoro* in partnership with Studio Ghibli, Nippon TV and Improbable. We regularly transfer work to the West End, either under our own management or in collaboration with a producer or theatre owner, including *Hamnet* at the Garrick Theatre and *The Empress* at the Lyric Hammersmith.

We are committed to building new international collaborations, working with international artists, hosting companies from other nations and, in time, co-creating work with theatres worldwide. Ensuring we maintain global presence is also key to our international brand profile, fundraising and income strategies. We have a long history of global touring, and have previously worked in New York, Washington and China, among others, with our Shakespeare productions and work by contemporary writers. We have undertaken significant performance and skill sharing residencies at leading US Universities including Ohio State and Michigan. *Matilda The Musical* enjoyed a highly successful run on Broadway followed by an extensive US tour as well as tours in Australia, New Zealand and Asia. More productions of *Matilda* will continue to be staged over the coming years in various territories and we have international ambitions for *My Neighbour Totoro*.

Our transformative Learning and National Partnerships work reaches over half a million young people and adults each year, and through our Creative Placemaking and Public Programme, we create projects with and for communities who have not historically engaged with our work. We have one of the UK's largest and most respected arts learning programmes, working with over 1,000 schools each year to broaden access to high-quality arts learning and transform experiences of Shakespeare in schools. Through our national Associate Schools programme, we work with schools and regional theatres to target areas of structural disadvantage, including 26 areas of multiple deprivation across the country, from Cornwall to Middlesbrough, which we intend to expand to more areas.

Our pioneering *Time to Act* social impact research shows that our approaches to teaching Shakespeare make a statistically significant improvement in the language development of children in schools. The research also demonstrates the development of reading and writing skills, raising of aspirations and improvement of student attitudes to school and learning in general. Our approaches also foster wellbeing, self-esteem, empathy, resilience and tolerance, and promote critical-thinking, creative, analytical, communication and problem-solving skills. The full findings of the research study can be found here: <https://shorturl.at/KiKWWh>

The RSC is sector-leading in several other areas: we are the first (and currently only) performing arts organisation to have been awarded Independent Research Organisation (IRO) status; we are a leader in creative immersive technologies and digital development; and we have a proud history of innovation, diversity and excellence on stage and are determined to grasp the opportunity to become an even more inclusive, relevant and ambitious organisation. We also recognise the climate emergency and work hard to embed environmental sustainability into our operations, creative work and business practice. We commit to continually reduce our carbon footprint.

KEY FACTS

- 2023/24 marked the year in which the RSC achieved Gregory Doran's stated ambition to stage the entire canon of plays in the First Folio, the first printed collection of Shakespeare's plays.
- Over 1 million visitors come to see our shows, exhibitions, events, book our guided tours, shop, and dine in our restaurant and cafes in our Stratford-upon-Avon theatres each year.
- We are the only theatre company in the country with our own on-site Costume Workshop, making armoury, producing breastplates, gauntlets, belts and weaponry.
- In 2023/24 we worked with 1,400 schools, reaching 515,000 children and young people through our Learning work, transforming experiences of Shakespeare in the classroom, in performance and online.
- In one year, 70,000 students watched our free RSC Schools' Broadcasts of Shakespeare plays from their classrooms, supported by live Q&As with the creative teams.
- Our *Live From* films, alongside other RSC productions, were broadcast on the BBC and Sky for the anniversary of the First Folio, and were viewed by over 150,000 people, and the films viewed a further 275,000 times via our online distribution partners worldwide in education settings and at home.
- We have 949,000 followers across our social media channels including X / Twitter, Facebook, Instagram and TikTok.
- *Matilda The Musical* has won 101 international awards and has played on four continents. Over 11million people have now seen the production worldwide.
- *My Neighbour Totoro* broke its own box office record at the Barbican, playing to capacity throughout its 17-week run. It was nominated for nine Olivier Awards, the most nominations for any production in 2023, and won six awards.
- Public funding for the arts makes up just 0.05% of government spending, but delivers an extraordinary return, supporting the performances you see on stages all over the country, in schools, in regional partner theatres and their communities, and online.

OUR PUBLIC BENEFIT

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The Charitable Aims of the Royal Shakespeare Company are as follows: "to conserve, advance and disseminate the dramatic heritage of Shakespeare and advance and improve the dramatic art in the UK and throughout the world; producing and presenting dramatic performances of all kinds and teaching, training and other educational activities. These objectives are achieved by the production of plays by Shakespeare, other classic playwrights and commissioning new work."

MESSAGE FROM THE CHAIR

It is my pleasure to be writing the Chair's Statement for the Company for the year ending 31 March 2024.

It was a year of reimagination and vital transition to new artistic leadership. The Board of Trustees appointed Daniel Evans and Tamara Harvey as Co-Artistic Directors, signalling a pivotal and exciting moment in the RSC's history. In February 2024, the Board appointed Andrew Leveson as Executive Director and he joined the company on 28th April 2024. He is an integral part of the leadership trio imagining, driving and staging the ambitious next chapter in the RSC's history. Together, the Board has entrusted and will support them with the necessary transformation within the organisation; implementing a new strategy to ensure the RSC is one of the most innovative creative institutions and learning charities, welcoming world-class artistic talent, delighting and enriching the lives of existing and new audiences at home and abroad, and increasing radically the reach and impact of our pioneering learning, partnerships and digital work.

There have been, and will continue to be, challenges to face. Over this period, many of us were affected by significant cost-of-living increases, and as a charity we also felt the effects. Against this backdrop of economic instability, our continued recovery in 2023/24 was based on a programme of Shakespeare productions in Stratford-upon-Avon reinforced by an ongoing commitment to new ambitious work, in Stratford and in London, including *Matilda The Musical* and *Hamnet* in the West End and *My Neighbour Totoro* at the Barbican. Our future is predicated on new income generation and refreshed entrepreneurialism; a need for investment in buildings, infrastructure and systems; and a review of our use of resources so we can have maximum flexibility for delivering our ambitions for 2024 and beyond.

The RSC has a loan of £20million from the DCMS Culture Recovery Fund, which continues to provide a critical helping hand to enable the company to plan for the future, albeit with a different financial model. The pandemic necessitated the RSC dig deep into financial reserves and this loan provided financial stability at a very difficult time, but with a long-lasting impact in terms of repayment.

Going forward, our collective resilient spirit, strong leadership team and the skills and commitment of our people will drive our ambition to grow creative collaborations, diverse audiences, and an exciting new artistic vision and season of work from our Co-Artistic Directors. We are deepening our commitment to expanding our Associate Schools Programme that is statistically proven to improve the learning outcomes of young people in areas of structural disadvantage, to improving environmental sustainability, inclusion and representation on our stages and in our workforce, pioneering digital innovation and experimentation and transforming lives through active engagement with Shakespeare's plays.

We are developing a new Business Plan, underpinned by sharpened priorities and a resilient, adaptable base from which to make bold choices. We will focus on our commercial income strategy to further build financial resilience. We will require new and increased sources of income and sustainable long-term growth to achieve our ambitions. We will continue to build a fundraising culture and articulate a clear vision for the Company, ensuring the case for both public and private funding is communicated effectively.

I would like to express our gratitude to King Charles III, who was our President when he was Prince of Wales, in agreeing to be our Patron. We are very fortunate in his palpable love of Shakespeare and his joy and faith in the power of the performing arts.

It is a huge privilege for me to chair the RSC Board with the vital support of so many. I would like to thank first and foremost our people - employees, freelancers and partners - who bring talent and dedication in everything we do. I would also like to express heartfelt appreciation to our supporters and donors for their remarkable generosity and belief in us.

I would like to acknowledge the ongoing Government recognition and support, particularly from Arts Council England, the Department for Culture, Media and Sport, the Department for Education, and the Treasury for retaining the higher rate of Theatre Tax Relief. The impact has been significant; we warmly welcomed the announcement in March 2024 of a new rate for Theatre Tax Relief of 40% for non-touring productions, and 45% for touring productions to commence from 1 April 2025. These new permanent rates will be transformative for the RSC and the wider sector, unlocking more and bigger productions and creating more value to the economy and jobs in our world-class theatre sector.

We are delighted that we have been able to retain our Arts Council England National Portfolio status for the next three years. Their ongoing recognition and investment in our work and commitment to core funding is the foundation from which we intend to continue to grow our impact and income and deliver our ambitious future plans.

I would like to thank my fellow trustees, both current and previous, for working collaboratively to shape our direction and for giving their time and skills so freely. We said goodbye and expressed our sincere appreciation to Ian Squires for his service, insights and wisdom over 9 years as a trustee. We are also sorry that because of a relocation overseas, Lucy Williams will be retiring from the Board at the end of this calendar year, but delighted she will remain as Governor. We are very grateful to her for her contribution over the 5 years as a trustee, member of the RAFCo and as the Board Safeguarding Champion. We were delighted to welcome to the Board, Sir Nicholas Hytner in September 2023 and Geoff Barton's attendance from April 2024. The Board is recommending the nominations of Andrew Leveson and Geoff Barton as Governors and Trustees to the Governors for election at the 2024 AGM.

During the financial year, we reiterated our deep thanks to outgoing Executive Director, Catherine Mallyon, Artistic Director Emeritus, Gregory Doran, and the former Acting Artistic Director, Erica Whyman for their generous and inclusive leadership and contribution to the Company over the last decade and more. We would not be in the strong position we are in today without them.

We are very fortunate to be so well led by exceptional Co-Artistic Directors, Daniel Evans and Tamara Harvey and, over the period from January to April 2024, the Interim Co-Executive Directors, Vicky Cheetham and Sandeep Mahal, and their talented teams. They have been vital in ensuring a smooth transition and handover to Andrew Leveson.

I am honoured to be part of this exciting new chapter of the RSC.

Shriti Vadera

MESSAGE FROM THE CO-ARTISTIC DIRECTORS

In the year which marked the 400th anniversary of the publication of Shakespeare's First Folio, we joined the RSC as Co-Artistic Directors in June 2023. We have spent that time listening, absorbing, planning and beginning to introduce new thoughts and ideas around the way the Company works and how it engages with the wider world.

It has been a moment to renew and refresh our artistic programme and creative practice, to find new ways of working, to nurture our existing communities and reach new audiences. It has also been a moment to find more diverse opportunities for income generation, for partnership and for innovation.

We have met hundreds, possibly thousands, of stakeholders, including audiences, artists, staff, donors public and private, young people, alumni, academics, politicians, members of the Royal family, colleagues from across the theatre industry and leading figures in other industries, including the wider world of entertainment and of business.

We engaged in a wide consultation process and refreshed our vision, mission and values. Our current statements are that: *the RSC is a global multi-platform theatre company bringing stories to life. We bring people together to experience stories that deepen our understanding of ourselves, each other and the world around us, and bring joy. Shakespeare's ability to explore all of human nature is our inspiration and touchstone.*

Reflecting back on the 2023/24 season, the RSC presented a series of new artistic productions, commissioned by former Acting Artistic Director, Erica Whyman, which addressed the question of power: who holds it, how does it transform human behaviour, and how might the world change when power shifts? And Greg Doran's beautiful final show, the critically acclaimed *Cymbeline*, illuminated Shakespeare's fascination with power in its story of nationhood and reconciliation.

Julius Caesar began its run in the RST, striking a particular chord with younger audiences, before embarking on a national tour to seven partner theatres throughout England. *As You Like It* explored a new perspective on the play with a cast made up largely of older, experienced actors reinventing their roles for a different generation. An adaptation of *Hamnet*, directed by Erica Whyman, found its natural home in Stratford-upon-Avon. It played to packed houses in the Swan before transferring to the Garrick Theatre, London where it played for 20 weeks. More schools than ever before saw *Macbeth* in the RST: 114 schools in total, of which 90% were comprehensive schools. Following their respective runs in the Swan, we saw transfers to London of *Cowboys* (Royal Court Theatre) and *The Empress* (Lyric Hammersmith).

In preparation for presenting *Cowboys* in the Swan Theatre, we developed our gender-inclusive cultures and practices, by renaming the Costume Workshop rooms to align with new policies and facilitating training with local businesses alongside a charity called Gendered Intelligence.

We continued to improve access to our work by launching a pilot scheme with Stagecoach and Warwickshire County Council to provide a late-night bus service connecting Stratford-upon-Avon to Leamington Spa, Warwick and Coventry for audiences and evening shift workers. The X18 late-night service started in autumn 2023 and will continue on a permanent basis due to levels of demand.

Gregory Doran curated an event at Windsor Castle hosted by the King and Queen to celebrate the 400th anniversary of the publication of Shakespeare's First Folio. The Folio was the first collected edition of Shakespeare's plays. The radical act by two actors in the 17th century, John Heminges and Henry Condell, was a gift to the world. We staged a host of stars from British Theatre and watched actors and musicians from the RSC perform extracts from the 36 plays included in the First Folio. We continued to celebrate the First Folio at corresponding events at the home of the US Ambassador to the UK in Regent's Park (London) and the UK Embassy in Washington DC.

The Box of Delights and *The Fair Maid of the West* played over Christmas with healthy audiences. Half an hour before curtain-up, members of the *Fair Maid* cast joined three talented musicians in the Swan bar to play, sing and raise a tankard as a wonderful warm-up to the show. *A Midsummer*

Night's Dream played to packed houses in the RST, while *Ben and Imo* marked Erica Whyman's final production as Acting Artistic Director. We announced that *A Midsummer Night's Dream* will transfer to the Barbican this autumn.

Outside of our theatres, our work continued with partners based in New York on a new video game based on a Shakespearean tragedy. We held a fortnight's intensive course for young to mid-career directors, led by Robert Icke in Stratford-upon-Avon, focused on approaching Shakespeare.

In London, *My Neighbour Totoro* broke its own box office record at the Barbican, playing to capacity throughout its 17-week run. In June 2024, the company of *My Neighbour Totoro* was invited to participate in the Japanese State visit and performed a scene for Their Majesties The Emperor and Empress of Japan.

We marked a second successful partnership year with social media giant TikTok who support our young person's ticket scheme. Over 5,300 tickets were taken up by schools and 2,700 by 14-25 year-olds. *Matilda The Musical* had its highest grossing week ever over Christmas at the Cambridge Theatre in the West End. The cast of *Matilda The Musical* even cheered on the Lionesses as part of a promo for their World Cup campaign.

Planning work for our opening season moved up a gear throughout the autumn, culminating in the launch events in January 2024, where we announced a whole year's programme: 17 shows including seven Shakespeares, four new plays, a Restoration comedy, a play by a Shakespeare contemporary, two visiting shows, a family show and a Next Generation show by young people. We have nine directors and countless actors making their RSC debut, at different stages in their careers. We have already announced *The Buddha of Suburbia*, our first show to be performed in the Swan, will transfer to the Barbican this autumn.

In building this first season, which opened in April 2024, our north star is the artists: seeking out the most exciting directors, actors and writers of our times and asking them which stories they feel a passionate need to tell. Alongside this focus on artists has been the constant question of "why this show, why now?" – always ensuring that we know who we are speaking to and how a particular story, however new or old, might be in conversation with the nation and with the globe.

We want to fling our doors wide open so that our RSC is welcoming as many people as possible and giving our audiences a space where they can see themselves reflected and understand more about our shared humanity. In all of this, we have been in conversation with our colleagues in Learning and National Partnerships and in Digital Development, making sure that the work we do on our stages is intricately linked with our work in classrooms, communities and in the virtual sphere. Across the organisation, we are asking our teams to review and challenge working practices so that we can be more agile, responsive and engaged, ensuring that our artists and our audiences have the best possible experience with us, knowing that as we begin this new chapter, they will be our greatest advocates.

We will refresh the RSC brand for this post-pandemic future and increase income through multiple new revenue streams. Everyone at the RSC contributes to everything that you see on and off our stages. Our staff and freelancers bring their commitment, creativity and talents to make the RSC a very special place to work.

While the current external landscape is uncertain, and while the value of the arts in society continues to be contested in some quarters, we remain optimistic and enthusiastic about the future. We are excited to continue to bring resonant stories to life, to develop the craft of storytelling – whether on stage, online, or in the classroom – and to inspire future generations of artists, audiences and theatre makers to connect with the RSC locally, regionally, nationally and internationally.

Daniel Evans & Tamara Harvey

MESSAGE FROM THE EXECUTIVE DIRECTOR

Since joining the RSC in April 2024, it has been hugely heartening to see the organisation looking forward with clarity, ambition and excitement.

The RSC is proudly a national organisation, committed to our home in the West Midlands, and to the partners, artists and communities with whom we make theatre, locally, regionally, nationally, and internationally. Our deep partnerships over the last 16 years with a nationwide network of 250 Associate Schools and 12 theatres, all in areas of multiple disadvantage, describe a fundamental, embedded commitment to co-creation, meaningful and mutual collaboration, and to sharing our resources strategically where they are most needed.

We have enjoyed a year of strong financial performance. *Matilda The Musical* saw an instant increase in popularity from the release of the film version. *My Neighbour Totoro* also added to the success of the London box office. The reopening of the Swan Theatre further contributed, as did unrealised investment gains.

In this financial year, we thanked Catherine Mallyon for the commitment, dedication and passion with which she led as Executive Director of the RSC for over a decade. We saw through a number of senior leadership transitions including the appointment of Interim Co-Executive Directors, a new Chief Financial Officer and a new Director of Development.

We supported Daniel and Tamara as they began to outline their vision for change. We took the first steps in a strategic review of the organisation, exploring what it means to be ambitious, inspiring and optimistic but also to look unflinchingly at the challenges and vulnerabilities in our organisation, not least the significant pressures from an aging capital and estates infrastructure. We committed to our extraordinary learning work, innovation, to research, and to becoming a national Shakespeare organisation where, alongside confident existing audiences, next generations (Z & Alpha) and underserved constituencies can find relevance, connection and belonging.

Consultation, listening and joint working has been a cornerstone of this work, and we continued to increase integration between that consultation and our creative programme. Our series of in-depth surveys and focus-group sessions engaged with audience members, staff, freelancers, industry partners and networks, with members of the Stratford community, with our learning and national partners and non-attenders. We explicitly questioned the kind of impact we are uniquely placed to make, and the values and behaviours we hold important in aiming for that.

We delivered in 2023/24 an exciting range of activities including our Stage Productions, Learning and National Partnerships, Talent Development and Youth Leadership, Virtual RSC, and our Creative Placemaking and Public Programme. We will build upon these strong beginnings in 2024/25 as we articulate a refreshed longer-term ambition and business plan for the organisation.

None of these achievements would have been possible without the extraordinary dedication, skill, and imagination of so many people. Our deepest thanks also go to all the artists and the staff, alongside our steadfast partners, donors and supporters, in government and in business, and individuals who have stood with us over the last year. And to our audiences, who returned – both in person and digitally – in such numbers and with such enthusiasm.

Andrew Leveson

ACHIEVEMENTS AND PERFORMANCE

The activities reported within this Trustees Report are in line with the Business Plan agreed for the 2023/24 period. The 2023/24 business planning included a strategic and consultative planning process for a new framework for the period from April 2023.

This framework was completed and aligned with a new funding agreement we have in place with Arts Council England for the 2023-26 period, reflecting the RSC's inclusion within the National Portfolio.

During the financial year, these ambitions were delivered through an exciting range of activity groupings and a *Making a Difference* change programme.

The activity groupings were:

- Stage Productions
- Learning and National Partnerships, including Youth Leadership and Talent Development, Shakespeare Nation and touring, 37 Plays
- Development of Virtual RSC
- Embedding the RSC as an IRO
- Creative Placemaking and Public Programming

The areas for the *Making a Difference* change programme were:

- *Capacity and Skills Development*: develop our workforce, leadership and governance to streamline, integrate and ensure the capacity to deliver activities.
- *Co-creation and Representation*: collaborate and co-create activities with the groups and expertise we have, or will bring together.
- *Integration and Accountability*: use plans, policies, tools and resources to help us deliver and report on progress against our ambitions.

The *Making a Difference* programme focused on delivery of our 2023/24 business plan by supporting people with creating culture change, offering training and leadership development, streamlining processes and systems, fostering effective teams, and through making our entire community feel included and supported.

PRODUCTIONS PRESENTED IN 2023/24

In the year which marked the 400th anniversary of the publication of Shakespeare's First Folio, the RSC presented a series of new artistic commissions which addressed the question of power: who holds it, who should, how does it change human beings, how might power shift and what could be transformed in our world as a result.

The season featured ambitious re-imaginings of **Julius Caesar**, **Cymbeline**, **As You Like It** and **Macbeth** which ran consecutively from April to October 2023 in a break from the Company's usual repertory model. The season also included a new production of **Hamlet**, chosen and performed by Next Generation Act, the RSC's company for talented young people from backgrounds that are under-represented in the arts.

We reopened the newly refurbished Swan Theatre, following its closure during the Covid-19 pandemic in 2020. The refurbishment included a new infrastructure for lighting, sound and video, repairs to the woodwork and brickwork, new wider seats with armrests in all positions replacing the previous bench seating, improved access including more designated wheelchair spaces and an enhanced hearing loop.

April

The Stage Debut Award-winner (2019) and UK Theatre Award-nominated director **Atri Banerjee** made his RSC debut with a visceral new production of **Julius Caesar**. Atri's role was recruited through OpenHire; a new initiative by Derek Bond and Josh Roche which aims to improve transparency and access to freelance creative jobs in theatre. The production visited nine venues across the country including RSC Partner Theatres, and marked the beginning of an ambitious three-year programme to expand the reach of our national touring footprint and place co-creation with the communities we serve at the heart of our theatre-making, supported using public funding by the National Lottery through Arts Council England. **Julius Caesar** toured to venues including The Marlowe Theatre Canterbury; Hall for Cornwall, Truro; The Alhambra, Bradford; Theatre Royal, Newcastle; The Grand Theatre, Blackpool; Theatre Royal, Nottingham; Theatre Royal, Norwich; Theatre Royal in York and The Lowry, Salford.

The production featured a **Community Chorus** made up of six people recruited from their local communities, with a particular focus on 'Community Leaders' such as teachers, support workers, campaigners, church leaders and volunteers in the community. The participants worked closely with professional RSC practitioners to develop their own leadership and other transferable skills and explored in greater depth the nature of what makes a good leader today.

Gregory Doran (RSC Artistic Director Emeritus) directed his 50th production for the Royal Shakespeare Company with a new staging of William Shakespeare's dark fairytale **Cymbeline**. It was also his last production as RSC Artistic Director Emeritus and the last play in Shakespeare's Folio.

Gregory Doran also released a memoir charting his personal and professional journey. *My Shakespeare: A Director's Journey Through the First Folio* (Methuen Drama) presents a detailed account of Doran's experiences either directing or producing each of Shakespeare's plays in the First Folio.

We opened the newly refurbished Swan Theatre with a world-premiere stage production of **Maggie O'Farrell's Hamnet**, adapted by Lolita Chakrabarti, and directed by then Acting Artistic Director, **Erica Whyman**. The story pulls back a curtain on the imagined life of William Shakespeare and the woman who would become the constant presence and purpose of his life: Agnes Hathaway, and his family who influenced his work. The production was adapted for the stage by award-winning playwright **Lolita Chakrabarti**, whose writing credits include *Red Velvet*, *Invisible Cities*, *Hymn*, *The Goddess* and the award-winning stage adaptation of Yann Martel's novel *Life of Pi* (winner of

five Olivier awards including Best New Play, 2022). The production featured Design by **Tom Piper**, Lighting by **Prema Mehta** and Music by **Oğuz Kaplangi**.

May

Olivier Award-nominated director, writer and dramaturg **Omar Elerian** directed a playful and provocative take on Shakespeare's summertime comedy, ***As You Like It***. Challenging the stereotypes and pre-conceptions associated with growing older, a company of actors – many who were aged over 70 together with four younger actors – performed one of Shakespeare's most joyous tales.

June

Award-winning director and site-specific theatre-maker **Wils Wilson** directed a thrilling new interpretation of Shakespeare's ***Macbeth***, with a contemporary makeover of the Porter scene by comedian **Stewart Lee**. It played in the RST to over 55,000 people and more schools than ever – 114 schools in total, of which 90% were comprehensive schools.

July

The Swan Theatre's re-opening season continued with a new production of ***The Empress*** by **Tanika Gupta**, Artistic Associate of Lyric Hammersmith Theatre, directed by **Pooja Ghai**. The play was added to the GCSE English Literature syllabus following a campaign spearheaded by the RSC's Youth Advisory Board – one of four new plays by writers of colour that have been added to the syllabus to better reflect the diversity of playwriting in the UK. The production transferred to the Lyric Hammersmith Theatre for four weeks in October, before returning to conclude its run in Stratford-upon-Avon in November.

Paul Ainsworth directed the RSC's Next Generation Act Company, a group of young people recruited from across the country, in their interpretation of Shakespeare's ***Hamlet***. In this abridged version, they explored the unstable state of Denmark through the eyes of the younger generation in the play and how the actions of those in power affect the inheritors of the nation. Performed in ***The Other Place***, the company of twenty-five 13-18 year-olds represented young people from across our Associate Schools Programme, led in partnership with Lead Associate Schools and Associate Regional Theatres. The production was made with and by young people including a young Associate Director and behind-the-scenes creatives drawn from the RSCs Next Generation Backstage and Direct talent development programmes.

August

Alongside ***The Empress***, and building on the tradition of premiering new work in the Swan Theatre, award-winning playwright **Brad Birch's** new play ***Falkland Sound***, about a community plunged into the middle of an international crisis, was directed by **Aaron Parsons** with Design by **Aldo Vázquez**. Inspired by the real-life testimonies of those who lived through this seismic moment in history, Brad's research for the play included a 10-day visit to the Falkland Islands in 2018, during which time he travelled across the country, interviewing the islanders and immersing himself in their unique way of life.

September

Tracy-Ann Oberman returned to the RSC in a new production of Shakespeare's classic ***The Merchant of Venice*** directed and adapted by **Brigid Larmour**. Presented by Watford Palace Theatre in association with HOME Manchester and developed with support from the RSC, this gripping new production offered a rare and vivid insight into a dark chapter in our history, all too relevant to Britain today.

October

Completing the season was Charlie Josephine's ***Cowboys***, co-directed by **Charlie Josephine** and **Sean Holmes** (Associate Artistic Director of Shakespeare's Globe). This rollicking queer cowboy show followed hot on the heels of Charlie's critically acclaimed ***I, Joan***, which premiered at Shakespeare's Globe in April 2022. Part gun-slinging Western, part love story for our times, this playful and exuberant celebration of queer love, freedom and self-expression told the

story of handsome bandit Jack Cannon, whose unprompted arrival in a sleepy frontier town inspired a gender revolution and started a fire under the petticoat of every one of the town's repressed inhabitants.

Our festive offering in the RST was **Piers Torday's** magical reimagining of John Masefield's much-loved children's classic, ***The Box of Delights*** and was watched by over 57,000 people. Newly appointed Chichester Festival Theatre Artistic Director **Justin Audibert** returned to the RSC to direct this fantastical tale.

November

In collaboration with Executive Producer **Joe Hisaishi**, **Improbable** and **Nippon TV**, Studio Ghibli's ***My Neighbour Totoro*** returned to the Barbican Theatre for a limited 17-week run and broke a second box-office record for tickets sold in a single day. The global stage premiere of **Hayao Miyazaki's** celebrated 1988 animated feature film, adapted by **Tom Morton-Smith** (*Oppenheimer*), was first announced in April 2022. The production received both critical and audience acclaim, winning five What'sOnStage Awards, and being nominated for nine 2023 Olivier Awards, the most nominations for any production that year. It went on to win the most awards of any production – a total of six awards. The winning categories were:

Best Set Design: **Tom Pye**

Best Costume Design: **Kimie Nakano**

Best Director: **Phelim McDermott**

Best Entertainment or Comedy Play

Best Lighting Design: **Jessica Hung Han Yun**

Best Sound Design: **Tony Gayle**

December

In the Swan Theatre, Olivier Award-winning playwright **Isobel McArthur** made her RSC debut directing and adapting Thomas Heywood's Elizabethan comedy-romp ***The Fair Maid of the West***. It was a celebratory, music-filled, ensemble comedy focusing on the life-saving powers of community, compromise and compassion.

January

Mathew Baynton made his RSC debut as one of Shakespeare's most famous comic characters, Bottom, in a dazzling new production of ***A Midsummer Night's Dream***, directed by **Eleanor Rhode**. It was seen by over 65,000 people. We had terrific responses, including a 5* review in *The Guardian*.

February

Samuel Barnett and **Victoria Yeates** made their RSC debuts to play, respectively, Benjamin Britten and Imogen Holst in ***Ben and Imo***, written by **Mark Ravenhill** and directed by **Erica Whyman**. *Ben and Imo* told the story of the creative relationship between composer Benjamin Britten and Imogen Holst, daughter of Gustav Holst and an accomplished musician in her own right.

Romeo and Juliet

Our series of First Encounters productions made Shakespeare's star crossed lovers relevant for a new generation of theatregoers. This 90-minute version of ***Romeo and Juliet***, edited by **Robin Belfield** and directed by **Philip J Morris**, used original language to create the perfect introduction for young people aged 7-13 and their families. As well as two weeks of performances for school and family audiences in Stratford-upon-Avon, this production played 89 performances, toured to 20 schools and 7 theatres around the country reaching a total audience of 17,212 children, young people and adults.

KEY HIGHLIGHTS FROM OUR LEARNING & NATIONAL PARTNERSHIPS, INCLUDING SHAKESPEARE NATION, 37 PLAYS, YOUTH LEADERSHIP & TALENT DEVELOPMENT

The primary goal of our Learning and National Partnerships activity was to redefine who enjoys, shapes, learns about and participates in Shakespeare's work. The team's work placed a special emphasis on working with schools because for most people, school is where their first encounters with Shakespeare happen. We have compelling evidence, built over a number of years, that shows how Shakespeare's plays and RSC teaching approaches raise aspirations and attainment, develop resilience and confidence, promote wellbeing, inclusion and a sense of belonging in individual children, parents and whole school communities. During 23/24 the work of our Learning and National Partnership team sought to maximise that impact.

We focused on achieving that through five interconnected programmes:

1. **National Partnerships** – through our Associate Schools Programme, we work in partnership with schools, communities and regional theatres to co-design year-round programmes of theatre-making, inspire creative change and enrich national research into the impact of Shakespeare's work on children's learning outcomes. The same two themes have consistently emerged about the difference that the combination of Shakespeare's language and RSC teaching approaches make to children:
 - a. Children's literacy, particularly their speaking and their writing improves. They write more, they use more complex sentences, they want to write – particularly children who have previously been reluctant writers.
 - b. Children's academic self-concept improves. When a child feels confident about Shakespeare's work, they feel differently about what they can achieve.
2. **Youth Leadership and Talent Development** – supporting young people in areas of structural disadvantage to lead change in their schools and communities as they co-design and participate in theatre-based talent development and leadership pathways towards paid training and employment.
3. **Learning Programmes** – creating opportunities to learn about and through Shakespeare's plays, developed for and with children, young people and teachers. Offering workshops, conferences, teacher training and online materials that transform attitudes and approaches to Shakespeare's work.
4. **Shakespeare Nation and touring** – touring Shakespeare productions in Levelling Up for Culture Places. This year, we embarked on a large-scale tour of *Julius Caesar* which was co-created with Associate Theatre communities. Our First Encounters with Shakespeare small-scale tours are planned and made with and for young people and families.
5. **37 Plays**: an invitation to everyone to write stories for performance, developed, chosen and celebrated with our 12 regional theatre partners and shared through a nationwide festival to create a new folio of our times.

A summary of highlights for each programme follows:

National Partnerships

- We grew our partnerships with schools, theatres and communities in areas of structural disadvantage in England, building from 25 partnership areas (250 schools) to 30 partnership areas (280 schools).
 - Of these, we built new partnerships with schools and communities in Corby, Coventry, Hartlepool, Peterborough and Skegness.

- We delivered 49 skills-development days with regional artists; co-produced 18 Playmaking Festivals made by young people for young people; delivered 82 teacher professional days reaching 1,000 teachers; established two Special Educational Needs and Disabilities networks (one for teachers and one for SEND young people); and convened one three-day symposium for 100 representatives from national partner schools and theatres sharing research and practice.
- We finalised and published groundbreaking new research into the impact of Shakespeare's language and RSC teaching approaches on the language development of children and young people.
 - A Randomised Control Trial was overseen by academics from Oxford University.
 - It involved 45 primary schools across England, all with **above average percentages of pupils eligible for Free School Meals**.
 - The findings demonstrate **statistically significant improvements** in the language development of children in schools using RSC teaching approaches, compared to children in schools whose teachers weren't using the approaches.
 - We also saw significant changes in the academic self-concept of the children in schools using RSC teaching approaches, compared to those who weren't. Children in the schools receiving the intervention felt more confident in their ability to overcome difficulty and handle problems, and they were more confident with language. We presented findings to DCMS and DfE colleagues.
 - This year, we piloted an innovative funding model, **Pay for Success**, working alongside NESTA, the UK's social innovation agency, in part due to concern about extreme pressures on arts funding. This model is new for the arts sector, under which the RSC will only get paid by donors for this programme, if it is able to independently verify and evidence the meeting of 8 different outcome measurements. The measurements that we are expected to achieve and verify independently range from the typology of the schools we are working with to writing impact measurements and formal literacy assessment results of children at age 11.
 - The Pay for Success model is funding the expansion of our Associate Schools Programme by up to 100 schools, growing from 250 to 350 schools by 25/26. This will mean working in 10 new areas of structural disadvantage. We have already started working in 5 of those: Skegness, Hartlepool, Coventry, Peterborough and Corby. This model has introduced us to philanthropists new to the RSC, and we would like to do more work with other arts organisations and ensure that donors feel confident about funding arts education.

Youth Leadership and Talent Development

- Our Youth Advisory Board collaborated with youth boards from five other organisations to deliver the RSC's first Young Creatives Convention. 400 young people attended the convention in Stratford-upon-Avon which focused on issues of access and inclusion in the arts and included a consultation session with the Department for Education on the development of a Cultural Education Plan for schools in England.
- We delivered 70 training and mentoring sessions with 420 Shakespeare Ambassadors aged between 9-17. We supported each Shakespeare Ambassador to develop and deliver their own projects to inspire positive change in their schools or communities.
- We produced a production of *Hamlet* with our Next Generation Act Company, made up of 25 young people aged 13-18 from backgrounds under-represented in the arts and cultural sector and at the RSC.
- We delivered two further talent development programmes for young people from backgrounds under-represented in the arts: Next Generation Backstage (for 13-18 year-olds) and Next Generation Direct (for 18-25 year-olds).

- 33 of our Next Generation Alumni have gone on to further training or employment in the arts and cultural sector.

Learning Programme

- Across all our learning and partnership activities, we reached 515,280 students, from early years children in nursery schools to university students.
- We worked with 2,230 primary, secondary and SEND school teachers and delivered 117 teacher training days.
 - 90% of teachers rated the quality of training as excellent (on a seven-point scale from excellent to poor).
- We worked with 1,421 primary, secondary and SEND schools across all areas of work (through student workshops, teacher training, partnerships, online engagement, conferences and events).
 - 80% of the schools were in areas of structural disadvantage (defined either by free school meal percentages, Levelling Up for Culture data, DfE investment area data or Department for Levelling, Housing and Communities Index of Multiple Deprivation data).
- We delivered 240 workshops in the Clore Learning Centre with a consistent 90% excellent rating for quality of experience.
- We created 71 digital learning assets and delivered three Free School broadcasts focusing on *Macbeth* and *A Midsummer Night's Dream*.
- We developed a prototype for a new, online Shakespeare Curriculum that aims to transform how young people learn about Shakespeare's plays in secondary schools.

Shakespeare Nation and touring

- We delivered a nine-week tour of *Julius Caesar* across England featuring a Community Chorus who were recruited, through regional theatre partners, in each of the places we toured to.
- We ran 48 R&D sessions with 700 young people and adults to inform the development of our small- and large-scale touring productions.
- We programmed an 89-performance, 12-week tour of our small-scale First Encounters with Shakespeare production of *Romeo and Juliet*. Although we are only two thirds of the way through the tour at the year-end, 65% of audiences seeing the production have been new to Shakespeare and 1 in 5 were seeing live theatre for the first time.

37 Plays

Celebrating the 400th anniversary of the First Folio, 37 Plays was a new nationwide search for the most exciting new voices in playwriting. We received 2,047 play submissions, 69% of which were first-time writers. We were astonished by the passion, ingenuity and truthfulness of the plays we received and would like to thank every single writer who submitted their play.

- 10% of submissions were by young people under the age of 18.
- All four nations were represented in submissions and final selection, and all partner areas were represented. The highest number of submissions from a single area came from Northampton (where we work in partnership with Silhouette Youth Theatre and 10 primary schools).
- There was one BSL submission and 35% of entries included languages other than English.
- Of the 37 chosen plays, 40% were by first-time writers and 27% by writers under the age of 17, including a history play written by a 14 year-old set when they were in Year 4 at primary school.

- 35 of the 37 chosen plays were given script-in-hand performances across the country, reaching an audience of 3,052. 263,000 users visited the specially developed project microsite.
- All 12 regional theatre partners have developed legacy plans focused on new writing as a result of the project.

DEVELOPMENT OF VIRTUAL RSC

Innovation and research are at the heart of the RSC and critical to our future cultural landscape. With every research and development project we did in 2023/24, we learnt huge amounts about what is possible, which in turn drove new and exciting possibilities that are ultimately changing how audiences experience live performance in the future.

During the reporting year, our digital work became an even more vital part of our programme, enabling audiences and communities across the UK and beyond to connect with Shakespeare and theatre.

The main focus of the reporting year was to embed a new team and new ways of working as one Digital Development department. The department is structured with four project leads:

- Creative
- Production
- Operations
- Producer

Together they bring the expertise required to develop our innovative digital work in-house and build those skills across the Company, delivering more impact for the organisation longer term. Alongside this, the department has seen rises in its output and deliverables. We are archiving and tracking all our existing content so that it can be accessed and potentially commercialised in the future. We:

- Delivered new creative content and a values-driven campaign to increase depth and reach for the Season launch and *Cowboys* press night.
- Created a motion-capture demo for government stakeholders.
- Invested in a collaboration with Brooklyn-based studio, iNK Stories, to transpose *Macbeth* into a game format to reach new global audiences.
- Conducted R&D to explore how 5G can offer theatres new and more robust ways to connect with audiences.
- Invested in equipment, skills and capacity to bring video captures in-house, enabling more shows to be captured for use as a learning, broadcast and archive asset including *The Empress*, *Macbeth*, *Julius Caesar*, *A Midsummer Night's Dream*.
- Trailed new formats for social content to embolden the effectiveness and messaging for audiences online (including our season launch campaign and developing a new approach to TikTok).
- Captured audio content of all 37 Plays readings nationally.
- Joined the Bloomberg Digital Accelerator programme to develop a more sustainable and collaborative design process through exploring the creation of a digital version of RSC stages, props and sets using game engine technology.
- Collaborated with Apple Inc to explore and embed a photogrammetry pipeline for digitalising our objects and archive.

EMBEDDING THE RSC'S STATUS AS AN INDEPENDENT RESEARCH ORGANISATION (IRO)

We are the first (and currently only) performing arts organisation to have been awarded IRO status. Our goal this year was to embed our unique IRO status as a national centre for teaching, training, learning and research about Shakespeare, the performing arts, immersive technologies in performance and engagement, and the civic mission of arts organisations. Against that ambition, we can report the following highlights:

- **An international cohort of interdisciplinary partners were recruited for the Arts and Humanities Research Council (AHRC) funded fellowship programme.** The focus of the fellowships is artist-led research responding to some of the unprecedented challenges facing the arts and cultural sectors in the UK and US. We will look to develop this programme over the coming years, with additional year-on-year support from US / UK trusts and foundations, which will support us to work towards a permanent Fellowship programme exploring the future of cultural practice.

We deepened our relationship with AHRC, building the foundations for a new centre of research at the RSC which will focus on social impact and value; new forms of inclusive Shakespeare scholarship; and the future of cultural practice connected to the fellowship programme, which will lead us towards longer-term investment for our new Research Centre.

- **We were awarded a grant from AHRC to build our digital infrastructure** and purchase equipment to deliver a series of Research and Development work and to establish a Virtual Production facility in Stratford-upon-Avon with outstanding R&D capabilities.
- **We were awarded seed funding from Bloomberg to test the feasibility of a cultural education research hub for the sector.** This has resulted in the RSC convening roundtables involving 40 representatives from the arts and cultural sector.
- **Through a research award from Paul Hamlyn Foundation,** we published groundbreaking new research – *Time to Act* – into the impact of Shakespeare's language and RSC teaching approaches on the language development of children and young people (referenced on page 16).

The RSC's vision for research will be driven by a series of themes to be launched in July 2024. Our growing research programme and capabilities will develop our role as a global collaborator, innovator and convener, maximising our national and international responsibility and championing why and how the arts make a difference to individuals, to communities and to society.

CREATIVE PLACEMAKING AND PUBLIC PROGRAMMING

Our goal in Creative Placemaking has been to create deep relationships with hyper-local Stratford communities, to co-create with diverse audiences and transform neighbourhoods through democratising work.

- We worked with 22 local community groups involving 480 people in co-created activity inspired by the RSC Collection.
- We reopened our exhibition *The Play's The Thing*, located on the first floor in the Swan Theatre, to 43,901 visitors across the year.

- We programmed an outdoor performance festival at The Dell featuring 22 different amateur theatre companies made up of 230 student and community performers.
- We programmed *At The Forest's Edge*, a free summer programme of self-led arts activities which were enjoyed by 4,000 people, with 655 people participating in weekly workshops including storytelling, puppetry making and willow weaving.
- 150,000 visitors engaged with our free exhibitions and outdoor arts-based activities across the year.
- We produced 14 podcasts resulting in 11,860 downloads.

BUILDINGS, INFRASTRUCTURE & SYSTEMS

For all our 2023/24 artistic, learning, digital, and partnership achievements, the state of our capital infrastructure is posing business-critical risks that impact not only our immediate finances but also, just as significantly, our ability to attract the best artists to create the world-leading work that we are uniquely placed to deliver.

These deficiencies additionally affect our ability to channel critical resources in the most efficient way, so that we can sustain the delivery of our educational and digital work, both of which are leaders in our sector by a significant margin.

Our aging capital infrastructure has now put our ability, and our responsibility, to stay a creative powerhouse under threat. Without urgent attention, our ability to make the best work for large, diverse audiences from around the globe, and to leverage our status as an industry leader, creating experiences that reach millions worldwide and inspire the next generation of artists and craftspeople, will become hard to achieve.

We are currently undertaking a detailed analysis of the state of our estate in order to create a ten-year capital management plan to understand the financial cost and optimum way of maintaining, updating and advancing our aging estate.

In the meantime, we continued key improvements to the usage of our spaces and visitor experiences. In 2023/24, these included:

- The Other Place auditorium was redesigned for the new season, with new decking, carpeting and seating, with the old seats redistributed to a youth theatre in Northampton.
- Work continued in the Swan, with the aim of improving the comfort and sightlines for our audiences.
- Two of our residential properties were converted to house the RSC Nursery, as it was not possible to renew the lease on its former location.
- We have renewed the lease of our rehearsal rooms in Clapham until May 2037 and signed a lease extension on our New Oxford Street offices until July 2028.
- We have taken out a lease on five additional apartments in Stratford to increase the number of beds available for our visiting artists to 70. We have also been striving to improve the quality of services to our tenants, including the availability of an out-of-hours support helpline and an upgrade of the Wi-Fi in the properties.

We have also delivered a suite of improvements to our systems, enabling greater efficiencies and effective planning:

- We implemented a new Computer Aided Facilities Management system, Opuz. This system enables us to improve compliance and risk management and more efficient estates management whilst improving customer service. The capabilities of Opuz are providing us with a greater insight into the estate and improving long-term estate planning.

- We implemented a new purchase pathway, TNEW, from our CRM system supplier, Tessitura. This has improved both the customer journey and sales reporting, with transactions and account updates in real time.
- We went live with Artifax, our venue and resource management system. This phase introduced live calendars for all productions and on-stage events in Stratford and London, and a calendar for the Clore Learning Centre.
- We completed the migration of our payroll system, iTrent, from on-premise servers to the cloud with the benefits of improved employee self-service functionality and manager dashboards.

Stratford-upon-Avon was hit by floods in January and February, necessitating the need to cancel four performances due to challenges of staff and audiences getting into Stratford. We installed flood barriers in all our residential properties along Waterside and closed the offices for two days. The theatres suffered some water ingress, but staff were quick to respond and there was no lasting damage.

We have been monitoring the situation regarding the Terrorism (Protection of Premises) Draft Bill, or Martyn's Law as it is often referred to. The RSC will fall under the 'enhanced tier' of the legislation. We have been meeting regularly with our Counter Terrorist Advisors and security teams to put measures in place to comply with the law, once it is passed, and to make our audiences and colleagues safe.

We remain ever vigilant in our approach to cyber security. We commissioned two external cyber security audits; carried out external penetration testing of our networks and systems; ran monthly automated security scans of our networks; and continued daily monitoring of security dashboards. We have also started a series of upgrades of security patches on the theatres' networks and this will continue over the coming year.

ENVIRONMENTAL RESPONSIBILITY

The RSC is committed to addressing and minimising the environmental impacts of our productions, operations and buildings whilst becoming an advocate for action.

Our production and creative teams continued to work towards the Theatre Green Book standards for all Stratford-based productions. There has been a strong focus on increasing the reuse of materials across shows. Within the production workshops, this has included the reuse of floors and committing to only purchasing three new floors within the year, introduction of new techniques to enable repainting, recladding and reconfiguring of set and scenery structures so that most shows now reuse at least one item from a previous show. To support further in-house reuse of set and scenery, we invested in the 'Trail' asset management software which enables us to share items already held in stores with designers.

In recognition that everyone has a part to play in our environmental journey, we continued to embed environmental responsibility within the culture of the RSC; engaging colleagues and those that we work with to enable them to make informed environmental decisions.

- We were accepted onto the ACE and Julie's Bicycle Capital Investment Ready programme. The aim is to help 20 organisations to be ready for decarbonising their buildings by 2030.
- Consultants CPW, specialists in designing sustainable buildings, created a roadmap to carbon neutrality for our buildings by 2030. They have collected data from all our buildings from site surveys, thermal imaging and heat-loss monitoring, with the aim of presenting a costed options appraisal of energy efficiency measures and renewable energy opportunities that we can explore over the next 12 months.

- We led a series of initiatives in June centred around World Environment Day (the United Nations' principal vehicle for encouraging worldwide awareness and action for the environment), and participated in The Big Green Week, a celebration in Stratford-upon-Avon to highlight practical local action to tackle climate change and protect nature.
- Our Creative Placemaking and Public Programming team worked with local environmental groups to deliver the *At The Forest's Edge* project, which linked nature with health and wellbeing.
- We worked with a freelancer to deliver Carbon Literacy training to over 70 members of staff from across all areas of the organisation, giving them the confidence to make change and inspire environmental action.

One of the key barriers holding back productivity and visitor footfall in Stratford-upon-Avon is poor mobility. While this remains a very significant challenge, some initial steps were taken to improve transport mobility and influence how our audience travel to Stratford-upon-Avon, through a new Warwickshire Smart Travel Partnership. We trialled the use of You.Smart.Thing, a travel app which helps audiences find modes of transport and promotes the use of sustainable and active travel options. Alongside this, we supported the introduction of a late-night bus service by Stagecoach Midlands which enabled our audiences to watch a show and then get back to Warwick, Leamington Spa, Kenilworth and Coventry by bus. We will continue discussions with local and regional stakeholders to ensure Stratford-upon-Avon becomes more accessible both by private and public transport.

PEOPLE & CULTURE

As of March 2024, the RSC had over 900 employees and freelancers, which includes *Matilda The Musical*.

We report the following highlights:

- We introduced the **RSC Learning Hub**, bringing together all training activity in one central place. To date, there have been over 6,000 visits to the site.
- We have also introduced a **Core Learning Curriculum**, this includes key mandatory training and a variety of e-learning, but also enables colleagues to build their own on-demand, bespoke learning programme, including topics such as Equity, Diversity and Inclusion for Managers, Giving and Receiving Feedback, Budgeting, Performance Management, and Presenting with Confidence.
- We ran our biggest ever **colleague survey** in early 2024, with 76% of the workforce responding – an increase of 22% compared to 2023.
- We achieved our target of employing **28 apprentices**, working across a range of departments including Automation, Stage and Props, Engineering, Lighting, Sound, Technical Resources, Scenic Carpentry, Drawing Office, Estates, Creative Learning and Engagement and Costume.
- We were delighted to win the **Best Employer Award** for medium-sized employer as part of the Apprenticeship Guide Awards, which took place in May 2024. We are grateful for the support given to our Apprenticeships and Traineeships by supporters and funders, including the National Lottery Heritage Fund, The Mackintosh Foundation's Regional Theatre Technical Apprentices Programme, and the Garfield Weston Foundation.
- We launched a new **Wellbeing Hub**, giving information, guidance, advice and signposting to colleagues on a wide range of health and wellbeing topics. This includes the introduction of the Colleague Counselling Service, and our collaboration with Wellbeing In The Arts, to enable colleagues to access free, confidential counselling services.

- We continued a wide-ranging programme of reviewing and refreshing our **people policies**, ensuring they are inclusive, simple, and easy to understand. We updated seven policies, and introduced two new policies, including a Menopause Support Policy, in line with our continuing focus on access and inclusion.
- We introduced a new online annual leave booking system, and enabled employees and managers to access and manage their own data. We also upgraded our **HR information system** and moved it to a more secure hosted environment. This will give us further opportunity for developing our systems and processes in future.

Over the course of the last year, we have shared a variety of **Equity, Diversity, Justice & Inclusion (EDJI) development opportunities** in line with our strategy goals. Colleagues have engaged in highly successful training delivered by Gendered Intelligence, Inclusive Writing workshops, Mental Health in the LGBTQ+ community, Deaf Awareness, Neurodiversity, Menopause Awareness, Antisemitism and the work of Shakespeare, and Inclusive Hiring for Managers.

- We launched **3 EDJI networks** covering LGBTQ+, Race and Ethnicity and Deafness, Disability and Neurodivergence, and the recruitment of 21 leaders. We also launched 3 informal community groups for interfaith, menopause and parents and carers.
- **Our EDJI Hub** launched during Inclusion Week 2023 with information, spaces to interact and learning opportunities. Since September, we have had over 2,300 visits to the EDJI Hub pages.
- **Departmental EDJI Action Plans** – all Heads of Department have engaged in the development of their departmental EDJI Action planning, through one-to-one sessions, team sessions and cross department workshops. 25 departmental plans were published on the EDJI Hub.
- **EDJI & Access Audit Phase 1** was completed by Clear Company, with a focus on recruitment, communication and leadership. Actions from the report will continue to inform strategy and departmental level EDJI action plans. Phase 2 of the audit in 2024 will focus on the RSC's physical and digital infrastructure.
- We continued our focus on creating an inclusive culture, where people can do their best work. We conducted a thorough **review of the existing Respect Policy** which offered a number of training recommendations which will also support requests made through the colleague survey.
- We re-developed our Speaking Up and Anti-Harassment and Bullying policies. We introduced an additional route for people to raise concerns about any behavioural issues which they have experienced or witnessed. This **confidential, anonymous reporting process** is in partnership with Vault, and enables us to address concerns in confidence.
- We developed the **EDJI Committee Terms of Reference and Membership** as an Executive Committee which continues to hold the EDJI Leadership Team to account for the delivery of the inclusion strategy and action plan.
- We established our **freelancer consultation group** and will continue to explore ways to strengthen our approach to freelancer engagement over the next year.
- We **provided all-gender toilets** at various sites and plan for more.
- We maintained our **disability-confident employer status** at Level 2.
- We have worked on developing our advocacy role; ensuring the RSC is involved and leading discussions around EDJI through the creative and cultural industries. We have taken a **leading role in cross-sector collaboration initiatives**, including opportunities for colleague networks to work together to improve practice and develop campaigns like Inclusion Week, to build action and impact from the sectors we are a part of.
- We led efforts to improve industry-wide consistency, such as the **AXS Passport initiative** to replace the 13+ different access riders currently in use across the arts industry, working closely with the developers of the Arts Council All-In programme to maximise opportunities and efficiency for tool users.

FUNDRAISING – PHILANTHROPY, OUR SUPPORTERS, EDUCATION AND CORPORATE PARTNERSHIPS

Fundraising activities continue to make a crucial contribution to our financial sustainability. Fundraising performance is monitored through the budgetary process and objectives are set to achieve a specific level of year-on-year changes and return on investment in unrestricted net departmental return. Budgets are set for all income and expenditure managed by the Development Department, which covers income beyond that shown against “Donations and Legacies” in the statutory format. However, from a statutory format perspective, the Development Department had achieved £5.4 from Donations and Legacies compared to £4.2m from the previous year, representing an increase of 29% from FY 2022/23.

The RSC upholds the highest standard of fundraising practice. We are registered with the Fundraising Regulator and adhere to their Code of Fundraising Practice for the UK, noting no failures to comply with this during the financial year. We abide by the key principles and behaviours of a fundraising organisation set out by the regulator: to be legal, open, honest and respectful. The fundraising team is trained to ensure they manage the protection of any vulnerable people they may meet.

The RSC received no complaints related to fundraising in the period from 1 April 2023 to 31 March 2024 which is consistent with the previous year, and all fundraising activities were conducted using internal resources.

We undertake to comply with relevant law and regulations, including the Proceeds of Crime Act, data protection, tax and Gift Aid legislation, and Charity Commission guidance. All RSC employees are required to abide by the RSC Anti-Fraud and Bribery policy.

We thank the RSC’s Development Advisory Council for their passion for the fundraising work and for the networks, skills and expertise they bring. They continue to actively support the RSC’s fundraising efforts and advise on progress.

The Board takes ultimate responsibility for accepting or refusing a donation or sponsorship, based on recommendations from the Senior Leadership Team (“SLT”) and our Donation and Sponsorship Acceptance Policy. It is their responsibility to act in the best interest of the Charity when accepting gifts. The members of the Development team are provided with training and are managed and evaluated in line with the RSC policies and guidelines.

Corporate Partnerships

- 2023/24 marked a second successful partnership year with social media giant **TikTok** who support our young person’s ticket scheme. We sold over 30,000 £10 tickets to young people aged 14-25, of which over 50% were sold to state schools. TikTok was also the Headline Sponsor of our Young Creatives’ Convention, reaching over 800 people in-person and online.
- 2023/24 saw our third and fourth sailings with the RSC company aboard **Cunard’s Queen Mary 2** performing *Boundless as the Sea* and an abridged version of *Miss Littlewood*. This transatlantic crossing also took the RSC around the world – including South Africa, Canada, Norway and Lisbon.
- Our productions were once again supported by longstanding partners. **Darwin Escapes** was the Headline Sponsor of *As You Like It*; **Pragnell** was the Headline Sponsor of *The Box of Delights*; and **ICBC** was the Headline Sponsor of *Cymbeline*.

Education Partnerships

- **RSC International Learning Partnerships** have continued to grow in income and number in 2023/24, making a sustainable recovery post pandemic. Montclair State University in New Jersey signed an initial three-year contract, joining existing US university partnerships of Davidson College, the University of Minnesota and Fairleigh Dickinson University.
- 2023/24 saw a return to in-person delivery for the learning programmes **of Dulwich College International across Asia**. We are in our eighth year of working in partnership with the network of schools. The '*Reconnection*' themed year with seven schools has had a significant positive impact on students and staff alike, resulting in 11 schools joining the partnership in the academic year 2024/25.
- The RSC has been working in partnership with the **University of Birmingham** since 2015. The Learning Team co-devise and deliver on taught programmes at both [undergraduate and postgraduate level](#). This year we have reached a midpoint in the current partnership; this has given us the opportunity to explore and expand the RSC's expertise across the University, looking at collaborating on their newly launched Digital Media and Creative Studies courses.

Trusts, Foundations and Grants

We remain incredibly grateful to Trusts, Foundations and Grantmakers for their ongoing support of the RSC's work. In 2023/24 this included the following notable grants and funds (Note 18):

- **Paul Hamlyn Foundation (PHF)**: we are deeply grateful to the PHF for an Endowment Fund, the income from which provides long-term support through vital funding and as a critical friend has been pivotal to developing our long-term work with young people, teachers, schools, partner theatres and their communities, specifically the Associate Schools Programme in partnership with regional theatres. In addition, PHF provided a separate grant that has contributed towards the 'Time to Act' research (referred to on page 16) and created a 'snowball effect' including the development of an outcomes framework and collaboration with Nesta.
- **Rothschild Foundation**: We are grateful to the Rothschild Foundation for their continued support. We received the final instalment of a one-year grant which has enabled us to undertake feasibility work for the expansion of the Interdisciplinary Fellowships programme (referred to on page 19). We look forward to continuing our relationship with the Rothschild Foundation and working with international collaborators on convening the Fellows in the UK in July 2024.
- **Foyle Foundation** supported the pilot year of our new digital educational tool, the Shakespeare Curriculum. Launching in September 2024, this resource will revitalise the teaching and learning of Shakespeare.
- To support progression routes and apprenticeships at the RSC, we received generous funding from **Garfield Weston Foundation** who are supporting three 'Weston Apprenticeships' (Apprentice Scenic Carpenter, Props Apprentice and Apprentice Lighting Technician) between 2024 and 2026, as part of our shared commitment to nurturing new talent in backstage and technical roles. In addition, **The Mackintosh Foundation** supported an 18-month placement for a Wigs, Hair and Makeup Trainee, as part of the inaugural year of the Mackintosh Foundation Regional Theatre Technical Apprenticeship programme.
- **Gatsby Charitable Foundation** provided ongoing pivotal support of our Artist Development programme, through which we provide tailored packages of support and training to our acting companies.

- 2023/24 marked the first year of an ambitious expansion of the RSC's national touring footprint, starting with *Julius Caesar* and followed by First Encounters with Shakespeare *Romeo and Juliet* – both productions were co-created with the communities we serve. This three-year programme is underpinned by an **Arts Council England Touring grant** and the vital support of the **Esmée Fairbairn Foundation**.
- **Hawthornden Foundation** made a generous grant over five years to support our programme of new work. This includes tailored support for writers through the play development process and commissioning bold new work that is staged in Stratford-upon-Avon, London and beyond.
- Recognising the RSC's commitment to high-quality research and IRO status, we were awarded two grants by **AHRC**. The first, is funding a significant, multi-year programme of artist-centred feasibility work to 2027. In addition, we were awarded an infrastructure grant to develop the RSC's creative research capability, and deliver new forms of performance and build the foundations as a centre of research and artist-led practice (See page 19 for further details).

Major Gifts

- We are grateful to the many **philanthropists and individuals** who have supported the RSC in 2023/24, raising over £1.3m to support our season of work, productions, teacher training, our Associate Schools Programme, youth development work, school theatre trips, adult community programmes and director training.
- Working alongside NESTA, the UK's social innovation agency, we have developed a funding model, new for the arts sector, to support the expansion of the Associate Schools Programme. Donors will only release funding to the RSC if it can prove pre agreed impacts have been achieved. The **Pay for Success** model (outlined on page 16) is funding the expansion of our Associate Schools Programme by up to 100 schools, growing from 250 to 350 schools by 25/26. This will mean working in 10 new areas of structural disadvantage. We have already started working in 5 of those: Skegness, Hartlepool, Coventry, Peterborough and Corby. This model has introduced us to philanthropists new to the RSC, and we would like to do more work with other arts organisations and ensure that donors feel confident about funding arts education.

Campaigns under operating fund

- In 2022, we launched the **Name a Seat in the Swan Theatre campaign**, where audiences could name a seat of their choice in the theatre. The campaign has continued to be successful this year with 27 seats being named, bringing the total to 276.
- During the 2023/24 period we received over **20,000 individual donations**. We are incredibly grateful to our audiences for their ongoing support. It is thanks to them that we can produce life-changing theatre and improve lives through culture and creativity.

FUTURE PLANS – OUR AREAS OF FOCUS FOR 2024/25

In June 2023, we welcomed our new Co-Artistic Directors, Daniel Evans and Tamara Harvey. In February 2024, we appointed our new Executive Director, Andrew Leveson. The draft Strategic Roadmap was approved by the Board in March 2024:

VISION
The RSC is a global multi-platform theatre company bringing stories to life. We bring people together to experience stories that deepen our understanding of ourselves, each other and the world around us, and bring joy. Shakespeare's ability to explore all of human nature is our inspiration and touchstone.
MISSION
Our creative work is artist-led, resonant and daring, made with the most exciting and diverse artists from the UK and around the world – with diverse partners and audiences always at the centre.
We are at the heart of the relationship between communities and Shakespeare, unlocking its transformational power.
We embrace our responsibility to serve society by nurturing the next generation.
We are a leading voice and convening power in the conversation that defines the future of the arts around the world.
We are leading the RSC as a model mid-21st century theatre, reimagining our working practices, growing our income and becoming a beacon for a new world, which is generous, embracing and humble.

The Strategic Road Map is structured over a five-year timeframe, but it is intended to be dynamic and adaptable, to be informed and further refined by a series of strategic reviews that are underway within the organisation including reviews of our operating model, estate arrangements, and internal structures.

To achieve this level of ambition, we recognise that some of the ways we do things must change. We will review working practices so that we can be more agile, responsive and engaged, ensuring that our artists and our audiences have the best possible experience with us, knowing that as we begin this new artistic chapter, they will be our greatest advocates.

Alongside thinking about our people, we will take time to consider the systems we use. We plan to invest in the digital and physical infrastructure needed to achieve our transformation. We'll take an agile, product-focused approach to this work, while reimagining a compelling new visual identity and design principles to make sure our buildings, programming, and communications look and feel outstanding.

Our future brings many new opportunities to be socially enterprising, generate income and deliver impact for our audiences and communities. The power of our brand and our physical and digital transformation will be instrumental in supporting this endeavour. We will also explore new revenue streams ranging from brand partnerships and licensing to a revitalised membership scheme. Our income will grow with sponsors, donors and other supporters eager to be part of our future vision.

Throughout this period, we will maintain a laser-sharp focus on our bold vision for the future, and seek to ensure that the RSC continues to be inventive, collaborative, entrepreneurial and ambitious in all that we do.

FINANCIAL REVIEW

The financial statements on pages 45 to 92 present both a Consolidated and Corporation view. The financial statements include the results of the RSC charity (the Corporation) and together with all the subsidiary companies forms the consolidated Group. The subsidiaries are listed in note 10(c) to the accounts, and further information is included in the Group Structure on page 38.

The Corporation financial statements are solely for the RSC charity.

The consolidation adjusts for transactions or balances held between the different companies within the Group and applies the appropriate accounting principles. This basis of preparation is further described in note 1 (b) on page 51.

Throughout the Financial Review below, the figures presented are on a Consolidated basis, unless specifically referenced to the Corporation.

Performance Overview

As we exited from the pandemic, the RSC continued to improve its financial health with a number of one-off upside events including box office performance from *Matilda The Musical* and *My Neighbour Totoro* and strong returns from our investment portfolio during the year. Operations unrestricted net income before transfers was £7.1m for the year-ending 31 March 2024, compared to £1.4m in the previous financial year. This resulted in the total consolidated reserves in all funds increasing to £130.5m

Whilst we have enjoyed a year of strong financial performance, our structural outlook remains challenging. We will commence the repayment of our Culture Recovery Fund loan, with the first payment of £0.8m in February 2025. The ongoing annual payment will be £1.5m. Through additional surpluses from our activities, we need to generate significant additional funds to meet the needs of our estate and technical infrastructure refurbishment and maintenance, to nurture new income streams for financial resilience and to meet our artistic and learning ambitions.

Funding sources

The RSC's principal funding sources consist of income from RSC charitable productions and touring shows at £58.2m representing 63% of total income in 2023/24, compared to £38.9m and 57% in the previous financial year. Within this figure, Theatre Tax Relief contributed £7.9m and 8.6% of total income, compared to £4.9m and 7.2% in the previous year.

Grant Income, Donations and Legacies make up 23% of our total income in 2023/24 (29% in FY 2022/23).

Total income from trading activities was £7.1m representing 7.7% of total income (£6.3m and 9.3% in the previous year). This includes £4.7m (5.1%) from commercial activities such as restaurants, shops and licensing, compared to £3.4m (5.0%) in the previous year.

Income from licensing of rights amounted to £2.1m (2.3%), this was £1.3m (2.0%) in the previous year.

Box Office Income

As the first full financial year recovering from the pandemic, the RSC's productions, tours and theatre operations in 2023/24 generated a total income of £58.2m (£38.9m the previous year). This includes RSC's productions in Stratford and London and other touring and visiting shows.

Notably, *Matilda The Musical* contributed income well above initial target set, enjoying an instant increase in popularity from the release of a recent film of the same title. Moving into the 2024/25

year, we see this halo effect taper as we return to the normal pattern of sales, together reflecting general ticket trends and audience behaviours in the West End. *My Neighbour Totoro* also added to the success of the London box office contributing income above target before the end of its run at the Barbican in March 2024.

Further details of Box office activities are set out from pages 12 to 14.

Theatre Tax Credit

During FY 2023/24, the rates of TTR were set at 45% for non-touring shows and 50% for touring shows on qualifying expenditure. This generated £7.9m total tax credit (£4.9m in 2022/23). We welcome the news of the current rates extension, as well as the permanent settlement of new rates from April 2025 onwards.

Grant Income

The RSC receives crucial annual revenue support funding from ACE as part of the National Portfolio Investment Programme. This is currently at £15.3m per annum until 2026/27 and represents 16.6% of our total income in 2023/24. This was at the same amount last year representing 22.4% of total income in the previous year. In 2023/24 we also secured a £1.3m grant from ACE to support the RSC touring activities over the next 3 years. The amount received in the year related to this grant was £0.5m.

As an IRO, the RSC is eligible to compete for research grant funding from the seven research councils in the United Kingdom. As a result, we have been able to successfully secure a £1.6m grant from the AHRC to establish a virtual production facility at RSC Stratford sites with outstanding R&D capabilities for future research.

Fundraising Income

Fundraising activities continue to make crucial contributions to our financial sustainability. As noted on page 24, income raised by the Development Department exceeds the narrow statutory heading of "Donations and Legacies". In total the Development Department raised a total of £8.3m of unrestricted and restricted funds this year (£6.8m in the previous year) which consisted of 35% from individuals, 19% from trust and foundations, 17% of grant income, 12% from corporate partnership, sponsorship and donations, 9% from education partnerships, and 8% from legacies and other income. The overall performance has seen an increase of 22% from 2022/23.

Fundraising performance is monitored through the budgetary process and objectives are set to achieve a specific level of year-on-year changes and return on investment in unrestricted net departmental return. Budgets are set for all income and expenditure managed by the Development Department, which covers income beyond that shown against "Donations and legacies" in the statutory accounts.

Commercial Income

RSC trading operations for restaurant, shops, costumes and props hire, licencing and nursery are conducted under RSC Enterprise Ltd, the commercial trading arm of the charity. The total income generated by RSC Enterprise was £5.4m in 2023/24 (£5.1m in 2022/23).

Expenditure (see note 7)

Production and Theatre Operations Cost

Our total production and theatre operations cost, both directly and indirectly related to shows, is £76.8m in 2023/24 (£58.1m in the previous year), representing 96% (95% in 2022/23) of our total expenditure on charitable activities for the year. The remaining cost in charitable activities relates to creative learning and engagement activities.

Support costs

Operational overhead expenditure supporting our activities includes finance, HR, IT and leadership and governance. Total support and overhead costs were £6.3m representing 7% of total expenditure, compared to £5.4m and 8% in the previous financial year.

Trading activities

Total expenditure on trading activities conducted via RSC Enterprise Ltd is £4.9m for the year (£4.3m in the previous year), which include restaurants, shop and other commercial operations.

Pensions

The most recent actuarial valuation of the defined benefit pension scheme took place as at 31 March 2023, and was updated as at 31 March 2024 for FRS102 purposes by a qualified independent actuary. This resulted in an actuarial deficit of £1.0m (actuarial deficit of £2.3m as at 31 March 2023). See note 22 in the accounts for further details.

Capital Expenditure

Total expenditure in the year amounted to £2.0m (£4.0m in 2022/23), of which £1.6m (£3.8m in 2022/23) was in respect of individual assets over £50k which has been capitalised in accordance with our accounting policies (see note 1(k) in the accounts for further details).

During the year, we commenced a review of our short, medium, and long-term capital needs, and whilst this review is yet to conclude the capital requirements are identified as significant. In addition, we have a need to consolidate our production teams into a single, modern new facility, to create the best possible environment for them to carry out their work. Clearly, we need to increase the rate at which we raise and allocate funds to spend on our estate and infrastructure with some urgency.

Balance Sheet

Net assets have increased to £130.5m as at 31 March 24 (March 23 - £123.8m). This increase is primarily due to the net income / (expenditure) for the year of £6.5m ((£1.2m) in 2022/23) including the unrealised investment gains of £1.1m in relation to the endowment funds.

Gross cash and unrestricted liquid investments were £40.5m as at 31 March 24 (£39.8m at 31 March 23), before taking into account the CRF loan of £20.6m which is repayable over 16 years from February 2025.

Trade debtor balances have increased significantly at 31 March 2024. This was due to amounts receivable from ticket agents at the year end, along with 2 large grants receivable. The majority of these were received within 30 days of the year end.

Short-term creditors have increased at 31 March 2024 compared with the previous year. This is mainly due to an element of long-term loans becoming repayable within one year, higher amounts of VAT payable and an increase in amounts due under co-production agreements.

Reserves Policy

The RSC has established a reserves policy to set aside appropriate funds as contingent reserves. The reserves policy is reviewed periodically considering financial forecasts, the need to finance commitments and the Board's plans for the future of the RSC under the approved Financial Management Framework (FMF).

The Board has determined the appropriate overall level of contingent reserves. This was arrived at following an analysis of our organisational needs and commitments, including our learning from the Covid period. The Board also reviewed the reserves policies and levels of reserves held by other large national Arts organisations.

The reserves policy sets a current target of holding a level of unrestricted operational reserves equivalent to three months of average unrestricted expenditure, excluding reserves designated for depreciation on past capital expenditure, and so approximates "contingency reserves." The target assessed as at 31 March 2024 is £16m compared to total unrestricted reserves of £55.3m. However £33.9m of these unrestricted reserves are designated fixed asset funds, with a further £12.0m designated to cover Strategic Investments (see below). Excluding designated amounts, the remaining free reserves as at March 2024 are £9.0m (net of the pension deficit of £1.0m referred to above).

The RSC Board has the discretion to designate or un-designate reserves when income is disrupted or decreased or costs are increased unexpectedly, or where a shortfall in capital funding is identified to allow the RSC to continue to operate without material detriment to our programme of work.

During the financial year ended 31 March 2025, the RSC will be reviewing the target reserves to determine what it believes is an appropriate level given that trading activities have started to normalise following reopening post Covid.

See note 19 for the allocation of the fund balances between the Balance Sheet headings.

The Board also considers the level of free liquid reserves which reflects the cash balances, unrestricted investments and net working capital balances, noting that the commitment to repay the CRF loan is spread over a 16-year period and that the RSC is targeting annual surpluses which cover the CRF repayments in each year.

Reserves

The Board revised the designation of various funds, which is reflected in these financial statements:

- £12m was transferred from unrestricted reserves to set up a designated Strategic Investment Fund. Uses that have been identified include those projects that generate a readily identifiable cash return e.g. upfront investment in commercial opportunities / shows, and enhancement to infrastructure, and those considered strategically important to the RSC's ambition, while not necessarily creating an easily identifiable direct payback.
- Transfer of restricted fixed asset reserves (£16.4m) to a designated capital reserve, where restrictions are no longer in place
- Consolidation of designated capital reserves and to ensure designated and restricted capital reserves are equal to the net book value of tangible fixed assets as at 31 March 2024 of £93.2m.

The net movement in unrestricted accounting reserves is set out in note 18. As at 31 March 2024, unrestricted and designated funds totalled £55.3m, compared to £32.7m at 31 March 2023.

Fixed Asset Fund

During the year, a Designated Capital Reserve has been created, which, together with the Restricted Capital Reserves, are equivalent to the level of the net book value of tangible fixed assets at the Balance Sheet date. This is consistent with the position adopted by many other Arts organisations. The majority of the Corporation's functional assets are the theatres and related assets, and there are no plans for them to be realised.

Strategic Investment Fund

As described on page 31, during the year, the Board agreed to create a Strategic Investment Fund of £12m. A governance framework has been agreed by the Board for the administration, approval and reporting of bids against this fund.

Investment Policy

The investment policy balances the need for capital protection and the desire to secure investment returns. Investments are managed on our behalf by professional third parties and are monitored against benchmarks.

Objectives have been set for each fund that are tailored to the long-term objectives of the funds. The long-term objectives for returns range from CPI in any market condition, to CPI plus 4%.

Performance in the year ended 31 March 2024 was better than the objectives set for all funds. Cazenove Sustainable Multi-Asset Fund returned 9.6%, and the Sarasin Climate Active Endowments Fund returned 11%. This was marginally better than the external benchmark represented by the ARC Charity Steady Growth Index which reported 9.4% for the same period.

Most fixed asset investments are held for the long-term and we do not expect to realise any gains or losses in the short-term arising from the change in market value of these investments.

Remuneration Policy

We consider pay in relation to other similar organisations and use benchmark data when available to set remuneration, taking into account National Minimum Wage / Living Wage requirements.

Remuneration for the most senior roles requires Board approval and no senior manager is involved in deciding his or her own remuneration. Where possible, these are set at a level to attract and retain senior managers of the quality required to run the organisation.

Salaries are reviewed annually at the end of the financial year and any increases applied consistently to managers and staff. The budgeted level of any annual pay award is approved by the Board and is set in relation to market inflation and the organisation's financial position.

In March 2023, a pay increase was announced, effective for the year ending 31 March 2024, with colleagues receiving a minimum of 6%. For financial year 2024/25, this has been set at a minimum of 3.75%.

Risk Management

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misstatement or loss. Established regular procedures, including budgetary controls, operate to monitor the receipt of income and both revenue and capital expenditure.

The Risk, Audit and Finance Committee (RAFCo) reviewed the effectiveness of material internal controls, including operational, financial and compliance controls and risk management systems. It was supported in this task by an independent internal auditor.

Following recommendation by the RAFCo, the Board has approved a new Risk Management Framework and reviewed and assessed the known risks to which the company may be exposed. The risk register identifies those risks and is regularly reviewed by the RSC SLT, RAFCo and the Board.

The risks considered to be highest likelihood and impact during the financial year to 31 March 2024 were:

- Financial resilience: inability to adapt, survive and thrive in the face of unpredictable events due to a reduction in earned income, impact on costs and reduction in Reserves.
- Inadequate property and infrastructure to support operational resilience and business efficiency due to under-investment in both the cyclical replacement and upgrade of equipment, and the sub-optimisation of property and land.
- Failure to comply with health and safety statutory and regulatory obligations.
- Failure to seize the opportunity for cultural and systemic change with the arrival of new artistic leadership.
- Equity, Diversity, Justice and Inclusion practices not embedded sufficiently within the organisational culture, impeding the ability for the RSC to become more inclusive, equitable and accessible.
- Failure in organisational Safeguarding processes.

Specific actions and responsibilities for mitigating these risks have been assigned to these, and all other, risks identified on the register, to ensure that any residual risk is at an acceptable level. Additional risks which impact the financial years beyond 31 March 2024, notably the risk of the cost-of-living crisis and changes in audience behaviour, have been considered in the Going Concern section – see pages 38/39 below.

RAFCo aims to meet at least five times a year and at other times as required, and reports to the full Board.

The Investment Committee reviews quarterly investment performance and adherence to the investment policy and reports to the RAFCo.

Financial Management Framework

As set out on page 31 above, we have developed and are embedding our board approved FMF, which sets out the minimum level of surplus required each year in the medium term to fund our revenue, capex, loan commitments and maintain appropriate levels of reserves. See above for Reserves Policy.

Use of volunteers

The Corporation benefits from the valuable contributions of volunteers in the areas of audience counting, preparing exhibition material as part of the Swan Wing project and events organised by Friends of the RSC. In accordance with FRS 102 and the Charities SORP, the economic contribution of general volunteers is not recognised in the financial statements.

REFERENCE AND ADMINISTRATIVE DETAILS

Principal Office	Waterside Stratford-upon-Avon Warwickshire CV37 6BB
Telephone	+44 1789 296655
Fax	+44 1789 294810
Email	info@rsc.org.uk
Website	www.rsc.org.uk
Registered Charity Number	212481

The Co-Artistic Directors, Executive Director and other senior staff to whom day to day management of the charity is delegated by the Governors were, for the period of this report and to the date of its approval:

Daniel Evans	Co-Artistic Director (from June 2023)
Tamara Harvey	Co-Artistic Director (from June 2023)
Andrew Leveson	Executive Director (from April 2024)
Erica Whyman OBE	Acting Artistic Director (to June 2023).
Catherine Mallyon CBE	Executive Director (until December 2023)
Vicky Cheetham	Interim Co-Executive Director (from December 2023 to April 2024, having previously held the role of Interim Executive Advisor from March 2023) and then Executive Advisor from April 2024 to June 2024
Sandeep Mahal MBE	Interim Co-Executive Director (from December 2023 to April 2024, having previously held the role of Leadership Associate from January 2022) and then Executive Advisor from April 2024

Gregory Doran held the role of Artistic Director Emeritus from April 2022 until December 2023.

Other members of the Senior Leadership Team ("SLT") were, for the period of this report and to the date of its approval:

Sarah Ellis	Director of Digital Development
Chris Hill	Director for Audiences and Marketing
Stephanie Hensen Dittmer	Director of Development (from February 2024)
Lisa Hughes	Chief Finance Officer (from January 2024)
Jacqui O'Hanlon MBE	Director of Creative Learning and Engagement
Tomas Wright	Technical Director
Stephen Eames	Interim Chief Operating Officer (until September 2023)
Simon Parsonage	Interim Chief Finance Officer (from September 2023 until March 2024)
Rebecca Preston	Director of Development (until August 2023)
Justine Themen	Leadership Associate (until December 2023)
Griselda Yorke	Executive Producer (until June 2024)

Professional Advisers

External Auditors	BDO LLP	Two Snowhill, Birmingham, B4 6GA
Bankers	Barclays Bank plc	Charities Team, Floor 28, 1 Churchill Place, London, E14 5HP
Investment Management	Cazenove Capital Management Sarasin & Partners	1 London Wall Place, London, EC2Y 5AU Juxon House, 100 St Paul's Churchyard, London EC4M 8BU
Solicitors	Foot Anstey LLP	Salt Quay House, 4 North East Quay, Sutton Harbour, Plymouth, PL4 0BN
	Jonathan Hull Associates	Amadeus House, 27b Floral Street, London, WC2E 9DP
	Mills & Reeve LLP	Botanic House, 100 Hills Road, Cambridge, CB2 1PH

CONSTITUTION, GOVERNANCE AND MANAGEMENT

The Royal Shakespeare Company is incorporated under Royal Charter originally dated 31 October 1925 (as last amended on 6 March 2007) as “The Royal Shakespeare Company, Stratford-upon-Avon”, and is a registered charity.

Following His Majesty the King's Accession and a review of Royal Patronages, the Palace announced in May 2024 that His Majesty King Charles III is our Patron.

Under its Charter, the Members of the RSC may comprise the Governors and a President, who may be elected by the Governors. The President was the then Prince of Wales and we will be considering the role of President in due course.

A meeting of the Governors is known as the Company's Annual General Meeting (AGM) and is held in every calendar year, not more than 15 months following the previous AGM. Any other meetings of the Governors are known as Extraordinary Meetings. Governors act as ambassadors and advocates for the RSC and are drawn from a wide range of disciplines, bringing their experience and skills to the life of the RSC.

The Governors delegate the responsibility for running the RSC to members of the Board (the trustees) who are selected from the wider group of Governors. All Governors are kept up to date with key developments via updates from the management and the Chair of the Board.

The Nominations Committee, a sub-committee of the Board, consider potential new Governors and make recommendations of suitable appointments to the Board for approval. The Board then recommend these potential new Governors for election by the Governors. The Nominations Committee, on behalf of the Board, also regularly performs reviews to maintain a suitable range of skills and experience amongst Board members and Governors.

Newly appointed members of the Board receive an induction programme covering general responsibilities and detailed information about the structure, governance and management of the RSC and attend induction meetings with members of the SLT. Board members receive regular updates about our activities, with six formal Board meetings each year.

The Board supports and follows the principles of the Charity Governance Code. The Code is designed to support continuous improvement and we evaluate our performance against the Code's principles, outcomes and recommended practices to ensure robust governance throughout the organisation.

There are four formally constituted Board Sub Committees comprising the Risk, Audit & Finance Committee (RAFCo), the Investment Committee (reporting into the RAFCo), the Nominations Committee and a newly formed Donations and Sponsorship Committee. The terms of reference and composition of each Sub Committee was reviewed in 2023 and 2024.

Some Board members attend some management committees (e.g. Equity, Diversity, Justice and Inclusion Committee). In doing so, they attend as observers and not in a fiduciary role or as representatives of the Board.

Details of the Governors and membership of the Board and its sub committees are shown on page 37. The artistic leadership and the day-to-day management of the RSC are the responsibility of the Co-Artistic Directors and the Executive Director. They support and hold to account a group of senior managers who make up the SLT (detailed on page 34).

As set out on page 33, following recommendation by the RAFCo, a new Risk Management Framework was approved by the Board in July 2023 which aims to provide clarity on governance, processes and assurance, and enabling an agile approach to the monitoring and reporting of risk that works in tandem with the annual Budget process.

Policies were reviewed and updated over the course of the year, with a particular focus on people and culture, to provide an accountable, safe and supportive environment for colleagues. Policies included an Anti-harassment and Bullying Policy and a Speaking Up Policy.

A number of internal audits were completed including a safeguarding review of chaperone arrangements and an audit on IT backup and recovery arrangements, to ensure that data held on digital systems is protected through a regular and robust backup regime. The audits were reported to the RAFCo and the Board.

Elections to, and retirements from, the Board and the Governors during the period of this report and to the date of its approval were:

Daniel Evans – Elected Governor and Board member on 28 September 2023

Tamara Harvey – Elected Governor and Board member on 28 September 2023

Sir Nicholas Hytner – Elected Governor and Board member on 28 September 2023

Catherine Mallyon CBE – Retired as Governor and Board member on 31 December 2023

Ian Squires – Retired as Board member on 31 December 2023

Patsy Rodenburg OBE – Retired as Governor on 31 December 2023

Dame Harriet Walter DBE – Retired as Governor on 31 December 2023

Mike Wright – Retired as Governor on 31 December 2023

Geoff Barton and Andrew Leveson are to be recommended to the Governors at the next AGM for election as Governors and members of the Board.

GOVERNORS, BOARD AND SUB COMMITTEE MEMBERSHIP DURING THE YEAR AND UP TO APPROVAL OF THIS REPORT

Patron

His Majesty King Charles III

Name	Governor	Board	Committee Membership
Shriti Vadera	✓ Chair	✓ Chair	NC ^{*EO} , IC ^{*EO} , RAFCo ^{*EO}
Sir Mark Thompson	✓	✓ Deputy Chair	NC
George Alagiah OBE	✓ Deceased ^{*2}		NC Deceased ^{*2}
Sir David Bell KBE	✓		
Anita Bhalla OBE	✓		NC - Appointed ^{*1}
Elizabeth Boissevain	✓		
Daniel Evans	✓ Appointed ^{*3}	✓ Appointed ^{*3}	
Tamara Harvey	✓ Appointed ^{*3}	✓ Appointed ^{*3}	
Sir Nicholas Hytner	✓ Appointed ^{*3}	✓ Appointed ^{*3}	
Bruce Kovner	✓		
Professor Ruru Li	✓		
Catherine Mallyon CBE	✓ Retired ^{*4}	✓ Retired ^{*4}	
Andrew Miller MBE	✓	✓	NC ^{*C}
Sandie Okoro	✓		
Amanda Parker	✓	✓	NC ^{*8}
Winsome Pinnock ^{*9}	✓	✓	NC
Clare Reddington	✓	✓	NC
Patsy Rodenburg OBE	✓ Retired ^{*5}		
Sir Antony Seldon	✓		
Mark Smith	✓	✓	RAFCo ^{*C} , IC ^{*C}
Ian Squires	✓	✓ Retired ^{*5}	RAFCo - Retired ^{*5}
Sue Stapely	✓		
David Tennant	✓		
Justine Themen	✓		
Ayanna Thompson	✓	✓	
Liz Vernon	✓	✓	RAFCo – Appointed ^{*5}
Dame Harriet Walter DBE	✓ Retired ^{*5}		
Lucy Williams ^{*10}	✓	✓	RAFCo
Mike Wright	✓ Retired ^{*5}		NC - Retired ^{*5}
Andrew Clayton			RAFCo
Tilly Franklin			IC - Appointed ^{*6}
Andy Halls			RAFCo
John Hornby			IC - Retired ^{*7}
David Loudon			IC
Quintin Price			IC - Appointed ^{*6}

Geoff Barton and Andrew Leveson are to be recommended to the Governors at the next AGM for election as Governors and members of the Board.

Dates retired or appointed: ^{*1} 20 July 2023, ^{*2} 24 July 2023, ^{*3} 28 September 2023, ^{*4} 22 December 2023,
^{*5} 31 December 2023, ^{*6} 5 Feb 2024, ^{*7} 30 April 2024, ^{*8} 18 July 2024

^{*9} Winsome Pinnock on leave of absence from 17 November 2023.

^{*10} Lucy Williams will retire from the Board and RAFCo with effect from 31 December 2024.

RAFCo – Risk, Audit & Finance Committee; IC – Investment Committee; NC – Nominations Committee

^{*C} – Chair, ^{*EO} – Ex Officio

Emeritus Chairman

Sir Geoffrey Cass

Honorary Governors

Neil Benson OBE
David Burbidge CBE
Michael Crystal KC
Miranda Curtis CMG
Tony Hales CBE

Honorary Emeritus Governors

Lady Anderson
Sir Stanley Wells

Charlotte Heber-Percy
Charles Holloway OBE
Ian Laing CBE
Douglas McPherson
Lord Willoughby de Broke

Artists' Associate

Dame Susie Sainsbury DBE

Honorary Governors (ex officio)

Director, Shakespeare Institute
Chief Executive, Shakespeare Birthplace Trust
Chair, Stratford District Council
Stratford Town Mayor

GROUP STRUCTURE

The RSC's subsidiary companies and their financial performance are shown in note 10(c) to the accounts.

RSC Enterprise Limited is a wholly owned subsidiary of the RSC that operates the commercial activities of the Company, which include the merchandising of goods relating to the Royal Shakespeare Company, catering and the operation of the nursery. RSC Estates Limited is a wholly owned subsidiary of the RSC that holds a 50% share in a joint venture, Arden Hotel Waterside LLP. This joint venture operates the Arden Hotel in Stratford-upon-Avon.

RSC Pre-Productions Limited is a wholly owned subsidiary of the RSC and is responsible for producing, running and closing productions providing operational, technical, production and artistic services to the RSC. The RSC controls a company based in the USA called Matilda North America LLC. The remaining interest is held by Dodgers Properties LLC. Matilda North America LLC is the general partner of two limited partnerships based in the USA: Matilda on Broadway LP, the entity producing the Broadway production of Matilda and Matilda Acrobat Tour LP, the entity producing the North American Tour. Both these tours finished in the year ended 31 March 2018.

RSC Matilda US Limited, holds investments in Matilda on Broadway LP and Matilda Acrobat Tour LP. RSC Touring Limited is a wholly owned subsidiary responsible for producing, running and closing productions, which include Matilda the Musical in the United Kingdom and Ireland, and providing operational, technical, production and artistic services to the RSC.

Hathaway Productions Limited is a new wholly owned subsidiary of the RSC, established for the purposes of operating commercial transfers.

The Consolidated Financial information reflects the income and expenditure, cash flows and assets and liabilities for the RSC and all of its subsidiaries and its joint venture (together the "group"). Transactions between the RSC (the "Corporation") and the other entities in the group are eliminated on consolidation. The Consolidated Statement of Financial Activities for the year ended 31 March 2024 is shown on page 45 with the Comparative Consolidated Statement of Financial Activities for the year ended 31 March 2023 on page 46.

The Corporation Financial Information reflects the income and expenditure and assets and liabilities for the RSC only. The RSC enters into contractual arrangements with its subsidiaries (most notably RSC Pre Productions Limited) under which the subsidiaries provide services to the RSC in producing and running theatrical productions. However, these subsidiaries use staff and other resources provided by the RSC and are charged by the RSC for these services. Accordingly, the income and expenditure of the RSC as a stand alone entity reflect the gross income and expenditure from both external and intra group transactions. Corporation Statement of Financial Activities for the year ended 31 March 2024 is shown on page 47 with the Comparative Corporation Statement of Financial Activities for the year ended 31 March 2023 shown on page 48.

GOING CONCERN

We continue to work in a financial and operational context which we know can quickly change, where there are significant financial risks, primarily the crystallised and ongoing risk of the cost-of-living pressures and future estate capital development and maintenance needs.

Historically the organisation has been swift to implement changes when needed to manage the cost base and the CRF loan of £19.4m received in February 2021 allowed us to successfully restart indoor performances in the prior financial period and to plan a full resumption of activities from April 2023, with the reopening of the Swan Theatre. Applying a cautious approach to re-opening, has enabled us to continue managing cash flows tightly and ensure sufficient resources are available to weather future uncertainties, and to enable financially the delivery of some of our strategically important ambitions.

An assessment of liquidity

The RSC continues recovering post pandemic and has built a strong reserves and cash position for the year ending 31 March 2024. Unrestricted funds, including both Operations unrestricted and

Unrestricted designated funds, totalled £55.3m (2023: £32.7m). Cash at bank and in hand, together with unrestricted fixed asset investments which are readily available liquid investments, totalled £40.5m (£39.8m at March 2023).

As part of the Board's consideration of Going Concern, detailed cash flow forecasts have been prepared which show that a strong opening cash position, along with cautious income assumptions and known commitments give sufficient headroom to mitigate potential risks.

The Trustees have considered the current financial position of the company, and its future cash flows on both a base case and a worst-case basis for a period of at least 12 months from the date of signing these accounts. In preparing the base case assessment, management and the Trustees have applied judgement, particularly in relation to the assumed box office income achievable from productions and the impact of inflation over the period.

There remains a risk of audience levels being impacted by cost-of-living pressures affecting consumer spending patterns and audience behaviours. In addition, inflationary pressure on our costs, notably people, continues to be managed carefully. The recent announcement of the Theatre Tax rates of relief was welcomed, which assists in mitigating the immediate inflationary pressures, but the higher rate will slightly reduce from April 2025 onwards.

Despite these risks, the modelling shows that the RSC continues to have appropriate levels of liquidity headroom to be able to continue as a going concern.

An assessment of performance

The financial review has set out the overall improvement in the net income / (expenditure), and the surplus in the current year before transfers. This has been underpinned by a number of our income streams, which have helped to offset inflation within our expenditure in the current year, notably on people and energy costs.

We have seen strong box office performances from our London productions, these include excellent performance from *Matilda The Musical* and *My Neighbour Totoro*.

Arts Council England funding


The level of grant income funding from ACE for the three years from 2023/24 to 2025/26 was confirmed at £15.3m per annum in November 2022 which maintains the level at that received in recent years. We are extremely grateful for this continued and essential support.

Our application set out our proven track record of delivery against 'Let's Create' and our future plans demonstrate a re-imagined commitment to being a creative and learning organisation, which inspires change. Our planned activities over this period, which are supported by the ACE NPO grant income, include:

- growing our long-term partnerships with schools, communities and theatres;
- enabling creative opportunities for learning;
- working with young people in areas of structural disadvantage;
- driving innovative digital development; and
- building upon our unique position as an Independent Research Organisation.

This is all alongside presenting large-scale Shakespeare productions, Shakespeare tours, a bold, and a diverse programme including new writing.

The Trustees' Report was approved by the Board on 30 July 2024, authorised for issue and signed on its behalf by:



Shriti Vadera
RSC Chair of the Board

STATEMENT OF THE BOARD'S RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are to be published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL SHAKESPEARE COMPANY

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2024 and of the Group's/its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of The Royal Shakespeare Company ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the corporation statement of financial activities, the consolidated and corporation balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL SHAKESPEARE COMPANY cont 2

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of the Board's Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL SHAKESPEARE COMPANY cont 3

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group/Charity and the sector in which it operates;
- Discussion with management and those charged with governance including Risk, Audit and Finance Committee;
- Obtaining and understanding of the Group's/Charity's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be UK GAAP, Charities SORP and tax legislation.

The Group/Charity is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, employment law and data protection.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of any correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance, including the Risk, Audit and Finance committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's/Charity's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL SHAKESPEARE COMPANY cont 4

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including the assumptions applied in valuing the defined benefit pension scheme assets and liabilities and valuation of investments.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

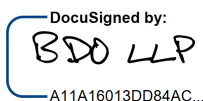
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

A11A16013DD84AC...

BDO LLP, statutory auditor
Birmingham, UK
Date

31 July 2024

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of financial activities for the year ended 31 March 2024

	Note	Operations/ unrestricted funds £'000	Unrestricted designated funds £'000	Restricted funds £'000	Restricted Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from:							
Charitable activities							
Performance related grants	2	15,260	-	513	-	15,773	15,260
Income from productions, tours and theatre operations	3	58,167	-	-	-	58,167	38,871
Creative learning and engagement		1,238		500	-	1,738	927
Donations and legacies	4	3,729	-	1,713	-	5,442	4,152
Other trading activities	10(c)	7,089	-	-	-	7,089	6,310
Investments	5	1,615	-	4	211	1,830	1,177
Licensing of rights		2,083	-	-	-	2,083	1,336
Total		89,181	-	2,730	211	92,122	68,033
Expenditure on:							
Charitable activities							
Productions, tours and theatre operations	3	(72,944)	(1,191)	(2,646)	-	(76,781)	(58,082)
Creative learning and engagement		(2,715)	-	(847)	-	(3,562)	(3,271)
Raising donations and legacies		(1,716)	-	-	-	(1,716)	(1,500)
Other trading activities		(5,564)	-	-	-	(5,564)	(5,056)
Share of net loss in joint ventures	10(a)	(223)	-	-	-	(223)	(150)
Investment management costs		(70)	-	(2)	-	(72)	(72)
Total	7	(83,232)	(1,191)	(3,495)	-	(87,918)	(68,131)
<i>Net gains / (losses) on investment assets</i>	10(b)	1,168	-	63	1,069	2,300	(1,069)
Net income / (expenditure)		7,117	(1,191)	(702)	1,280	6,504	(1,167)
Transfers between funds	18	(21,914)	38,393	(16,219)	(260)	-	-
Net income / (expenditure) after transfers		(14,797)	37,202	(16,921)	1,020	6,504	(1,167)
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	22	183	-	-	-	183	(2,105)
Net movement in funds		(14,614)	37,202	(16,921)	1,020	6,687	(3,272)
Reconciliation of funds							
Total funds brought forward	18	23,565	9,149	77,749	13,370	123,833	127,105
Total funds carried forward	18	8,951	46,351	60,828	14,390	130,520	123,833

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 51 to 92 form part of these accounts.

Prior year comparatives are shown in detail on page 46.

Comparative consolidated statement of financial activities for the year ended 31 March 2023

	Note	Operations/ unrestricted funds £'000	Unrestricted designated funds £'000	Restricted funds £'000	Restricted Endowment funds £'000	Total funds 2023 £'000
Income and endowments from:						
Charitable activities						
Performance related grants	2	15,260	-	-	-	15,260
Income from productions, tours and theatre operations	3	38,871	-	-	-	38,871
Creative learning and engagement		927	-	-	-	927
Donations and legacies	4	3,438	-	714	-	4,152
Other trading activities	10(c)	5,903	-	407	-	6,310
Investments	5	976	-	10	191	1,177
Licensing of rights		1,336	-	-	-	1,336
Total		66,711	-	1,131	191	68,033
Expenditure on:						
Charitable activities						
Productions, tours and theatre operations	3	(56,205)	(530)	(1,347)	-	(58,082)
Creative learning and engagement		(2,421)	-	(850)	-	(3,271)
Raising funds						
Raising donations and legacies		(1,500)	-	-	-	(1,500)
Other trading activities		(4,649)	-	(407)	-	(5,056)
Share of net loss in joint ventures	10(a)	(150)	-	-	-	(150)
Investment management costs		(48)	-	(1)	(23)	(72)
Total	7	(64,973)	(530)	(2,605)	(23)	(68,131)
<i>Net losses on investment assets</i>	10(b)	(354)	-	(17)	(698)	(1,069)
Net income / (expenditure)		1,384	(530)	(1,491)	(530)	(1,167)
Transfers between funds	18	(4,136)	4,136	280	(280)	-
Net (expenditure) / income after transfers		(2,752)	3,606	(1,211)	(810)	(1,167)
Other recognised losses						
Actuarial losses on defined benefit pension scheme	22	(2,105)	-	-	-	(2,105)
Net movement in funds		(4,857)	3,606	(1,211)	(810)	(3,272)
Reconciliation of funds						
Total funds brought forward	18	28,422	5,543	78,960	14,180	127,105
Total funds carried forward	18	23,565	9,149	77,749	13,370	123,833

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A review of classification of group activities has been undertaken during the year. See note 1(b).

The notes on pages 51 to 92 form part of these accounts.

Corporation statement of financial activities for the year ended 31 March 2024

	Note	Operations/ unrestricted funds £'000	Unrestricted designated funds £'000	Restricted funds £'000	Restricted Endowment funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
Income and endowments from:							
Charitable activities							
Performance related grants	2	15,260	-	513	-	15,773	15,260
Income from productions, tours and theatre operations	3	99,034	-	-	-	99,034	70,049
Creative learning and engagement		1,238	-	500	-	1,738	927
Donations and legacies	4	3,729	-	1,713	-	5,442	4,152
Other trading activities	10(c)	2,879	-	-	-	2,879	1,924
Investments	5	1,615	-	4	211	1,830	1,177
Licensing of rights		2,078	-	-	-	2,078	1,336
Total		125,833	-	2,730	211	128,774	94,825
Expenditure on:							
Charitable activities							
Productions, tours and theatre operations	3	(114,291)	(1,191)	(2,646)	-	(118,128)	(89,987)
Creative learning and engagement		(2,715)	-	(847)	-	(3,562)	(3,271)
Raising funds							
Raising donations and legacies		(1,732)	-	-	-	(1,732)	(1,514)
Other trading activities		(883)	-	-	-	(883)	(817)
Investment management costs		(70)	-	(2)	-	(72)	(72)
Total	7	(119,691)	(1,191)	(3,495)	-	(124,377)	(95,661)
<i>Net gains / (losses) on investment assets</i>	10(b)	1,168	-	63	1,069	2,300	(1,069)
Net income / (expenditure)		7,310	(1,191)	(702)	1,280	6,697	(1,905)
Transfers between funds	18	(21,914)	38,393	(16,219)	(260)	-	-
Net income / (expenditure) after transfers		(14,604)	37,202	(16,921)	1,020	6,697	(1,905)
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	22	183	-	-	-	183	(2,105)
Net movement in funds		(14,421)	37,202	(16,921)	1,020	6,880	(4,010)
Reconciliation of funds							
Total funds brought forward	18	22,727	9,149	77,749	13,370	122,995	127,005
Total funds carried forward	18	8,306	46,351	60,828	14,390	129,875	122,995

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 51 to 92 form part of these accounts.

Prior year comparatives are shown in detail on page 48.

Comparative corporation statement of financial activities for the year ended 31 March 2023

	Note	Operations/ unrestricted funds £'000	Unrestricted designated funds £'000	Restricted funds £'000	Restricted Endowment funds £'000	Total funds 2023 £'000
Income and endowments from:						
Charitable activities						
Performance related grants	2	15,260	-	-	-	15,260
Income from productions, tours and theatre operations	3	70,049	-	-	-	70,049
Creative learning and engagement		927	-	-	-	927
Donations and legacies	4	3,438	-	714	-	4,152
Other trading activities	10(c)	1,924	-	-	-	1,924
Investments	5	976	-	10	191	1,177
Licensing of rights		1,336	-	-	-	1,336
Total		93,910	-	724	191	94,825
Expenditure on:						
Charitable activities						
Productions, tours and theatre operations	3	(88,110)	(530)	(1,347)	-	(89,987)
Creative learning and engagement		(2,421)	-	(850)	-	(3,271)
Raising funds						
Raising donations and legacies		(1,514)	-	-	-	(1,514)
Other trading activities		(817)	-	-	-	(817)
Investment management costs		(48)	-	(1)	(23)	(72)
Total	7	(92,910)	(530)	(2,198)	(23)	(95,661)
<i>Net loss on investment assets</i>	10(b)	(354)	-	(17)	(698)	(1,069)
Net income / (expenditure)		646	(530)	(1,491)	(530)	(1,905)
Transfers between funds	18	(4,136)	4,136	280	(280)	-
Net (expenditure) / income after transfers		(3,490)	3,606	(1,211)	(810)	(1,905)
Other recognised losses						
Actuarial losses on defined benefit pension scheme	22	(2,105)	-	-	-	(2,105)
Net movement in funds		(5,595)	3,606	(1,211)	(810)	(4,010)
Reconciliation of funds						
Total funds brought forward	18	28,322	5,543	78,960	14,180	127,005
Total funds carried forward	18	22,727	9,149	77,749	13,370	122,995

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

A review of classification of group activities has been undertaken during the year. See note 1(b).

The notes on pages 51 to 92 form part of these accounts.

Balance sheets

at 31 March 2024

	Note	Consolidated 2024 £'000	2023 £'000	Corporation 2024 £'000	2023 £'000
Fixed assets					
Tangible assets	9	93,214	93,813	93,214	93,813
Investments:					
Investment in joint ventures	10(a)	2,667	2,890	-	-
Other investments	10(b)	39,689	37,493	42,689	40,493
		<u>42,356</u>	<u>40,383</u>	<u>42,689</u>	<u>40,493</u>
Total fixed assets		135,570	134,196	135,903	134,306
Current assets					
Stock and work in progress	11	1,702	2,272	1,507	2,115
Debtors	12	17,603	10,415	17,910	10,680
Cash at bank and in hand	13	15,871	16,346	13,303	14,615
		<u>35,176</u>	<u>29,033</u>	<u>32,720</u>	<u>27,410</u>
Total current assets		35,176	29,033	32,720	27,410
Creditors: amounts falling due within one year	14	(18,662)	(16,625)	(17,184)	(15,950)
		<u>16,514</u>	<u>12,408</u>	<u>15,536</u>	<u>11,460</u>
Net current assets		16,514	12,408	15,536	11,460
Total assets less current liabilities		152,084	146,604	151,439	145,766
Creditors: amounts falling due after more than one year	15	(20,265)	(20,230)	(20,265)	(20,230)
Provisions for liabilities	16	(283)	(283)	(283)	(283)
		<u>131,536</u>	<u>126,091</u>	<u>130,891</u>	<u>125,253</u>
Net assets excluding pension liability		131,536	126,091	130,891	125,253
Defined benefit pension scheme liability	22	(1,016)	(2,258)	(1,016)	(2,258)
		<u>130,520</u>	<u>123,833</u>	<u>129,875</u>	<u>122,995</u>
Total net assets		130,520	123,833	129,875	122,995
The funds of the Charity:					
Endowment funds	18	14,390	13,370	14,390	13,370
Restricted funds	18	60,828	77,749	60,828	77,749
Unrestricted funds					
General operating fund	18	9,967	25,823	9,322	24,985
Pension reserve	18	(1,016)	(2,258)	(1,016)	(2,258)
Designated funds	18	46,351	9,149	46,351	9,149
		<u>55,302</u>	<u>32,714</u>	<u>54,657</u>	<u>31,876</u>
Total unrestricted funds		55,302	32,714	54,657	31,876
Total funds		130,520	123,833	129,875	122,995

The notes on pages 51 to 92 form part of these accounts. These accounts were approved by the Board on 30 July 2024, authorised for issue and signed on its behalf by:



Shriti Vadera – Chair of the Board of Trustees

Consolidated statement of cash flows for the year ended 31 March 2024

	Note	Consolidated 2024 £'000	2023 £'000
Net cash (used in) / generated from operating activities		(1,458)	3,882
Cash flow from investing activities			
Interest and dividend income received		1,830	1,177
Purchase of tangible fixed assets		(1,551)	(3,325)
Movement in cash in investment portfolio		220	63
Purchase of investments		(3,306)	(27,817)
Sale of investments		3,190	15,856
Loan to joint venture		-	(150)
Net cash generated from / (used in) investing activities		383	(14,196)
Cash flow from financing activities			
Loan receipt		600	-
Net cash generated from financing activities		600	-
Change in cash and cash equivalents in the year		(475)	(10,314)
Cash and cash equivalents at the beginning of the year		16,346	26,660
Cash and cash equivalents at the end of the year	13	15,871	16,346

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Consolidated 2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	6,504	(1,167)
Adjustments for:		
Depreciation and impairment charges	2,150	1,445
Loss from share of joint venture	223	150
(Gains)/losses on investments	(2,300)	1,069
Interest on repayable finance	405	396
Dividends and interest income	(1,830)	(1,177)
Decrease in stock	570	1,105
Increase in debtors	(7,188)	(4,454)
Increase in creditors	1,067	6,370
Decrease in provisions	-	(5)
Loan to joint venture	-	150
Pension contributions paid	(1,140)	-
Post employment benefits interest charge	81	-
Net cash (used in) / generated from operating activities	(1,458)	3,882

Notes

(forming part of the accounts)

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Legal status

The Royal Shakespeare Company is incorporated under Royal Charter originally dated 31 October 1925 (as last amended on 6 March 2007) as "The Royal Shakespeare Company, Stratford-upon-Avon", and it is a registered charity in England and Wales with registration number 212481. Its registered office is The Royal Shakespeare Theatre, Waterside, Stratford-upon-Avon, Warwickshire, CV37 6BB.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019) – ("Charities SORP (FRS 102)"), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Royal Shakespeare Company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling which is also the functional currency of the Corporation.

The Corporation has taken advantage of the exemption under FRS 102 paragraph 1.12(b) from preparing a statement of cash flows on the basis that it is an ultimate parent undertaking which prepares a consolidated statement of cash flows.

Prior period adjustment

A review of classification of group activities has been undertaken during the year, and where activities undertaken by subsidiary companies fall within the charity's objects, it is considered more appropriate to include the related income and expenditure within Charitable Activities in the Statement of Financial Activities.

The classification in the comparative figures has also been updated. The TTR of £4,919,401 has been reclassified from Trading income from subsidiaries into Income from Productions, tours and theatre operations. The associated costs of £28,257 have also been reclassified from Trading expenditure in subsidiaries into Expenditure on productions, tours and theatre operations. The heading Trading expenditure of subsidiaries is no longer being used and has been replaced with Other trading activities. Trading activities from subsidiaries of £4,501,483 has been reclassified into Other trading activities.

The table below presents the amounts reclassified in both consolidated and corporation comparative statements of financial activities for the year ended 31 March 2023:

	Total fund 2023 £'000	Reclassification £'000	Total funds 2023 £'000
Consolidated			
Income and endowments from:			
Productions, tours and theatre operations	33,952	4,919	38,871
Trading income from subsidiaries	9,421	(9,421)	-
Other trading activities	1,808	4,502	6,310
Expenditure on:			
Productions, tours and theatre operations	(58,054)	(28)	(58,082)
Trading expenditure of subsidiaries	(4,267)	4,267	-
Other trading activities	(817)	(4,239)	(5,056)
Corporation			
Income and endowments from:			
Trading income from subsidiaries	116	(116)	-
Other trading activities	1,808	116	1,924

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(c) Preparation of the accounts on a going concern basis

In preparing the financial statements, the Trustees have considered whether the going concern basis of preparation remains appropriate. To make this assessment cash forecasts have been prepared on a monthly basis through to September 2025, which is a period of at least 12 months from the date of approval of these financial statements.

The Trustees have considered the current financial position of the company, and its future cash flows on both a base case and a worst-case basis for a period of at least 12 months from the date of signing these accounts. In preparing the base case assessment, management and the Trustees have applied judgement particularly in relation to the assumed box office income achievable from productions, and the impact of inflation over the period. There remains risk of audience confidence levels being impacted by the continued cost of living pressures which could affect consumer spending patterns.

Based on this assessment, the Trustees are satisfied that the charity and group have sufficient resources to continue as a going concern for at least 12 months from the date of signing the financial statements. The Trustees therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis.

(d) Basis of consolidation

The consolidated financial statements of the Corporation comprise the financial statements of the charity and its subsidiary companies for the period from 1 April 2023 to 31 March 2024 (*2023 year ended 31 March 2023*). The consolidation has been prepared using the purchase method of accounting on a line by line basis. Under this method acquired subsidiaries are included from the date of acquisition.

The results of the trading companies are disclosed in note 10.

The consolidated accounts include the 50% share in Arden Hotel Waterside LLP acquired during the year ended 31 March 2010 by RSC Estates Limited, a wholly owned subsidiary of the Corporation. Accounting for the joint venture is done using the equity method.

The consolidated financial statements include the group share of Matilda on Broadway LP, which is the entity producing *Matilda The Musical* on Broadway in New York and Matilda Acrobat Tour LP, which is the entity producing the North American touring production of *Matilda The Musical* (together "the LPs"). Whilst Matilda North America LLC is a general partner of the LPs and RSC Matilda US Limited has investments in the LPs, the RSC does not have control of them due to restrictions around the operation of the LPs and rights of other investors. However, the RSC is considered to have an interest in both LPs and has therefore recognised the income due from the LPs measured according to the terms of the Limited Partnership agreements and associated agreements. Both these tours have now finished and once the final costs have been settled, the entities will become dormant.

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(e) Income

All income is accounted for at the fair value of the consideration received or receivable when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met and it is probable that the income will be received, and the amounts can be measured reliably. Income is deferred if it is received in advance of the accounting period in which services would be rendered (for example in advance of a theatrical performance) and if a donor has specified that the income must be used in future accounting periods.

Income from Government and other grants

Income from Government and other grants, whether capital or revenue, is credited to the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably. Income is deferred only if these criteria are not met or when the provider specifies that the grant must be used in future periods.

Income from charitable activities

Income from charitable activities comprises income from box office and publications, education, partnerships and hire of costumes and props and is accounted for on an accruals basis excluding VAT. This category also includes grants specifically for the provision of services provided as part of charitable activities, which are recognised in line with the income from Government and other grants policies. It also includes income from co productions, which is recognised on an accruals basis excluding VAT and in accordance with the terms of the co production agreements.

Amounts due to the group companies in respect of the Theatre Tax relief are included in the financial year to which the claim relates. These amounts are recognised in income, rather than as a tax credit or recovery of expenditure, as the intention and nature of the Theatre Tax Credit is akin to government grant income.

Donations and legacy income

Donations are included in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Tax recoverable under the Gift Aid scheme is accrued on donations, where this is an entitlement. For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted or, the estate has been finalised and notification has been made by the executors to the Corporation that a distribution will be made. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executors' intention to make a distribution. Where legacies have been notified to the Corporation or the Corporation is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donations in kind

Donations in kind are recognised as income when the Corporation has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Corporation of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised. On receipt, donations in kind are recognised on the basis of the value of the gift to the Corporation which is the amount the Corporation would have been willing to pay to obtain items of equivalent economic benefit on the open market.

Trading income from subsidiary undertakings

All income is accounted for on an accruals basis, net of VAT when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Other trading income and licensing of rights

Other trading income relates to sponsorship, membership income, property letting and other income, none of which are individually material.

All income is accounted for on an accruals basis, net of VAT when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(e) Income (continued)

Trading income from subsidiary undertakings

All income is accounted for on an accruals basis, net of VAT when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Other trading income and licensing of rights

Other trading income relates to sponsorship, membership income, property letting and other income, none of which are individually material.

All income is accounted for on an accruals basis, net of VAT when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from Investments

Income from investments comprises the returns receivable on investments for the year, including recoverable tax and interest receivable on cash balances. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity. This is normally on notification of the interest paid or payable by the bank or financial institution.

Endowment fund income

Any income earned from a capital endowment fund may be used for general purposes unless specifically restricted by the endowment.

(f) Fund accounting

The Corporation has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

Unrestricted funds

These are funds which are expendable at the discretion of the Board in furtherance of the objects of the Corporation.

Designated funds

The Corporation may at its discretion set aside unrestricted funds for specific purposes. If no longer required, designated funds are reclassified as undesignated unrestricted funds.

Endowment funds

Such funds are given to the Corporation where the income may be used for general or specific purposes, but the capital must be retained. Where the donor has permitted the Corporation to use the capital for general or specific purposes at a future date, these are disclosed separately as expendable endowments.

Restricted funds

These are earmarked by the donor for specific purposes within the overall aims of the organisation. The donation must be utilised in accordance with the specific purposes.

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(g) Expenditure and irrecoverable VAT

All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Expenditure on raising funds comprises the costs of staff members and consultants who are directly engaged in fundraising and the costs of specific publicity campaigns for the raising of donations, the costs of commercial trading, including the bars, cafés, restaurant and nursery and their associated support costs.
- Expenditure on charitable activities includes the costs of productions including marketing costs, theatre running costs, redevelopment costs relating to the depreciation of the Corporation's theatres and office accommodation, other costs expendable in the year as part of the redevelopment project and the costs of the Corporation's educational activities. Pre-production costs are held on the balance sheet until the press night is held. Where income for a show is expected to cover the costs, the pre-production costs are released over time. For fixed run shows, this is over the run of the show to which they relate. For indefinite run shows, this is over the foreseeable future of the show. Where income from a show is not expected to cover the costs, the pre-production costs are written off on press night.
- Other expenditure represents those items not falling into any other heading.

Any VAT incurred which is irrecoverable is recognised as a cost against the activity for which the expenditure was incurred or allocated on the same basis.

(h) Allocation of support costs

Support costs are those functions that assist the work of the Corporation but do not directly undertake charitable activities. Support costs include back-office costs, finance, HR, IT and governance costs which support the Corporation's artistic programme and activities. These costs have been allocated between raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 8.

(i) Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling and recorded using the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rates ruling at the relevant balance sheet date and the gains and losses on translation are included in the Statement of Financial Activities in the category to which the cost and income relates. The assets and liabilities of subsidiary foreign enterprises are translated into Sterling at the exchange rate ruling at the relevant balance sheet date, whilst income and expenditure is translated using an average exchange rate for the period. Gains and losses on translation of foreign enterprises are included in the Statement of Financial Activities.

(j) Leases

An asset and corresponding liability are recognised for leasing arrangements that transfer to the group substantially all the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

All other leases are operating leases and the annual rentals are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

Notes (continued)

(forming part of the accounts)

1 Accounting policies (continued)

(k) Tangible fixed assets

Fixed assets are stated at historical cost. The amount included under freehold theatres (see note 10) includes the original cost of construction and fitting out of The Royal Shakespeare Theatre, Swan Theatre and The Other Place together with the subsequent capital cost of improvements. With the exception of motor vehicles, assets purchased with a value below £50,000 are not capitalised.

Depreciation is provided in order to write off the cost less residual value evenly over the estimated lives of the assets. The rates of depreciation are as follows:

Asset Category	Annual Rate
Freehold theatres	1 – 1.6%
Other properties	1 - 20%
Motor vehicles	25%
Other equipment, fixtures and fittings	4 - 33%
Assets under the course of construction	0%

Freehold land is not depreciated.

Assets under the course of construction represent the costs incurred on the redevelopment of theatres and workshops and equipment within those buildings. These assets are transferred to the appropriate category upon completion and depreciated in accordance with this policy.

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Corporation estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Heritage assets

The corporation maintains a collection that was started in 1897 by Charles Edward Flower, consisting of costumes, artworks, props and objects as well as an archive of papers which include a copy of Shakespeare's first folio. Some of the assets within the collection have artistic qualities and contribute to knowledge and culture through their retention. These assets, valued at £8.8m for insurance purposes, are therefore considered to be Heritage assets.

These assets are stated at historical cost 31 March 2024: £Nil (2023: £Nil). Most of these assets were donated to the charity many years ago. Expenditure required to preserve or prevent deterioration of individual collection item is recognised in the Statement of Financial Activity when it is incurred.

(l) Investments

Current asset investments comprise short term investments that can be readily converted into cash and other readily convertible cash funds and unlisted investments in joint ventures that are not held for the continuing long-term benefit of the Corporation.

The group holds investments in subsidiaries and joint ventures as well as listed investments. Investments in subsidiaries and joint ventures in the form of equity are stated in the Corporation's accounts at cost less any impairment provisions and are accounted for using the equity method of accounting in the consolidated financial statements.

Listed investments are stated at their fair value as at the balance sheet date by reference to their bid value. All movements in value arising from a change in the fair value of an investment are shown in the Statement of Financial Activities.

Notes (continued)
(forming part of the accounts)

1 Accounting policies (continued)

(m) Stocks and work in progress

Stocks and work in progress which represent goods for resale or direct costs of projects in progress are stated at the lower of cost and net realisable value. Where a show is expected to make a surplus, pre-production costs are included in work in progress and charged to the Statement of Financial Activities over the run of the show to which they relate.

(n) Debtors

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(o) Cash and cash equivalents

Cash and cash equivalents include cash and short term highly liquid assets with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar accounts held as part of the Corporation's treasury management activities. They exclude any such assets held as part of fixed asset and endowment asset investments.

(p) Creditors and provisions

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due and in the case of provisions after discounting to present value to reflect the time value of money and risks specific to the obligation where material.

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(q) Financial Instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument and are offset only when the charity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors, amounts due from subsidiary undertakings and other receivables

Those which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. They are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activity for the excess of the carrying value over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

Current asset investments and short-term deposits

Unlisted investments are measured at fair value. The Corporation has concluded that recoupment of these instruments is imminent and therefore that due to their short-term nature their fair value is not materially different from their settlement amount. Accordingly, these financial instruments are carried at their settlement amount.

Financial liabilities and equity

Creditors, amounts due to subsidiaries and other payables

Those payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Activities over the period of the borrowings using the effective interest method.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(r) Taxation

In accordance with Section 505 Income and Corporation Taxes Act 1988 the Corporation is exempt from the requirement to pay corporation tax on activities carried out for charitable purposes.

In the subsidiaries the policy is to pay all taxable profits to The Royal Shakespeare Company by way of Gift Aid. No deferred tax liability arises in the financial statements. Deferred tax assets are not recognised in the financial statements.

The Group receives creative industries tax credits from HMRC. These are shown as part of income from productions, tours and theatre operations.

Notes (continued) **(forming part of the accounts)**

1 Accounting policies (continued)

(s) Pensions

Defined benefit scheme

The Corporation operates a defined benefit pension scheme under which benefits are based on final pensionable pay. The assets of the scheme are held separately from those of the Corporation in separate trustee administered funds.

Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the rate of return on a high-quality corporate bond of equivalent term and currency.

The difference between the fair value of assets and the present value of accrued liabilities is shown as an asset or liability in the balance sheet. A pension scheme asset is only recognised on the balance sheet to the extent that the Corporation has the ability to recover the surplus either through reduced contributions in the future or through refunds from the scheme. A pension scheme liability is recognised to the extent that the Corporation has a legal or constructive obligation to settle the liability.

Changes relating to current or past service costs, gains and losses on settlements and curtailments and pension finance costs are allocated to appropriate expenditure categories in the Statement of Financial Activities. Actuarial gains and losses arising are included in the Statement of Financial Activities under the heading "Actuarial gains on defined benefit pension scheme".

Net interest on the defined benefit asset/liability comprises the interest cost on the defined benefit obligation and interest income on the plan assets, calculated by multiplying the fair value of the plan assets at the beginning of the period by the rate used to discount the benefit obligation and is recognised as net income/expenditure.

Defined contribution schemes

The pension costs charged in the Statement of Financial Activities represent the amount of contributions payable to the scheme in respect of the year, to individuals' personal pension schemes and to Equity and Musicians pensions schemes.

(t) Judgements and key sources of estimation uncertainty

Critical estimates in applying the group and Corporation's accounting policies are as follows:

Defined benefit pension scheme

The Corporation operated a funded defined benefit pension scheme, the Royal Shakespeare Theatre Pension Scheme, providing benefits based on final pensionable pay. The latest actuarial valuation took place on 31 March 2023 and was updated for FRS 102 purposes to 31 March 2024 by a qualified independent actuary. Judgement is required in assessing the appropriateness of actuarial assumptions used by the actuary. The assumptions have been reviewed by management and they are considered reasonable.

Critical judgements in applying the group and Corporation's accounting policies are as follows:

No critical judgements were made in applying the groups accounting policies.

Notes (continued)
(forming part of the accounts)

2 Performance related grants

Consolidated and Corporation	Unrestricted £'000	Restricted £'000	Total 2024 £'000	Total 2023 £'000
Income from charitable activities				
Arts Council England - Revenue grant	15,260	513	15,773	15,260
	<u>15,260</u>	<u>513</u>	<u>15,773</u>	<u>15,260</u>

3 Income from productions, tours and theatre operations

Consolidated	Unrestricted £'000	Designated £'000	Restricted £'000	Total 2024 £'000	Total 2023 £'000
Income from productions, tours and theatre operations:					
Box office (including London)	49,011	-	-	49,011	33,333
Theatre tax relief	7,970	-	-	7,970	4,919
Touring income	755	-	-	755	37
Other income from theatre operations	431	-	-	431	582
	<u>58,167</u>	<u>-</u>	<u>-</u>	<u>58,167</u>	<u>38,871</u>

	Unrestricted £'000	Designated £'000	Restricted £'000	Total 2024 £'000	Total 2023 £'000
Productions and theatre operations expenditure:					
Productions	(58,956)	-	(315)	(59,271)	(44,067)
Theatre operations	(9,845)	(1,191)	(2,331)	(13,367)	(10,548)
Sales and marketing costs	(4,143)	-	-	(4,143)	(3,467)
	<u>(72,944)</u>	<u>(1,191)</u>	<u>(2,646)</u>	<u>(76,781)</u>	<u>(58,082)</u>

Corporation

	Unrestricted £'000	Designated £'000	Restricted £'000	Total 2024 £'000	Total 2023 £'000
Income from productions, tours and theatre operations:					
Box office (including London)	44,772	-	-	44,772	33,333
Production commissioning agreements	52,965	-	-	52,965	36,038
Touring income	755	-	-	755	37
Other income from theatre operations	542	-	-	542	641
	<u>99,034</u>	<u>-</u>	<u>-</u>	<u>99,034</u>	<u>70,049</u>

	Unrestricted £'000	Designated £'000	Restricted £'000	Total 2024 £'000	Total 2023 £'000
Productions and theatre operations expenditure:					
Productions (including commissioning fees)	(100,304)	-	(315)	(100,619)	(75,972)
Theatre operations	(9,844)	(1,191)	(2,331)	(13,366)	(10,548)
Sales and marketing costs	(4,143)	-	-	(4,143)	(3,467)
	<u>(114,291)</u>	<u>(1,191)</u>	<u>(2,646)</u>	<u>(118,128)</u>	<u>(89,987)</u>

Notes (continued)
(forming part of the accounts)

4 Donations and legacies

Consolidated and Corporation	Unrestricted £'000	Restricted £'000	Endowment £'000	Total 2024 £'000	Total 2023 £'000
Grants receivable	-	1,594	-	1,594	-
Donations and legacies	3,729	119	-	3,848	4,152
	<u>3,729</u>	<u>1,713</u>	<u>-</u>	<u>5,442</u>	<u>4,152</u>

5 Investment income

Consolidated and Corporation	Unrestricted £'000	Restricted £'000	Endowment £'000	Total 2024 £'000	Total 2023 £'000
Income from listed investments	1,118	4	183	1,305	928
Interest on short term deposits	497	-	-	497	249
Investment management fee rebates	-	-	28	28	-
	<u>1,615</u>	<u>4</u>	<u>211</u>	<u>1,830</u>	<u>1,177</u>

6 Staff and performing artists' numbers and costs, Trustee remuneration and expenses, and the cost of key management personnel

The average number of staff and performing artists engaged during the period was as follows:

	2024 Number	2023 Number
Productions and theatre operations	815	751
Learning and national partnerships	32	32
Raising donations and legacies	30	27
Support staff	74	72
	<u>951</u>	<u>882</u>

The total emoluments, including benefits in kind, of these persons was as follows:

	2024 £'000	2023 £'000
Total emoluments	33,257	26,612
Social security costs	2,135	1,835
Defined contribution and other pension costs	2,268	1,785
	<u>37,660</u>	<u>30,232</u>

During the year redundancy payments totalling £308,210 (2023: £94,800) were made. This included ex-gratia payments of £212,229 (2023: £23,411).

Defined contribution pension costs are allocated directly to the related fund or charitable activity.

Notes (continued)
(forming part of the accounts)

6 Staff and performing artists' numbers and costs, Trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of staff and performing artists whose total emoluments, including benefits in kind, exceeded £60,000 was as follows:

	2024 Number	2023 Number
£60,001 - £70,000	19	8
£70,001 - £80,000	10	9
£80,001 - £90,000	4	7
£90,001 - £100,000	5	6
£100,001 - £110,000	3	2
£110,001 - £120,000	7	1
£120,001 - £130,000	-	1
£130,001 - £140,000	2	-
£140,001 - £150,000	-	1
£170,001 - £180,000	-	1

Remuneration was paid in respect of the Co-Artistic Directors and Executive Director's duties in accordance with the Corporation's Royal Charter. The appointment of these paid Directors to the Board is to create a mix of executive and non-executive Board members who share responsibility for the strategic and business planning of the Corporation.

	2024 Remuneration and Benefits in Kind £'000	2024 Employers Pension contributions £'000	2024 Total £'000	2023 Remuneration and Benefits in Kind £'000	2023 Employers Pension contributions £'000	2023 Total £'000
Daniel Evans	70	4	74	-	-	-
Tamara Harvey	80	6	86	-	-	-
Gregory Doran	-	-	-	21	2	23
Catherine Mallyon	134	12	146	145	15	160

The Co-Artistic Directors, Daniel Evans and Tamara Harvey, were appointed trustees on 28 September 2023. Their remuneration is included above for the period since they became trustees. Differences in remuneration, pensions and benefits relate to individual choices of accommodation and other benefits taken.

The comparative figures relate to the previous Artistic Director, Gregory Doran, who ceased to be a trustee on 22 April 2022. The trustee remuneration above relates to the period he was a Trustee.

During the year the Executive Director, Catherine Mallyon, resigned and ceased to be a trustee on 22 December 2023. Trustee's remuneration for the year includes the period she was a trustee. A payment under an obligations and settlement agreement of £158,116 was also paid to Catherine Mallyon.

No other Board members received any remuneration from the Corporation in respect of their role as Board members (2023: £Nil).

Included within expenditure are expenses reimbursed to, or incurred on behalf of, 15 members of the Board (2023: 15) totalling £19,953 (2023: £8,788). These related to travel, subsistence and meeting expenses. See note 25 in respect of other payments to Board members.

The key management personnel of the Corporation comprise the Board of Governors and the SLT. The total remuneration (including employer's pension contributions and termination payments) of the key management personnel was £1,401,106 (2023: £1,198,879).

Notes (continued)
(forming part of the accounts)

7 Total expenditure

Consolidated	Direct costs 2024 £'000	Support costs 2024 £'000	Total 2024 £'000	Total 2023 £'000
Charitable activities				
Production and theatre operations	70,870	5,911	76,781	58,082
Learning and national partnerships	3,349	213	3,562	3,271
Expenditure on raising funds				
Expenditure on raising donations and legacies	1,517	199	1,716	1,500
Expenditure on other trading activities	5,564	-	5,564	5,056
Share of net loss in joint ventures	223	-	223	150
Investment management costs	72	-	72	72
	<u>81,595</u>	<u>6,323</u>	<u>87,918</u>	<u>68,131</u>

Support costs have been allocated across activities on the basis of staff numbers.

Total expenditure includes:	2024 £'000	2023 £'000
Depreciation	1,912	1,445
Impairment of tangible fixed assets	238	-
Auditor's remuneration:		
Statutory audit of parent and consolidated accounts	102	102
Audit of subsidiaries pursuant to legislation	46	34
Other services relating to taxation	31	12
Operating lease charges:		
Land and buildings	548	463
Other than land and buildings	48	-
Net exchange losses/(gains) on foreign currency transactions	5	(25)

Corporation	Direct costs 2024 £'000	Support costs 2024 £'000	Total 2024 £'000	Total 2023 £'000
Charitable activities				
Production and theatre operations	112,217	5,911	118,128	89,987
Learning and national partnerships	3,349	213	3,562	3,271
Expenditure on raising funds				
Expenditure on raising donations and legacies	1,533	199	1,732	1,514
Expenditure on other trading activities	883	-	883	817
Investment management costs	72	-	72	72
	<u>118,054</u>	<u>6,323</u>	<u>124,377</u>	<u>95,661</u>

Support costs have been allocated across activities on the basis of staff numbers.

Total expenditure includes:	2024 £'000	2023 £'000
Depreciation	1,912	1,445
Impairment of tangible fixed assets	238	-
Auditor's remuneration:		
Statutory audit of parent and consolidated accounts	102	102
Other services relating to taxation	4	4
Operating lease charges:		
Land and buildings	548	463
Other than land and buildings	48	-
Net exchange losses/(gains) on foreign currency transactions	5	(25)

Notes (continued)
(forming part of the accounts)

	2024	2023
	£'000	£'000
8 Support costs		
Consolidated and Corporation		
Staff costs	3,278	2,566
Professional fees	301	452
Information technology	919	824
Human resources	804	513
Culture Recovery Fund loan interest	405	397
Other Expenditure	616	652
	<hr/>	<hr/>
	6,323	5,404
	<hr/>	<hr/>

Staff costs relate to administrative functions including finance, management, IT and human resources.

Governance costs totalled £126,830 (2023: £196,670).

Notes (continued)
(forming part of the accounts)

9 Tangible fixed assets

Consolidated

	Freehold Theatres	Other properties	Other equipment, fixtures and fittings	Motor vehicles	Assets under course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At beginning of year	96,960	17,617	18,686	82	315	133,660
Additions	-	-	-	-	1,551	1,551
Transfers	-	233	1,064	-	(1,297)	-
Disposals	-	-	(231)	-	-	(231)
At end of year	96,960	17,850	19,519	82	569	134,980
Depreciation						
At beginning of year	19,335	9,031	11,399	82	-	39,847
Charge for the year	913	198	801	-	-	1,912
Impairment	-	-	238	-	-	238
Disposal	-	-	(231)	-	-	(231)
At end of year	20,248	9,229	12,207	82	-	41,766
Net book value						
At 31 March 2024	76,712	8,621	7,312	-	569	93,214
At 31 March 2023	77,625	8,586	7,287	-	315	93,813
Corporation						
Cost						
At beginning of year	96,960	17,617	18,660	60	315	133,612
Additions	-	-	-	-	1,551	1,551
Transfers	-	233	1,064	-	(1,297)	-
Disposals	-	-	(231)	-	-	(231)
At end of year	96,960	17,850	19,493	60	569	134,932
Depreciation						
At beginning of year	19,335	9,031	11,373	60	-	39,799
Charge for the year	913	198	801	-	-	1,912
Impairment	-	-	238	-	-	238
Disposal	-	-	(231)	-	-	(231)
At end of year	20,248	9,229	12,181	60	-	41,718
Net book value						
At 31 March 2024	76,712	8,621	7,312	-	569	93,214
At 31 March 2023	77,625	8,586	7,287	-	315	93,813

All tangible fixed assets owned by the Corporation are held for charitable purposes. Other properties are freehold apart from three (2023: three) leasehold properties with net book value at 31 March 2024 of £96,424 (2023: £119,555). The movement in the year of £23,131 relates to depreciation of £23,131 (2023: depreciation £20,492) and additions of £Nil (2023: £63,323). Legal charges granted over fixed assets of the Corporation are shown in Note 27.

Notes (continued)
(forming part of the accounts)

10 Fixed assets investments

Consolidated and Corporation

		2024 £'000	2023 £'000
Joint ventures	(a)	2,667	2,890
Listed investments	(b)	39,689	37,493
Consolidated fixed asset investments		42,356	40,383
Investment in subsidiary undertakings	(c)	3,000	3,000
Less joint ventures		(2,667)	(2,890)
Corporation fixed asset investments		42,689	40,493

All investments are held primarily to provide an investment return.

(a) Joint ventures

	Share of Joint Ventures	
	2024 £'000	2023 £'000
Carrying value at beginning of year	2,890	3,040
Share of net loss of joint ventures	(223)	(150)
Carrying value at end of year	2,667	2,890
Historic cost	3,000	3,000

During the year the Corporation had an interest in the following joint ventures:

Organisation Name	Country of Incorporation	Principal Activity	Class of Share Capital Held	Parent Corporation Interest	Consolidation Method
Arden Hotel Waterside LLP ¹	UK	Operating the Arden Hotel	N/A	50% (Indirect)	Equity accounting

¹ Joint venture interest in Arden Hotel Waterside LLP is held by RSC Estates Limited. The Corporation has a legal charge over the assets of RSC Estates Limited.

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(a) Joint ventures (continued)

A summary of the Corporation's share of results is shown below:

Profit and loss account	Arden Hotel Waterside LLP	
	2024 £'000	2023 £'000
Turnover	1,308	1,214
Cost of sales	(839)	(714)
	<hr/>	<hr/>
Gross profit	469	500
Administration expenses	(645)	(620)
	<hr/>	<hr/>
Operating (loss)	(176)	(120)
Interest payable and similar charges	(47)	(30)
	<hr/>	<hr/>
Loss for the financial period	(223)	(150)
	<hr/> <hr/>	<hr/> <hr/>

The Corporation's share of the assets and liabilities is as follows:

	Arden Hotel Waterside LLP	
	2024 £'000	2023 £'000
Fixed assets	3,533	3,739
Current assets	76	72
	<hr/>	<hr/>
Total assets	3,609	3,811
Liabilities	(942)	(921)
	<hr/>	<hr/>
	2,667	2,890
	<hr/> <hr/>	<hr/> <hr/>

Details of transactions with group undertakings and balances at 31 March 2024 are shown in note 24.
Details of loans to subsidiary companies and joint ventures as at 31 March 2024 are described in note 23.

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(b) Listed investments

	Unrestricted 2024 £'000	Restricted 2024 £'000	Endowment 2024 £'000	Total 2024 £'000	Total 2023 £'000
Listed investments:					
United Kingdom fixed interest unit trusts	-	-	-	-	433
United Kingdom property funds	-	-	-	-	786
United Kingdom liquidity funds	2,900	-	-	2,900	-
United Kingdom equities and equity unit trusts	21,627	681	14,397	36,705	35,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Listed investments	24,527	681	14,397	39,605	37,189
Cash held in investment portfolio	61	22	1	84	304
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Fixed asset investments at fair value	24,588	703	14,398	39,689	37,493
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Reconciliation of movements in investments

	Listed Investments	
	2024	2023
	£'000	£'000
Fair value at beginning of year	37,493	26,664
Movement in cash held in investment portfolio	(220)	(63)
Additions	3,306	27,817
Disposals	(3,190)	(15,856)
Net gains / (losses) on revaluation	2,300	(1,069)
	<hr/>	<hr/>
Fair value at end of year	39,689	37,493
	<hr/>	<hr/>
Historic cost	37,995	37,629
	<hr/>	<hr/>

All listed investments are held indirectly via UK investment and unit trusts with the exception of shares in Hansard Global plc donated to the Corporation during 2008 and retained in accordance with the wishes of the donor.

At the year end, the Corporation held the following investments, which represented material investments within the total portfolio of the Corporation:

	2024		2023	
	Value	Portfolio	Value	Portfolio
	£'000	%	£'000	%
Cazenove Charity Sustainable Multi-Asset Fund	22,308	56.2	21,123	56.3
Sarasin Climate Active Endowments Fund	14,229	35.9	13,022	34.7

With the exception of shares in Hansard Global plc and the Climate Active Endowments Fund managed by Sarasin, all the investments were managed by the Charities division of Cazenove Capital Management.

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(c) Subsidiaries

As at 31 March 2024 the Corporation had an interest in the following subsidiary undertakings:

Organisation Name	Country of Incorporation and registration number	Principal Activity	Class of Share Capital Held	Parent Corporation Interest	Consolidation (Method)
Matilda North America LLC ¹	US	General Manager of <i>Matilda the Musical</i> in the US	N/A	N/A	Yes (Line by Line)
RSC Enterprise Limited	UK 02360172	Commercial activities relating to The Royal Shakespeare Company including retail, catering and trading operations.	Ordinary	100%	Yes (Line by Line)
RSC Estates Limited	UK 06977192	Investment in the joint venture, Arden Hotel Waterside LLP	Ordinary	100%	Yes (Line by Line)
RSC Matilda Australasia Limited ²	UK 09477058	Investment in the unincorporated entity to co-produce Matilda Miracle Tour in Australia. The company is dormant from 1 April 2022.	Ordinary	100%	Yes (Line by Line)
RSC Matilda US Limited	UK 08417755	Investment in <i>Matilda The Musical</i> on Broadway LP and Matilda Acrobat Tour LP	Ordinary	100%	Yes (Line by Line)
RSC Pre-Productions Limited	UK 09227641	To produce, supply and fit the set and equipment necessary for the production of live theatre on behalf of the RSC.	Ordinary	100%	Yes (Line by Line)
RSC Productions Limited ²	UK 07565512	Co-producer of the Matilda Miracle Tour in Australia. The company is dormant from 1 April 2022.	Ordinary	100%	Yes (Line by Line)
RSCA Limited	UK 02215521	Dormant	Ordinary	100%	Yes (Line by Line)
RSC Touring Limited	UK 10776856	Produces and manages certain touring productions on behalf of the RSC	Ordinary	100%	Yes (Line by Line)
Hathaway Productions Limited	UK 14690651	Produces and manages certain productions on behalf of the RSC and third-party investors	Ordinary	100%	Yes (Line by Line)

¹ The Corporation has an interest in Matilda North America LLC alongside Dodgers Properties LLC. The co-production agreement provides that the Corporation and Dodger Properties LLC will endeavour to agree on all major decisions but in the absence of agreement, the determination of the Corporation will prevail. The Corporation is therefore considered to control the entity. Matilda North America LLC is the sole general partner of Matilda on Broadway LP.

² These entities are exempt from audit of the individual financial statements by virtue of a guarantee provided under section 479c of the Companies Act 2006. The guarantee covers all liabilities of the subsidiary concerned at the reporting date until such time as they are satisfied in full.

There are no restrictions on the ability of subsidiaries to transfer their funds to the charity.

Details of transactions with subsidiaries and balances at 31 March 2024 are shown in note 24.

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(c) Subsidiaries (continued)

The financial results for the period were:

Statement of comprehensive income

	Hathaway Productions Limited ^{*1}	RSC Estates Limited		RSC Enterprise Limited	
	2024	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000
Turnover/income	4,239	-	-	5,439	5,098
Cost of sales	(4,562)	-	-	(3,878)	(3,443)
Gross (loss) / profit	(323)	-	-	1,561	1,655
Selling and distribution costs	-	-	-	(45)	(28)
Administration	(52)	(6)	(6)	(1,013)	(868)
Operating (loss) / profit	(375)	(6)	(6)	503	759
Interest receivable and similar income	-	12	-	2	-
Interest payable and similar charges	-	(9)	-	(9)	(10)
Tax credit	375	-	-	-	142
(Loss) / profit for the period	-	(3)	(6)	496	891

	RSC Pre- Productions Limited		RSC Matilda US Limited		RSC Touring Limited	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover/income	45,403	31,147	3	5	5	80
Cost of sales	(52,966)	(36,038)	-	-	-	(75)
Gross (loss) / profit	(7,563)	(4,891)	3	5	5	5
Administration	(32)	(28)	(5)	(5)	(5)	(5)
Operating loss	(7,595)	(4,919)	(2)	-	-	-
Tax credit ^{*2}	7,595	4,919	-	-	-	-
Result for the financial period	-	-	(2)	-	-	-

^{*1} Hathaway Productions Limited was incorporated on 27 February 2023, but did not commence trading until August 2023. The accounting period included above is a long accounting period from incorporation to 31 March 2024.

^{*2} Tax credit in respect of Theatre Tax Relief.

RSC Productions Limited, RSC Matilda Australasia Limited and Matilda North America LLC were dormant for both the current and prior financial year so no Statement of Comprehensive income has been prepared.

The results above have been adjusted on consolidation for intra-group transactions.

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(c) Subsidiaries (continued)

Material components of income from other trading activities are as follows:

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Catering	2,544	1,749	-	-
Retail, programmes and licencing	2,120	1,647	-	-
Audience of the future	-	374	-	-
Management recharges	-	-	477	116
Gift aid from subsidiary undertaking	-	-	461	-
Other trading activities	2,425	2,540	1,941	1,808
	7,089	6,310	2,879	1,924

Notes (continued)
(forming part of the accounts)

10 Fixed asset investments (continued)

(c) Subsidiaries (continued)

The aggregate of the assets and liabilities is as follows:

	Hathaway Productions Limited	RSC Estates Limited		RSC Enterprise Limited		RSC Pre- Productions Limited	
	2024 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Assets	1,007	3,155	3,152	2,320	1,888	7,108	6,178
Liabilities	(1,007)	(187)	(181)	(1,280)	(883)	(7,108)	(6,178)
	-	2,968	2,971	1,040	1,005	-	-

	RSC Matilda US Limited		RSC Touring Limited	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Assets	9	6	762	762
Liabilities	(40)	(35)	(762)	(762)
	(31)	(29)	-	-

Matilda North American LLC had assets and liabilities of £Nil at 31st March 2024 (2023: £Nil). RSC Productions Limited and RSC Matilda Australasia Limited are dormant companies with net assets of £2.

The historic cost and carrying value of these investments at 31 March 2024 was £3,000,312 (2023: £3,000,310), comprising £100 RSC Enterprise Limited, £100 RSCA Limited, £3,000,002 RSC Estates Limited (further details are in note 24), £100 RSC Matilda US Limited, £2 Hathaway Productions Limited, £2 RSC Pre-Productions Limited, £2 RSC Matilda Australasia Limited, £Nil Matilda North America LLC, £2 RSC Productions Limited and £2 RSC Touring Limited.

(d) Non-Controlling Interest

The Corporation jointly controls Matilda North America LLC with Dodgers Properties LLC and the asset allocation to each of the parties follows the allocation of royalties as determined in the co-production agreement. This allocation specifies 60% in favour of Dodgers Properties LLC and 40% for the RSC. There are no net assets/liabilities and no profit or loss as at the balance sheet date. Therefore, there are no non-controlling interests relating to this entity shown in the consolidated financial statements. The carrying value of this interest at 31 March 2024 was £Nil (2023: £Nil).

Notes (continued)
(forming part of the accounts)

11 Stock and work in progress

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Work in progress	1,507	2,115	1,507	2,115
Goods for resale	195	157	-	-
	1,702	2,272	1,507	2,115

12 Debtors

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	6,060	1,733	5,946	1,574
Amounts due from subsidiary undertakings (note 24)	-	-	8,832	7,295
Amounts due from joint ventures	150	150	-	-
Other debtors	144	371	3	7
Theatre tax relief	7,483	6,176	-	-
Prepayments	1,227	1,229	1,202	1,218
Accrued income	2,539	756	1,927	586
	17,603	10,415	17,910	10,680

Amounts due from subsidiary undertakings and amounts from joint ventures include loans as noted in note 24.

13 Cash at bank and in hand

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Short term deposits	9,905	11,970	9,905	11,970
Cash at bank and in hand	5,966	4,376	3,398	2,645
	15,871	16,346	13,303	14,615

Notes (continued)
(forming part of the accounts)

14 Creditors: amounts falling due within one year

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	1,380	1,829	1,258	1,725
Amounts due to subsidiary undertakings	-	-	9	6
Repayable finance from Culture Recovery Fund (note 15)	770	-	770	-
Nesta Arts & Culture Impact Loan (note 15)	200	-	200	-
Taxation and social security	2,599	1,418	2,318	1,300
Other creditors	310	251	253	194
Accruals	8,787	7,536	7,784	7,152
Ticket advances	3,638	4,078	3,638	4,078
Other deferred income	978	1,513	954	1,495
	18,662	16,625	17,184	15,950

Deferred income comprises cash received for which the related service, project or expenditure occurs in a future financial year.

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred income and ticket advances at 1 April	5,591	4,343	5,573	4,011
Deferred in the year	14,152	10,592	13,909	10,375
Released in the year	(15,127)	(9,344)	(14,890)	(8,813)
Deferred income and ticket advances at 31 March	4,616	5,591	4,592	5,573

15 Creditors: amounts falling due after more than one year

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Repayable finance from Culture Recovery Fund	19,865	20,230	19,865	20,230
Nesta Arts & Culture Impact Loan	400	-	400	-
	20,265	20,230	20,265	20,230

The Company successfully applied for repayable finance of £19.4m from the government's Culture Recovery Fund. This was drawn down in February 2021 and is a twenty-year loan at 2% interest per annum, with a four year initial repayment holiday. The creditor falling due after more than one year represents the principal amount drawn down plus interest less the first repayment which is due in February 2025.

The company successfully applied for a repayable loan of £600,000 from Nesta Arts & Cultural Impact LLP. The loan was drawn down in August 2023, and is a 3-year loan at 4% interest per annum, repayable in annual instalments on 25 September 2024, 25 September 2025 and 25 September 2026.

Notes (continued)
(forming part of the accounts)

16 Provisions for liabilities

	Consolidated		Corporation	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
1 April	283	288	283	288
Reduced provision in year	-	(5)	-	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
31 March	283	283	283	283
	<hr/>	<hr/>	<hr/>	<hr/>

Provision has been made for VAT that may become payable under the Capital Goods Scheme relating to capital works. This will be payable over a 10-year period from first use of the buildings and the amount due will depend on the taxable use of the buildings over that 10-year period and the VAT partial exemption rate at that time.

17 Financial Instruments

	<i>Note</i>	Consolidated		Corporation	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Financial assets:					
Financial assets at fair value through net income/expenditure					
- Listed Investments	10(b)	39,689	37,493	39,689	37,493
Debt instruments measured at amortised cost					
- Trade debtors	12	6,060	1,733	5,946	1,574
- Amounts due from subsidiary undertakings	12	-	-	8,832	7,295
- Accrued income	12	2,539	756	1,927	586
- Cash and short-term deposits	13	15,871	16,346	13,303	14,615
- Theatre Tax Relief	12	7,483	6,176	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Total		71,642	62,504	69,697	61,563
		<hr/>	<hr/>	<hr/>	<hr/>
Financial liabilities:					
Measured at amortised cost					
- Trade creditors	14	1,380	1,829	1,258	1,725
- Amounts due to subsidiary undertakings	14	-	-	9	6
- Other creditors	14	310	251	253	194
- Accruals	14	8,787	7,536	7,784	7,152
- Nesta Arts & Culture Impact Loan	15	600	-	600	-
- Culture Recovery Fund repayable finance	15	20,635	20,230	20,635	20,230
		<hr/>	<hr/>	<hr/>	<hr/>
Total		31,712	29,846	30,539	29,307
		<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)
(forming part of the accounts)

18 Funds

Consolidated	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains on investments and other gains £'000	Balance at 31 March 2024 £'000
Unrestricted						
General Operating Fund	25,823	89,181	(83,151)	(23,054)	1,168	9,967
Pension reserve	(2,258)	-	(81)	1,140	183	(1,016)
	23,565	89,181	(83,232)	(21,914)	1,351	8,951
Unrestricted Designated Funds						
Fixed Asset Fund (<i>Previously Capital Expenditure Fund</i>)	4,502	-	(1,185)	30,560	-	33,877
Redevelopment Fund	4,167	-	-	(4,167)	-	-
Digital Development Fund	480	-	(6)	-	-	474
Strategic Investment Fund	-	-	-	12,000	-	12,000
Total unrestricted designated funds	9,149	-	(1,191)	38,393	-	46,351
Total unrestricted funds	32,714	89,181	(84,423)	16,479	1,351	55,302
Endowment funds						
Paul Hamlyn Endowment Fund	6,492	197	-	(260)	527	6,956
Actors' Fund	5,123	11	-	-	408	5,542
Catalyst Fund	1,595	3	-	-	126	1,724
Expendable Endowment Fund	160	-	-	-	8	168
Total endowment funds	13,370	211	-	(260)	1,069	14,390
Restricted						
Fixed Asset Fund (<i>previously Redevelopment Fund</i>)	66,777	44	(795)	(13,127)	-	52,899
TOP Capital Fund	5,405	-	(225)	(2,180)	-	3,000
Costume Workshop Capital Fund	4,033	25	(207)	(566)	-	3,285
Swan Auditorium Fund	513	-	(19)	(494)	-	-
Swan Wing Capital Fund	172	-	(18)	-	-	154
Theatrical Profession Relief Fund	389	1	(1)	-	41	430
Fanny Bradshaw Fund	286	3	(1)	-	22	310
Literary Writing Programme Fund	87	-	(87)	-	-	-
New York Residency Fund	87	-	(45)	-	-	42
ACE Touring Fund	-	513	(315)	-	-	198
Creative Learning and Engagement Fund (<i>previously Paul Hamlyn Foundation Fund</i>)	-	50	(260)	260	-	50
Artist Development Fund	-	500	(500)	-	-	-
Arts and Humanities Research Council Fund	-	1,594	(1,022)	(112)	-	460
Total restricted income funds	77,749	2,730	(3,495)	(16,219)	63	60,828
Total restricted/endowment funds	91,119	2,941	(3,495)	(16,479)	1,132	75,218
Total funds	123,833	92,122	(87,918)	-	2,483	130,520

Notes (continued)
(forming part of the accounts)

18 Funds (continued)

Consolidated

	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Losses on investments and other losses £'000	Balance at 31 March 2023 £'000
Unrestricted						
General Operating Fund	28,422	66,711	(64,820)	(4,136)	(354)	25,823
Pension reserve	-	-	(153)	-	(2,105)	(2,258)
	28,422	66,711	(64,973)	(4,136)	(2,459)	23,565
Unrestricted Designated Funds						
Capital Expenditure Fund	1,072	-	(530)	3,960	-	4,502
Redevelopment Fund	4,167	-	-	-	-	4,167
Digital Development Fund	304	-	-	176	-	480
Total unrestricted designated funds	5,543	-	(530)	4,136	-	9,149
Total unrestricted funds	33,965	66,711	(65,503)	-	(2,459)	32,714
Endowment funds						
Paul Hamlyn Endowment Fund	7,042	191	-	(280)	(461)	6,492
Actors' Fund	5,324	-	(20)	-	(181)	5,123
Catalyst Fund	1,646	-	(3)	-	(48)	1,595
Expendable Endowment Fund	168	-	-	-	(8)	160
Total endowment funds	14,180	191	(23)	(280)	(698)	13,370
Restricted						
Redevelopment Fund	67,572	-	(795)	-	-	66,777
TOP Capital Fund	5,631	-	(226)	-	-	5,405
Costume Workshop Capital Fund	4,087	213	(267)	-	-	4,033
Swan Auditorium Fund	531	-	(18)	-	-	513
Swan Wing Capital Fund	189	-	(17)	-	-	172
Theatrical Profession Relief Fund	396	9	(1)	-	(15)	389
Fanny Bradshaw Fund	287	2	(1)	-	(2)	286
Literary Writing Programme Fund	158	-	(71)	-	-	87
New York Residency Fund	87	-	-	-	-	87
Creative Fellowship Fund	14	-	(14)	-	-	-
Sir Fordham Flower Fund	8	-	(8)	-	-	-
Paul Hamlyn Foundation Fund	-	-	(280)	280	-	-
Audience of the Future Fund	-	407	(407)	-	-	-
Artist Development Fund	-	500	(500)	-	-	-
Total restricted income funds	78,960	1,131	(2,605)	280	(17)	77,749
Total restricted/endowment funds	93,140	1,322	(2,628)	-	(715)	91,119
Total funds	127,105	68,033	(68,131)	-	(3,174)	123,833

Notes (continued)
(forming part of the accounts)

18 Funds (continued)

Corporation	Balance at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains on investments and other gains £'000	Balance at 31 March 2024 £'000
Unrestricted						
General Operating Fund	24,985	125,833	(119,610)	(23,054)	1,168	9,322
Pension reserve	(2,258)	-	(81)	1,140	183	(1,016)
	22,727	125,833	(119,691)	(21,914)	1,351	8,306
Unrestricted Designated Funds						
Fixed Asset Fund (<i>Previously Capital Expenditure Fund</i>)	4,502	-	(1,185)	30,560	-	33,877
Redevelopment Fund	4,167	-	-	(4,167)	-	-
Digital Development Fund	480	-	(6)	-	-	474
Strategic Investment Fund	-	-	-	12,000	-	12,000
Total unrestricted designated funds	9,149	-	(1,191)	38,393	-	46,351
Total unrestricted funds	31,876	125,833	(120,882)	16,479	1,351	54,657
Endowment funds						
Paul Hamlyn Endowment Fund	6,492	197	-	(260)	527	6,956
Actors' Fund	5,123	11	-	-	408	5,542
Catalyst Fund	1,595	3	-	-	126	1,724
Expendable Endowment Fund	160	-	-	-	8	168
Total endowment funds	13,370	211	-	(260)	1,069	14,390
Restricted						
Fixed Asset Fund (<i>previously Redevelopment Fund</i>)	66,777	44	(795)	(13,127)	-	52,899
TOP Capital Fund	5,405	-	(225)	(2,180)	-	3,000
Costume Workshop Capital Fund	4,033	25	(207)	(566)	-	3,285
Swan Auditorium Fund	513	-	(19)	(494)	-	-
Swan Wing Capital Fund	172	-	(18)	-	-	154
Theatrical Profession Relief Fund	389	1	(1)	-	41	430
Fanny Bradshaw Fund	286	3	(1)	-	22	310
Literary Writing Programme Fund	87	-	(87)	-	-	-
New York Residency Fund	87	-	(45)	-	-	42
ACE Touring Grant	-	513	(315)	-	-	198
Creative Learning and Engagement Fund (<i>previously Paul Hamlyn Foundation Fund</i>)	-	50	(260)	260	-	50
Artist Development Fund	-	500	(500)	-	-	-
Arts and Humanities Research Council Fund	-	1,594	(1,022)	(112)	-	460
Total restricted income funds	77,749	2,730	(3,495)	(16,219)	63	60,828
Total restricted/endowment funds	91,119	2,941	(3,495)	(16,479)	1,132	75,218
Total funds	122,995	128,774	(124,377)	-	2,483	129,875

Notes (continued)
(forming part of the accounts)

18 Funds (continued)

Corporation	Balance at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Losses on investments and other losses £'000	Balance at 31 March 2023 £'000
Unrestricted						
General Operating Fund	28,322	93,910	(92,757)	(4,136)	(354)	24,985
Pension reserve	-	-	(153)	-	(2,105)	(2,258)
	28,322	93,910	(92,910)	(4,136)	(2,459)	22,727
Unrestricted Designated Funds						
Capital Expenditure Fund	1,072	-	(530)	3,960	-	4,502
Redevelopment Fund	4,167	-	-	-	-	4,167
Digital Development Fund	304	-	-	176	-	480
Total unrestricted designated funds	5,543	-	(530)	4,136	-	9,149
Total unrestricted funds	33,865	93,910	(93,440)	-	(2,459)	31,876
Endowment funds						
Paul Hamlyn Endowment Fund	7,042	191	-	(280)	(461)	6,492
Actors' Fund	5,324	-	(20)	-	(181)	5,123
Catalyst Fund	1,646	-	(3)	-	(48)	1,595
Expendable Endowment Fund	168	-	-	-	(8)	160
Total endowment funds	14,180	191	(23)	(280)	(698)	13,370
Restricted						
Redevelopment Fund	67,572	-	(795)	-	-	66,777
TOP Capital Fund	5,631	-	(226)	-	-	5,405
Costume Workshop Capital Fund	4,087	213	(267)	-	-	4,033
Swan Auditorium Fund	531	-	(18)	-	-	513
Swan Wing Capital Fund	189	-	(17)	-	-	172
Theatrical Profession Relief Fund	396	9	(1)	-	(15)	389
Fanny Bradshaw Fund	287	2	(1)	-	(2)	286
Literary Writing Programme Fund	158	-	(71)	-	-	87
New York Residency Fund	87	-	-	-	-	87
Creative Fellowship Fund	14	-	(14)	-	-	-
Sir Fordham Flower Fund	8	-	(8)	-	-	-
Paul Hamlyn Foundation Fund	-	-	(280)	280	-	-
Artist Development Fund	-	500	(500)	-	-	-
Total restricted income funds	78,960	724	(2,198)	280	(17)	77,749
Total restricted/endowment funds	93,140	915	(2,221)	-	(715)	91,119
Total funds	127,005	94,825	(95,661)	-	(3,174)	122,995

Notes (continued) **(forming part of the accounts)**

18 Funds (continued)

Unrestricted funds

The General Operating Fund represents the total unrestricted undesignated reserves held by the Corporation.

Designated funds

The Capital Expenditure Fund is designated to fund depreciation from capital expenditure. The fund is represented by fixed assets.

The Redevelopment Fund represents funds designated in support of depreciation charges relating to the redevelopment programme for The Other Place and The Swan. The fund is represented by fixed assets.

During the year, the board agreed that the Capital Expenditure Fund and the Redevelopment Fund should be merged and renamed the Fixed Asset fund. This fund, together with the restricted capital funds, represents the net book value of Fixed Assets. Depreciation is charged against this fund.

The Digital Development Fund was designated in January 2022, following the conclusion of the *Audience of the Future* project in December 2021. It represents the surplus match funding provided to support the original project together with Research and Development tax credits and will allow the RSC to build upon the digital innovation work achieved over the past few years. This includes incorporating digital tools into production and audience processes and a programme of Digital R&D.

During the year, the board agreed to set up a Strategic Investment Fund. This is to earmark funds for future strategic projects including commercial opportunities to generate future cashflows or initiatives to develop financial sustainability.

Endowment Funds

The Actors Endowment Fund was set up following a transfer of £3.2m to the charity in 1999. The income from the Actors' Fund must be used to support the Corporation's actors.

The Catalyst Fund is an Arts Council England match funded permanent endowment fund, the income from which will support major projects additional to those supported by other Arts Council funding agreements.

The Paul Hamlyn Endowment Fund was set up following a £7m endowment received in December 2020. The purpose of the fund is to support the future of the company's work in schools across the UK with annual income generated by it used solely to support its charitable educational work about Shakespeare in schools, with children, young people, their families and local communities as well as staff and teachers. A transfer is made of income generated from the Endowment Fund to the Paul Hamlyn Foundation restricted income fund below, to be utilised against relevant educational expenditure.

The Expendable Endowment Fund represents a capital donation to be retained in accordance with the wishes of the donor, which may be transferred to income at a future date to be agreed. The income arising from this fund may be used for general or restricted purposes in accordance with the donor's wishes, as agreed from time to time.

Restricted Income Funds

The Redevelopment Fund represents contributions from Arts Council England, Advantage West Midlands and private donors to fund the redevelopment of the Royal Shakespeare Theatre site in Stratford-upon-Avon. This has been renamed to the Fixed Asset Fund during the year.

The Other Place (TOP) Capital Fund represents contributions from Arts Council England and private donors to fund the redevelopment of the former Courtyard Theatre into a re-purposed multi-function building incorporating a new studio theatre, rehearsal spaces and commercial spaces.

Notes (continued) **(forming part of the accounts)**

18 Funds (continued)

The Costume Workshop fund represents the funding raised towards the Stitch in Time project to improve facilities, open the workshop up to the public for the first time and allow new apprenticeships. This balance remains restricted due to charges given to funders, in accordance with the terms of the grant funding agreement. The depreciation of the capitalised cost, which is included in fixed assets, is charged against this fund.

The Swan Auditorium Fund represents the original donation received for the creation of the Swan Auditorium. The depreciation of the capitalised cost, which is included in fixed assets, is charged against this fund.

The Swan Wing Capital Fund represents contributions from the Heritage Lottery Fund and private donors to fund the redevelopment of a new exhibition space within the Swan Wing of the theatre. The depreciation of the capitalised cost, which is included in fixed assets, is charged against this fund.

During the year, these restricted capital funds have been reviewed. Restrictions are considered to have fulfilled where the asset has been purchased or built but a restriction is considered to remain in place where there are ongoing requirements, such as guarantees or charges. Any funds that do not have an ongoing restriction or where the value of the fund exceeds the ongoing value of the restriction, have been transferred into the designated fixed asset fund.

The Theatrical Profession Relief Fund exists to assist and relieve poor and necessitous persons who are either members of the theatrical profession or are, or have been, employees of, or have done service for, the Corporation.

The Fanny Bradshaw and Sir Fordham Flower Funds provide bursaries to theatre employees for travelling abroad to strengthen the Corporation's contact with overseas theatres and theatrical organisations. The Sir Fordham Flower Fund was fully utilised in the year to 31 March 2023.

The Literary Writing Programme Fund represents funding received for the literary writing programme and is to be spent over the next two years.

The New York Residency Fund represents partnership funding provided by JP Morgan to fund a residency in New York.

ACE have provided a grant totalling £1.3m over 3 years to support our programme of UK touring productions. During the year ended 31 March 2024, £512,586 was received which supported our First Encounters production of Twelfth Night and our touring production of Julius Caesar.

The Creative Fellowship Fund was created to enable the development and enrichment of the role of assistant directors and design assistants, past, present, and future. The fund was fully utilised in the year ended March 2023.

The Creative Learning and Engagement Fund (*Previously The Paul Hamlyn Foundation Fund*) represents education activity funded by income generated by the Paul Hamlyn Endowment Fund (as described above) as well as other funding received for our Creative Learning and Engagement work.

The Artist Development Fund represents funding received towards the Artist Development Programme. This programme is designed to help build cast and crew skills through training and extra rehearsal time.

Transfers between funds

The transfers between funds consist of:

- A transfer of £12,000,000 (2023: *Nil*) from the General Operating Fund to set up a new designated Strategic Investment Fund.
- Transfer of £260,000 (2023: £280,000) from the Paul Hamlyn Endowment Fund to the Creative Learning and Engagement Fund, being a drawdown of the income generated from the endowment investment to support charitable educational work.
- Transfer of £1,140,000 into the Pension Deficit Fund, reflecting contributions paid into the Royal Shakespeare Theatre Pension Scheme during the year.

Notes (continued)

(forming part of the accounts)

18 Funds (continued)

- Transfer of £9,913,437 (2023: £3,960,082) from the General Operating Fund to the Fixed Asset Fund to cover the cost of assets replaced during the year ended 31 March 2024 and the costs of the Swan Theatre Project and to bring the total designated and restricted capital Funds in line with the Net Book value of related assets.
- Transfer of £112,200 from Arts and Humanities Research Council Fund to the Fixed Asset Fund representing capital assets purchased using those funds.
- Transfer of £494,428 from the restricted Swan Auditorium Fund into the designated Fixed Asset Fund reflecting that these assets are no longer restricted.
- Transfers of £566,485 from the restricted Costume Workshop Fund, £2,179,875 from the restricted TOP Capital Fund and £13,126,586 from the restricted Fixed Asset Fund (Previously Redevelopment Fund) into the designated Fixed Asset Fund to ensure that value of these funds reflect the ongoing restriction of the related assets.
- Transfer of £4,167,067 from the designated Redevelopment Fund into the designated Fixed Asset Fund to merge together the two designated capital funds.
- Transfer of £Nil (2023: £176,424) from the General Operating Fund to the Digital Development Fund in order to designate the surplus matched funding and Research and Development tax credit from the *Audience of the Future* project.

19 Analysis of net assets between funds

Consolidated

At 31 March 2024	Tangible fixed assets £'000	Other fixed asset investment s £'000	Net current assets/ (liabilities) £'000	Provisions, creditors due after more than one year and pension deficit £'000	Total £'000
Unrestricted funds	-	27,255	3,260	(21,564)	8,951
Designated funds	33,877	-	12,474	-	46,351
Endowment funds					
Paul Hamlyn Endowment Fund	-	6,984	(28)	-	6,956
Actors' Fund	-	5,535	7	-	5,542
Catalyst Fund	-	1,711	13	-	1,724
Expendable Endowment Fund	-	168	-	-	168
	-	14,398	(8)	-	14,390
Restricted funds					
Fixed Asset Fund	52,899	-	-	-	52,899
TOP Capital Fund	3,000	-	-	-	3,000
Costume Workshop Fund	3,284	-	-	-	3,284
Swan Wing Capital Fund	154	-	-	-	154
Theatrical Profession Relief Fund	-	462	(31)	-	431
Fanny Bradshaw Fund	-	241	69	-	310
New York Residency Fund	-	-	42	-	42
ACE Touring Fund	-	-	198	-	198
Creative Learning and Engagement Fund	-	-	50	-	50
Arts and Humanities Research Council Fund	-	-	460	-	460
	59,337	703	788	-	60,828
	93,214	42,356	16,514	(21,564)	130,520

Notes (continued)
(forming part of the accounts)

19 Analysis of net assets between funds (continued)

Consolidated

At 31 March 2023	Tangible fixed assets £'000	Other fixed asset investments £'000	Net current assets/ (liabilities) £'000	Provisions, creditors due after more than one year and pension deficit £'000	Total £'000
Unrestricted funds	8,244	26,365	11,727	(22,771)	23,565
Designated funds	8,669	-	480	-	9,149
Endowment funds					
Paul Hamlyn Endowment Fund	-	6,519	(27)	-	6,492
Actors' Fund	-	5,117	6	-	5,123
Catalyst Fund	-	1,582	13	-	1,595
Expendable Endowment Fund	-	160	-	-	160
	-	13,378	(8)	-	13,370
Restricted funds					
Redevelopment Fund	66,777	-	-	-	66,777
TOP Capital Fund	5,405	-	-	-	5,405
Costume Workshop Fund	4,033	-	-	-	4,033
Swan Auditorium Fund	513	-	-	-	513
Swan Wing Capital Fund	172	-	-	-	172
Theatrical Profession Relief Fund	-	421	(32)	-	389
Fanny Bradshaw Fund	-	219	67	-	286
Literary Writing Programme Fund	-	-	87	-	87
New York Residency Fund	-	-	87	-	87
	76,900	640	209	-	77,749
	93,813	40,383	12,408	(22,771)	123,833

Notes (continued)
(forming part of the accounts)

19 Analysis of net assets between funds (continued)

Corporation

At 31 March 2024	Tangible fixed assets £'000	Other fixed asset investments £'000	Net current assets/ (liabilities) £'000	Provisions, creditors due after more than one year and pension deficit £'000	Total £'000
Unrestricted funds	-	27,588	2,282	(21,564)	8,306
Designated funds	33,877	-	12,474	-	46,351
Endowment Funds					
Paul Hamlyn Endowment Fund	-	6,984	(28)	-	6,956
Actors' Fund	-	5,535	7	-	5,542
Catalyst Fund	-	1,711	13	-	1,724
Expendable Endowment Fund	-	168	-	-	168
	-	14,398	(8)	-	14,390
Restricted funds					
Fixed Asset Fund	52,899	-	-	-	52,899
TOP Capital Fund	3,000	-	-	-	3,000
Costume Workshop Fund	3,284	-	-	-	3,284
Swan Wing Capital Fund	154	-	-	-	154
Theatrical Profession Relief Fund	-	462	(31)	-	431
Fanny Bradshaw Fund	-	241	69	-	310
New York Residency Fund	-	-	42	-	42
ACE Touring Fund	-	-	198	-	198
Creative Learning and Engagement Fund	-	-	50	-	50
Arts and Humanities Research Council Fund	-	-	460	-	460
	59,337	703	788	-	60,828
	93,214	42,689	15,536	(21,564)	129,875

Notes (continued)
(forming part of the accounts)

19 Analysis of net assets between funds (continued)

Corporation

At 31 March 2023				Provisions, creditors due after more than one year and pension deficit £'000	Total £'000
	Tangible fixed assets £'000	Other fixed asset investments £'000	Net current assets/ (liabilities) £'000		
Unrestricted funds	8,244	26,475	10,779	(22,771)	22,727
Designated funds	8,669	-	480	-	9,149
Endowment Funds					
Paul Hamlyn Endowment Fund	-	6,519	(27)	-	6,492
Actors' Fund	-	5,117	6	-	5,123
Catalyst Fund	-	1,582	13	-	1,595
Expendable Endowment Fund	-	160	-	-	160
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	-	13,378	(8)	-	13,370
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Restricted funds					
Redevelopment Fund	66,777	-	-	-	66,777
TOP Capital Fund	5,405	-	-	-	5,405
Costume Workshop Fund	4,033	-	-	-	4,033
Swan Auditorium Fund	513	-	-	-	513
Swan Wing Capital Fund	172	-	-	-	172
Theatrical Profession Relief Fund	-	421	(32)	-	389
Fanny Bradshaw Fund	-	219	67	-	286
Literary Writing Programme Fund	-	-	87	-	87
New York Residency Fund	-	-	87	-	87
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	76,900	640	209	-	77,749
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	93,813	40,493	11,460	(22,771)	122,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)
(forming part of the accounts)

20 Analysis of changes in net debt

	1 April 2023	Cash flows	Non-cash flows	At 31 March 2024
	£'000	£'000	£'000	£'000
Cash in hand	4,376	1,590	-	5,966
Notice deposits (less than 3 months)	11,970	(2,065)	-	9,905
Total cash and cash equivalents	16,346	(475)	-	15,871
Repayable finance from Culture Recovery Fund	(20,230)	-	(405)	(20,635)
NESTA Arts and Cultural Impact loan	-	(600)	-	(600)
Net debt	(3,884)	(1,075)	(405)	(5,364)

21 Financial and capital commitments

Consolidated and Corporation

Total commitments under operating leases are payable:

	2024		2023	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	540	48	220	62
In the second to fifth years inclusive	2,065	129	727	74
After five years	2,154	13	682	-
	4,759	190	1,629	136

At 31 March 2024, capital expenditure contracted but not provided for was £303,670 (2023: £136,000).

Notes (continued)

(forming part of the accounts)

22 Pensions

Consolidated and Corporation

The Corporation operates three pension schemes; two defined contribution schemes and one defined benefit scheme.

The Corporation also contributes to a defined contribution scheme sponsored by Equity (for actors and stage management) and a defined contribution scheme sponsored by the Musicians' Union (for musicians). Contributions to these schemes amounted to £330,796 (2023: £239,961).

Defined contribution schemes

A defined contribution scheme was introduced with effect from 1 April 2003. The Corporation pays contributions at the rate of 6% (2023: 6%) on earnings up to the Upper Accrual Point (UAP) and 7.5% (2023: 7.5%) on earnings above the UAP to an insurance company for the benefit of members and such contributions vest immediately. Contributions are invested in a range of funds administered by the insurance company, and such funds are independent to those of the Corporation.

The pension cost charge for the year in respect of the scheme was £461,340 (2023: £450,799). The unpaid contributions outstanding at the year end, included in other creditors (note 14) were £34,935 (2023: £36,261).

An auto-enrolment compliant defined contribution scheme replaced the 2003 scheme from 2014 for new entrants. The Corporation pays contributions at the rate of 5.4% (2023: 5.4%) on earnings to an insurance company for the benefit of members and such contributions vest immediately. Members can choose to increase their contributions to benefit from an increased rate of 6% (2023: 6%) paid by the Corporation. Contributions are invested in a range of funds administered by the insurance company, and such funds are independent to those of the Corporation.

The pension cost charge for the auto-enrolment scheme was £1,475,604 (2023: £1,094,259). The unpaid contributions outstanding at the year end, included in other creditors (note 15) were £76,744 (2023: £99,170).

Defined benefit scheme

The Corporation operates a funded defined benefit pension scheme, the Royal Shakespeare Theatre Pension Scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Corporation. Since 1 December 2006, the scheme has been closed to new members and following consultation with members was closed to future accrual on 30 June 2012.

Over the year to 31 March 2024 the Corporation made contributions of £1,140,000 (2023: £Nil), in line with the independent actuary's recommendations and it continued to fund all administration costs of the scheme. The Scheme made a discretionary increase in respect of pensions accrued pre-1997 of Nil for the year to March 2024 (2023: 5%).

There was a deficit in the scheme as at 31 March 2024 of £1,016,000 (2023: deficit of £2,258,000).

	2024 £'000	2023 £'000
Fair value of scheme assets	16,680	16,862
Benefit obligation at the end of the year	(17,696)	(19,120)
Net deficit in scheme	(1,016)	(2,258)

There were no unpaid contributions outstanding at the year-end (2023: £Nil).

The latest actuarial valuation took place on 31 March 2023 and was updated for FRS 102 purposes to 31 March 2024 by a qualified independent actuary.

Notes (continued)
(forming part of the accounts)

22 Pensions (continued)

The principal actuarial assumptions used are shown below:

	2024 % per Annum	2023 % per Annum
Main financial assumptions - Liabilities		
Discount rate	4.90	4.80
Rate of inflation (RPI)	3.10	3.10
Rate of inflation (CPI)	2.70	2.70
Rate of increase to pensions in payment		
CPI inflation up to a maximum of 5%	2.65	2.70
CPI Inflation up to a maximum of 2.5%	2.00	2.20
	<hr/>	<hr/>
Mortality assumptions	2024	2023
Assumed life expectancies on retirement at age 65 are:		
Males retiring immediately	21.7	22.2
Females retiring immediately	23.9	24.6
Males retiring in 20 years' time	23.0	23.5
Females retiring in 20 years' time	25.5	26.0
Scheme assets		
The assets in the Scheme were:	2024 £'000	2023 £'000
Fixed interest	6,195	7,003
Cash	1,458	569
Credit and Diversified Private Debt	9.027	9,290
	<hr/>	<hr/>
Fair value of scheme assets	16,680	16,862
	<hr/>	<hr/>
	2024 £'000	2023 £'000
Actual return on assets over the period	(432)	(8,447)
	<hr/>	<hr/>

A fixed legal charge exists over some of the freehold residential properties owned by the Royal Shakespeare Company (see note 27).

The Scheme does not hold any ordinary shares issued or property owned by the Royal Shakespeare Company.

The assumptions for discount rate and RPI inflation at 31 March 2024 have been estimated with reference to yield curves as these are a close match for the Scheme's liability cash flows.

Notes (continued)
(forming part of the accounts)

22 Pensions (continued)

The liability at 31 March 2024 of £1,016,000 (2023: £2,258,000) has been shown on the Balance Sheet.

The amounts recognised in the Statement of Financial Activities are:

	2024 £'000	2023 £'000
Service cost	-	153
Net interest	81	-
	<hr/>	<hr/>
Total Expense	81	153
	<hr/>	<hr/>
Actuarial gain on liabilities	(1,430)	(6,549)
Return on assets, excluding interest income	1,247	9,116
Change in effect of the asset ceiling, excluding interest income	-	(462)
	<hr/>	<hr/>
Other recognised (gains) / losses	(183)	2,105
	<hr/>	<hr/>
Total amount recognised in the Statement of Financial Activities	(102)	2,258
	<hr/>	<hr/>

Reconciliation of opening and closing balances of the present value of the defined benefit obligations

	2024 £'000	2023 £'000
Benefit obligation at the beginning of the year	(19,120)	(25,690)
Interest cost	(896)	(657)
Actuarial gain on scheme liabilities *	1,430	6,549
Net benefits paid out	890	831
Past service cost	-	(153)
	<hr/>	<hr/>
Benefit obligation at the end of year	(17,696)	(19,120)
	<hr/>	<hr/>

* Includes changes to the actuarial assumptions

Reconciliation of opening and closing balances of the fair value of the scheme assets:

	2024 £'000	2023 £'000
Opening fair value of scheme assets	16,862	26,140
Interest income on scheme assets	815	669
Contributions from the employer	1,140	-
Return on assets, excluding interest income	(1,247)	(9,116)
Benefits paid	(890)	(831)
	<hr/>	<hr/>
Fair value of scheme assets at the end of year	16,680	16,862
	<hr/>	<hr/>

Notes (continued)

(forming part of the accounts)

23 Loans to subsidiary companies and joint ventures

In March 2023, a loan was issued by the Corporation to RSC Estates Limited for £150,000 on normal commercial terms at an interest rate of 6%. The balance outstanding at 31 March 2024 was £150,000 (2023: £150,000). The loan was required to enable the subsidiary to make an investment in Arden Hotel Waterside LLP.

RSC Estates Limited issued a loan to Arden Hotel Waterside LLP in March 2023 of £150,000. This loan was on normal commercial terms and interest is charged at 8% per annum. The balance outstanding at 31 March 2024 was £150,000 (2023: £150,000).

Interest on both loans is paid quarterly in arrears.

24 Transactions with group and related undertakings

Transactions between the Corporation and group and related undertakings during the year and balances outstanding at 31 March 2024 were:

Organisation Name	Nature of transaction	2024 £	2023 £
<i>Subsidiary undertakings</i>			
RSC Enterprise Limited	Rental, utilities recharges and management charges from parent undertaking	288,487	201,071
	Charges to parent undertaking for programmes, catering, theatre tours and commissioning fees	(266,690)	(744,376)
	Gift Aid	460,732	-
RSC Pre-Productions Limited	Commissioning fee	(45,403,070)	(31,146,690)
	Pre-production costs	52,965,492	36,037,834
RSC Touring Limited	Commissioning fee	4,540	80,554
Hathaway Productions Limited	Show development, marketing, producer fee and management charges from parent undertaking	264,816	-
	Cost recharges and costs relating to set build and costume hire	412,848	-
<i>Joint ventures</i>			
Arden Hotel Waterside LLP	Accommodation charges	(52,752)	(46,937)
	Sale of tickets and catering charges	12,261	13,665

All transactions were completed on normal commercial terms and balances outstanding are repayable on demand.

Organisation Name	Balance due from Corporation at 31 March 2024 £	Balance due to Corporation at 31 March 2024 £	Balance due from Corporation at 31 March 2023 £	Balance due to Corporation at 31 March 2023 £
RSC Enterprise Limited	-	515,991	-	256,783
RSC Productions Ltd	-	-	-	-
RSC Matilda Australasia Ltd	-	-	-	-
RSC Pre-Productions Limited	-	7,078,439	-	6,138,718
RSC Estates Limited	-	152,500	-	152,500
RSC Matilda US Limited	9,203	-	6,208	-
RSC Touring Limited	-	747,229	-	747,326
Hathaway Productions Limited	-	337,227	-	-
Arden Hotel Waterside LLP	3,671	1,005	4,208	-

Notes (continued) **(forming part of the accounts)**

25 Transactions with connected persons

It is normal practice for members of the Board, or organisations with which they are connected, to help raise donations or sponsorship for the Corporation. Such receipts can come from members directly or from organisations in which members have controlling interests. No material benefits arise to members as a result of such transactions and they are therefore not detailed below.

The following transactions took place with related parties:

The Shakespeare Birthplace Trust of which Catherine Mallyon has been a council member during the year, invoiced £180,000 in the year (2023: £187,865) for the care of the collection. These were on the Shakespeare Birthplace Trust's normal commercial terms. The balance owed at the end of the year was £Nil (2023: £Nil). The Shakespeare Birthplace Trust was invoiced £2,125 (2023: £1,875) in the year for provision of actors. The balance owing at the end of the year was £Nil (2023: £Nil).

Andrew Miller is a national council member of Arts Council England. During the year, the Corporation received a National Portfolio Organisation grant of £15,259,706 (2023: £15,259,706) and a touring grant of £512,586 (2023: £Nil).

Society of London Theatre, to which Andrew Miller provided paid consultancy service, invoiced the Corporation £14,604 (2023: £28,586) for items including commission from sale of gift cards, advertisement and membership fees. These were on Society of London Theatre's normal commercial terms and the balance owed at the end of the year was £Nil (2023: £861).

Andrew Miller worked as a freelance consultant for Paul Hamlyn Foundation between April 2022 and March 2023. During the year ending 31 March 2024, the Corporation received a grant of £159,515 (2023: £126,751) for a research project in Learning and National Partnership. The balance owing at the year end was £Nil (2023: £Nil).

Clare Reddington has been a Trustee of Wise Children Limited since 2018, which invoiced the Corporation for production work undertaken during the year for £33,515 (2023: £Nil). The balance owed at the end of the year was £Nil (2023: £Nil). During the year, the Corporation also invoiced Wise Children Limited for rent for £772 (2023: £Nil). These were on Wise Children Limited's normal commercial terms. The balance owing at the end of the year was £772 (2023: £Nil).

Intermission Youth, of which Amanda Parker is also a Trustee, has been working with the Learning and National Partnerships team at the RSC during the year as a Theatre partner. During the year the Corporation paid a total of £10,353 (2023: £16,180) for their services. These were on Intermission Youth's normal commercial terms. The balance owed at the end of the year was £10,000 (2023: £Nil).

Winsome Pinnock has been a Trustee of The English Stage Company Limited since 2020. During the year the Corporation was invoiced £613 (2023: £Nil) for theatre tickets. The Corporation also paid £489 (2023: £Nil) to its subsidiary for catering services. These were on The English Stage Company's normal commercial terms. The balance owed at the end of the year was £Nil (2023: £Nil).

Ayanna Thompson works with Arizona State University as a Regents Professor of English. During the year, the Corporation invoiced the university a total of £Nil (2023: £435). The balance owed at the year end was £Nil (2023: £Nil). A subsidiary of the corporation also received a payment of £Nil (2023: £100) for the use of an image. This transaction was on Arizona State University's normal commercial terms and the balance owed at the end of the year was £Nil (2023: £Nil).

Griselda Yorke is a trustee for Improbable, which provided creative and logistical support with production of "My Neighbour Totoro". The Corporation paid a total of £6,918 (2023: £30,000) for their services during the year. The balance owed at the end of the year was £Nil (2023: £Nil). Griselda Yorke is also a board member for Society of London Theatre.

During the year, Tamara Harvey and Catherine Mallyon used RSC freehold property in Stratford Upon Avon rent-free, creating a taxable benefit in kind. See note 6 for further details. A payment was also made to Catherine Mallyon under an obligations and settlement agreement. See note 6 for further details.

A proportion of the indemnity insurance equating to £6,490 (2023: £6,490) covers Board members. The Charity Commission has indicated its approval of this arrangement.

Notes (continued)
(forming part of the accounts)

26 VAT Group Liability

The Corporation entered into a group arrangement for Value Added Tax (VAT) on 1 January 2015 with RSC Pre-Productions Limited and RSC Enterprise Limited, the representative member of the group being The Royal Shakespeare Company. All members of the group are jointly and severally liable for the tax due from the representative member. The VAT liability of the other members of the group that were not recognised in the Corporation's own balance sheet as at 31 March 2024 was £174,043 (2023: *liability of £87,895*).

27 Legal Charges

A fixed legal charge dated 30 November 2006 exists over The Royal Shakespeare Theatre, The Other Place, 3 Chapel Lane and Avonbank Paddocks in Stratford-upon-Avon in accordance with the terms of grant funding for the redevelopment of the Royal Shakespeare Theatre from Arts Council England. The charge expires on 29 November 2026 and the value at the year-end was £52,899,025. (2023: *£52,899,025*).

A further fixed legal charge dated 24 June 2015 has been granted over the freehold land and buildings of The Other Place, which was redeveloped during 2016 in accordance with the terms of grant funding for the capital project from Arts Council England. The charge expires on 24 June 2035. At the balance sheet date, the value of the grant approved and drawn down was £3,000,000. (2023: *£3,000,000*).

A full title guarantee dated 19 June 2014 exists over the Royal Shakespeare Theatre as a continuing security for the payment or discharge of any secured obligations under the grant contract issued by the National Heritage Memorial Fund in respect of the development of the Swan Wing of the theatre. At the balance sheet date, the value of grant approved and draw down was £2,849,200. (2023: *£2,849,200*).

A fixed legal charge dated 15 November 2010 exists over some of the other freehold residential properties in accordance with the terms of an agreement with the Trustees of the defined benefit pension scheme. At the balance sheet date, the value of this charge was £6,845,000 (2023: *£6,845,000*).

A full title guarantee dated 31 January 2019 exists over the freehold land and buildings of 38/39 Waterside as a continuing security for the payment or discharge of any secured obligations under the grant contract issued by the National Heritage Memorial Fund in respect of the re-development of the Costume Workshop. At the balance sheet date, the value of grant approved was £950,000 and payments of £1,137,125 (2023: *£1,137,125*) had been made to the RSC.

A further fixed legal charge dated 31 January 2019 has been granted over the freehold land and buildings of 38/39 Waterside in accordance with the terms of grant funding for the capital project from Arts Council England. The charge expires on 31 January 2039. At the balance sheet date, the value of the grant approved was £2,146,800 and payments of £2,146,800 (2023: *£2,146,800*) had been made to the RSC.