

THE ROYAL NATIONAL THEATRE

England & Wales · Charity number 224223

Details

Other names	THE NATIONAL, THE NATIONAL THEATRE
Status	Registered
Legal form	Charitable company
Company number	00749504
Registered	1963-04-17
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROMOTE AND ASSIST IN THE ADVANCEMENT OF EDUCATION SO FAR AS SUCH PROMOTION AND ASSISTANCE SHALL BE OF A CHARITABLE NATURE AND IN PARTICULAR, SO FAR AS OF A CHARITABLE NATURE, TO PROCURE AND INCREASE THE APPRECIATION AND UNDERSTANDING OF THE DRAMATIC ART IN ALL ITS FORMS AS A MEMORIAL TO WILLIAM SHAKESPEARE.

Activities: The National Theatre is central to the creative life of the UK. In its three theatres on the South Bank in London it presents new plays and classics from the world repertoire. It extends its reach through live broadcasts into cinema, UK and International tours and deepens audience engagement through its education programme. It looks after the wider health of theatre through R&D at the NT Studio.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- China
- Germany
- Netherlands
- Northern Ireland
- Scotland
- United States

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-30	£128,700,000	£121,600,000	£88,900,000	931
2024-03-31	£121,400,000	£125,400,000	£81,800,000	840
2023-03-31	£89,000,000	£90,900,000	£85,800,000	778
2022-03-31	£80,800,000	£80,100,000	£87,700,000	669
2021-03-31	£56,300,000	£51,600,000	£87,000,000	759

Trustees

Name	Role	Appointed
SIR DAMON MARCUS BUFFINI	Chair	2016-06-09
Amanda Kate Pritchard		2023-10-02
Baroness Beeban Kidron		2025-09-25
Cate Blanchett		2024-11-27
Dame Karen Elizabeth Pierce D.C.M.G		2019-01-31
Dame Marit Mohn		2024-09-25
Deborah Weinstein		2025-07-02
Elizabeth Pryce		2015-05-01
James Matthew Graham		2024-11-27
Louise Elizabeth Charlton		2019-01-31
Melanie Jane Richards CBE		2021-02-03
Sarah Maria Wiggins		2024-11-27
Simon Minty		2020-11-20
Tim Score		2017-07-31

Accounts

National
Theatre

Annual Report 2024/25



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In this document The Royal National Theatre is referred to as 'the NT', 'the National', and 'the National Theatre'.

The narrative reporting in the Trustees' Report (Introduction, Strategic report and Governance) incorporates all Companies Act 2006 requirements for the Directors' Report and Charities SORP requirements for the Trustees' Report.

Highlights from 2024/25

- In April 2025, **Rufus Norris** concluded his ten-year tenure as Director of the National Theatre. We welcomed **Indhu Rubasingham** as our new Director and Co-Chief Executive, who will work alongside Executive Director and Co-Chief Executive, **Kate Varah**.
- We produced **19 plays and musicals** that were staged across the globe including **13 productions** on the South Bank, **5** of which were **world premieres** of new work. At the heart of our season were new voices and reinventions of classics. Highlights included Michael Abbensetts's *Alterations*; Ben Power's *London Tide* adapted from Dickens's *Our Mutual Friend*; and Alexander Zeldin's *The Other Place* inspired by *Antigone*, each offered classic narratives reshaped for contemporary audiences.
- Our three theatres on the South Bank were at **81%** seated capacity.
- We toured our acclaimed production of ***War Horse*** to 23 venues across the UK over 61 weeks. Highlights of West End transfers included ***The Lehman Trilogy*** moving to the American Conservatory Theatre in San Francisco playing at its Toni Rembe Theatre before returning to London's Gillian Lynne Theatre; and our Olivier-nominated ***People, Places & Things*** returned to the Trafalgar Theatre in London.
- Our secondary schools tour, ***The LeftBehinds***, reached 7,500 young people during an 11-week-long tour across England.
- We celebrated 30 years of our nationwide youth theatre festival, **Connections**. Over 5,000 young people from more than 239 groups and schools performed at home venues and on one of 33 professional stages across the country to celebrate this anniversary year.
- We expanded the **National Theatre Skills Centre** through significant financial support enabling us to turbocharge skills development nationwide, addressing the urgent skills shortage facing our industry and opening doors for an unprecedented 15,000 people across the UK over the next three years.
- **Public Acts**, our nationwide community programme, worked with a total of 438 participants across the country, connecting with alumni members in our partner locations as well as with new participants in Sunderland. In May 2024 we launched ***Public Record***, a project in collaboration with Sunderland Culture and Sunderland Empire, featuring a cast of over 100 people from local community groups, professional dancers and musical legends from across the city who represent the breadth of Sunderland's rich cultural identity.

INTRODUCTION

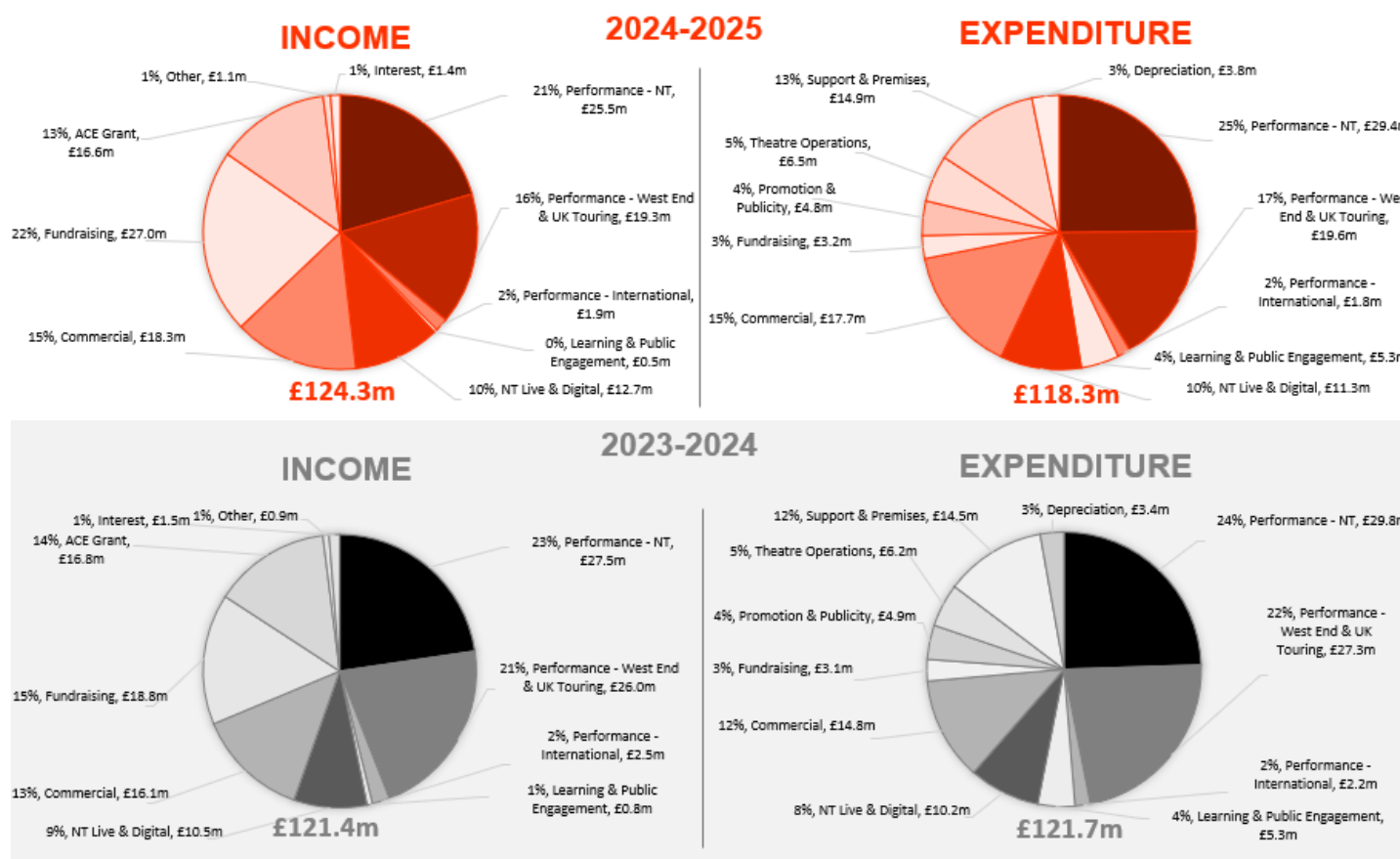
- Our programme **Speak Up** took place every week of the academic year, in 56 secondary schools in England. Cross-disciplinary artists worked with students and teachers to co-create artwork and develop the skills of young people to share their ideas. Over the summer, nine celebration events took place at our Partner Theatres sharing the work created by young people throughout the year.
- In 2024/25, **National Theatre Live** released six productions to cinemas in over 50 countries, watched by an audience of over 1.8 million people across more than 250,000 screenings.
- **National Theatre at Home** subscribers watched over 31 million minutes of filmed theatre in 184 countries last year with a further 26 titles being added to our streaming platform in 2024/25, taking the total number of productions available to over 100.
- We celebrated the fifth anniversary of the **National Theatre Collection**, our schools streaming service which is free for all UK state schools (primary and secondary) and FE colleges. 90% of state secondary schools in the UK were signed up to the Collection. The NT Collection's global reach amassed over 6.7 million views across over 7,500 institutions in 62 countries.
- In September 2024, we opened the pioneering **National Theatre Green Store** in South Bermondsey, which will contribute to our ambition to reaching net zero and driving sustainability in theatre. For the first time, all 22,000 of our props are housed under the same roof, making us a one-stop-shop for hire to the creative industries.
- We developed our research capabilities, working with 140 arts organisations across the UK to publish **Scene Change** in January 2025, an industry-wide research report on the future of performing arts business models.
- 2024/25 was a record year for **fundraising** and marked the first time that our fundraising efforts outperformed both our Arts Council Grant and box office income. To continue delivering our ambitious programme of activity and urgent capital upgrades to the NT building, this vital fundraising income is more important than ever.
- Urgent **infrastructure repairs** to the National Theatre building, supported by a UK Government grant of £26.4m and philanthropy, began on site in late 2024 with the upgrade of the Olivier Scenic Lift and the replacement of aging wiring in the Dorfman theatre.

INTRODUCTION

- We hosted a range of **commercial events** that provide important income for the NT, including delivering Burberry's spring summer fashion show as part of London Fashion Week in September.

Financial Summary

The charts below show total income and expenditure on group funds and excluding long-term restricted funds (which comprise the National Theatre's building-related fundraising income and depreciation). Expenditure in the charts has also been reduced by the value of Creative industries tax relief. The amounts and percentages are subject to rounding. For further commentary on the Financial Position of the National Theatre please refer to the Financial Context section on page 10 and Financial Sustainability section on page 25. The gross income and expenditure are shown in the Consolidated Statement of Financial Activities on page 66.



Chair's Statement

2024/25 was a seminal year in the National Theatre's history. We now offer the widest access to high quality theatre to millions of audience members across the UK and around the world every year.

Through our live and digital productions and learning work, we sparked imaginations in 184 countries around the world championing fresh voices and new perspectives. We deepened our commitment to inspiring the next generation of theatre-makers with 246,756 engagements with young people and communities across the UK and 5,000 participants training in our new NT Skills Centre, underpinning our commitment to reaching every child in the UK before they leave school.

At the heart of everything we do is a belief that bold, ambitious storytelling, shared live and digitally, brings people together and changes lives.

Through the making and sharing of 19 plays and musicals from our stages, from the spellbinding joy of *Ballet Shoes*, our magical family production adapted by Kendall Feaver and directed by Katy Rudd to Michael Abbensetts's era-defining comedy *Alterations* from the Black Plays Archive directed by Lynnette Linton, our stages pulsed with the energy and richness of British storytelling.

Beyond our home on the South Bank, our work travelled far and wide. In September 2024, the much-loved *War Horse* returned to audiences through a major nationwide tour, reaching 23 venues across the UK. To date, *War Horse* has been staged in 100 cities in 14 countries and watched by over 8.3 million people worldwide: a true demonstration of the UK's cultural soft power. Seeing how this iconic production continues to resonate with people of all ages, and now through generations, is a testament to the enduring emotional power of live performance, and the incredible craftsmanship that brings it to life again and again.

We continued our quest to make the best of British theatre available to everyone, wherever they are based in the world. Our National Theatre Live broadcasts reached an extraordinary 1.8 million people in more than 50 countries across more than 250,000 screenings. Meanwhile, our streaming platform, National Theatre at Home, added 26 new productions, now offering over 100 titles, with audiences watching more than 31 million minutes of theatre in 184 countries. And we celebrated the 5th anniversary of the NT Collection, our online library of 70 high quality filmed theatre productions that state schools can stream for free to introduce children not only to the magic and spectacle of theatre but also support creative learning across the curriculum.

Our role as a national institution means not only creating theatre but also contributing to the future vitality of the sector. In January 2025, we launched *Scene Change*, a major industry-wide study on the future of performing arts business models. 140 arts organisations from across the country played a crucial role in contributing to this research, which sets out a series of recommendations to strengthen the sector and drive real change, together.

We also celebrated the 30th anniversary of *Connections*, our nationwide youth theatre programme. Seeing young people take to stages around the country with such confidence and passion is an important reminder that youth theatre is so much more than a performance – it is a vital space where young people learn to express themselves, embrace new challenges, and build skills that will stay with them for life. We were excited to mark this major event with the reopening of our Dorfman Theatre on 24 June 2025, which has been undergoing important capital works thanks to funding from the Government.

One of the biggest challenges facing the National Theatre over the next decade is replacing our ageing infrastructure. Over the past year we embarked on this significant journey by upgrading the Olivier scenic lift and replacing the deteriorating wiring in the Dorfman theatre. We successfully completed both projects with careful management by a brilliantly dedicated team. We are now focusing our attention on the next round of capital projects to ensure we can remain open to welcome audiences, and our facilities are fit-for-purpose for world-class artists to make their best work.

Supporting young people to develop vital skills for the future is at the core of our work. This year, we expanded the National Theatre Skills Centre with even more skills development programmes, unlocking career opportunities for 15,000 people all across the country over the next three years.

This year's accomplishments stand out as especially significant given the ongoing financial pressures we continue to face as an organisation. The enduring impact of the pandemic on both revenue and delayed investment in capital infrastructure upgrades together with soaring inflation affecting the cost of everything from energy to materials, have created a challenging operating landscape. The recent rise in employers' National Insurance contributions and the first repayments of our Covid Recovery Fund Loan falling simultaneously, has further intensified the strain. Despite these pressures, the National Theatre is well placed to respond with resilience, with stable reserves and a firm focus on reaching a future break-even financial position, with meaningful progress underway.

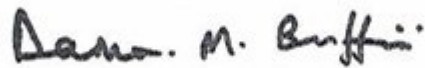
Key to that is our *Stories Start Here* fundraising campaign, with the ambitious goal of raising £125m in revenue and capital to fund critical upgrades to the National Theatre and ensure that millions continue to experience the transformative power of live theatre, has garnered extraordinary support since its launch in 2024. This year, the National Theatre was especially grateful to receive the largest gifts it has ever secured from donors in both the UK and US. These transformational gifts will enable vital technical improvements to our backstage facilities so we can continue offering resources, spaces, and creative talent to spark imagination, nurture talent, and inspire the world. The collective belief in the power of theatre was also particularly evident at our Up Next Gala, an unforgettable evening that

STRATEGIC REPORT

united supporters and artists alike to celebrate and champion our shared vision. Thanks to the remarkable generosity of our community, we raised a record breaking £2 million in support of the campaign at that event. Nights like these reaffirm the vital role our supporters play in everything we do and serve as an important reminder of theatre's influence in today's world.

On behalf of the Board, I would like to thank Rufus Norris for his extraordinary ten-year tenure as Director of the National Theatre. From world-class productions to radically increasing the National Theatre's reach and impact, Rufus' legacy is tremendous. He has ensured that the organisation is flourishing as he passes the baton to Indhu Rubasingham and Kate Varah to build on all that he achieved.

As I look back on this year, I do so with a sense of deep appreciation: for the audiences, artists, our people, our supporters and partners who make our work possible. The National Theatre is not a building or a programme: it's a shared belief in the power of stories to connect, challenge, and uplift.



Sir Damon Buffini

Chair, The Royal National Theatre

Entertain and Inspire: Our Strategy

Introduction

Financial Context

The National works in the UK, the US and the 'Rest of the World', with headroom for growth over the long-term. However, in the short-term we face challenges that inhibit our return to a break-even position, despite strong fundraising and Box Office performance.

2024/25 is the second year of delivering our five-year strategy: Entertain and Inspire ('the Plan') – set in response to a combination of post-pandemic challenges and imperatives that led us to rethink why and how we work not just to survive but thrive. The Plan set the National Theatre on a glide path towards financial stability (and break even by 2026/27), underpinned by Objectives and Commitments to ensure our success. Since then, economic pressures and industry challenges have meant we have had to recalibrate, and we are now working to a new timeline to reach break-even by 2027/28. This Plan was to cover annual revenue need and did not cover the urgent ten-year major capital infrastructure replacement and upgrade need beyond a modest annual allocation to on-going capital replacement and repairs and maintenance

The high inflationary environment post pandemic gave rise to the most significant challenge to our revenue break-even business model. Our entire cost base has been impacted by this, with energy and material costs seeing the highest price rises. We have worked hard to maintain accessible ticket prices and our income from box office has broadly kept pace with inflation. In addition, we have achieved record levels of fundraising income through our Stories Start Here campaign, however a proportion of this is raised to support our pressing capital need.

Operating pressures include repayments now due for the CRF Loan (£1.5m per annum), and an unexpected increase to Employers National Insurance contributions (£1.1m per annum) with effect from 2025/26.

The National Theatres' Arts Council England annual revenue grant was cut by 5 percent which came into effect from April 2023, reducing to £16.15m, and we received no inflationary uplift in 2024/ 25. This equates to a reduction in real terms of 28% since 2019/20 (pre pandemic).

This financial challenge to our revenue break-even business model is compounded by the scale of investment required in our unique South Bank building over the next decade to replace our failing infrastructure and ensure that our facilities are fit-for-purpose for world-class artists to make their best work.

In support of this significant capital challenge, the National Theatre received £26.4m from the UK Government to enable crucial infrastructure works on our building. Coupled with income from our Stories Start Here Campaign and reserves funding, we expect to have funded £72m of our £230m 10-year capital need by the plan's midpoint at the end of 2027/28.

We are deeply grateful to our donors who have propelled our Stories Start Here £125m fundraising campaign over the last two years. The campaign, the most ambitious in our history, will raise revenue and essential capital funds to support the theatres' on-going financial sustainability and a fit for purpose building that enables world-class theatre, attracts the best talent, champions sustainable theatre-making, serves audiences around the world and inspires the next generation.

In 2024/25 we generated a positive movement to our total funds of £7.1m; this comprised:

- An operating deficit for the year of £1.6m
- Fundraising monies received during the year for projects and capital needs to be expended in the following years of £1.1m
- A net increase to capital funding after depreciation of £7.6m, including £4.4m of our £26.4m government grant and £3.2m funded by the NT.

We continue to interrogate our financial model to assess how we can continue to operate sustainably in an environment with a higher cost base, a large-scale urgent capital need, and a challenging funding climate. Work has continued this year to examine how to grow the income we generate and the funds we raise – in the UK, USA and across the globe – to ensure we are maximising every opportunity for sustained recovery and growth. For example, we've invested over £0.6m into our Digital offering in 2024/25, which has helped grow our NT at Home audience by more than 50%.

STRATEGIC REPORT

OUR PURPOSE – We believe great theatre sparks imagination and brings people together.

OUR VISION – A world where theatre is thriving and vital.

OUR MISSION – To make theatre that entertains and inspires using our creativity, expertise and unique reach.

OUR FOUR KEY OBJECTIVES FOR 2024/25

1. **Innovate to expand our audience:** offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact.
2. **Inspire creativity and boost skills:** work at scale and with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and access to training in theatre.
3. **Be sustainable:** economically, environmentally, socially, with the right culture that takes care of our people and the world around us.
4. **Attract the best collaborators:** offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions.

WHO WE WILL DO IT FOR

For audiences – to give more people greater access to world-class storytelling. Offering a unique National Theatre experience – in person, online, in schools, in cinemas. Nationally and internationally.

For society – to entertain, educate and stimulate creativity across the nation and worldwide, ensuring theatre is always relevant, exciting and essential.

For artists and theatre-makers – to support them to make their best work and enable it to have the widest possible audience and impact.

Achievements against our objectives

1. Innovate to expand our audience:

offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact

Our theatres on the South Bank

In 2024/25, we staged 19 plays and musicals across the globe, including 13 productions in our theatres on the South Bank, five of which were world premieres. Our three theatres remained strongly attended at 81% seated capacity and we have continued to grow new audiences, with 94% of first-time attendees rating their experience as 'excellent' or 'very good'.

Kendall Feaver brought Noel Streatfeild's beloved novel *Ballet Shoes* to the stage for the first time. Meanwhile *The Grapes of Wrath* adapted by Frank Galati, Shakespeare's *Coriolanus*, and Wilde's *The Importance of Being Earnest* delivered fresh perspectives on established favourites. And James Graham's *Dear England* returned to the Olivier Theatre before it embarks on its UK tour in Autumn 2025.

At the heart of our season were new voices and reinventions of classics. Michael Abbensetts's *Alterations*, with additional material by Trish Cooke, sat alongside Ben Power's *London Tide* adapted from Dickens's *Our Mutual Friend* and Alexander Zeldin's *The Other Place* inspired by Antigone, each offered classic narratives reshaped for contemporary audiences.

Before the Dorfman Theatre closed in mid-November 2024 for urgent capital works, Sarah Gordon's *Underdog: The Other Other Brontë* made in collaboration with Northern Stage, Tanika Gupta's *A Tupperware of Ashes* and Katori Hall's *The Hot Wing King*, highlighted our ongoing commitment to new work and collaborative partnerships. The Dorfman Theatre reopened in June 2025 with the 30th anniversary of our youth theatre festival, Connections.

River Stage drew 36,000 visitors to London's largest free outdoor arts festival with four weekends of music, theatre, dance and workshops in collaboration with The Glory, Greenwich Docklands International Festival and Rambert.

Sharing work beyond the South Bank

An extraordinary 770,825 people experienced a live National Theatre production in 2024/25 in the West End, across the country and internationally.

In the West End, *Standing at the Sky's Edge*, Chris Bush's Olivier-winning musical about community and change in Sheffield played a 30-week run at the Gillian Lynne Theatre. Duncan Macmillan's critically acclaimed *People, Places & Things* played at the Trafalgar Theatre for 14 weeks with Denise Gough reprising her Olivier Award-winning role as Emma. And Anaïs Mitchell's Grammy Award-winning *Hadestown* continues to delight audiences at the Lyric Theatre in an open-ended run.

The Lehman Trilogy impressed audiences on both sides of the pond, first at the American Conservatory Theatre in San Francisco playing at its Toni Rembe Theatre for four weeks before returning to London's Gillian Lynne Theatre for a 15-week run.

And finally, our global phenomenon and multi-award-winning *War Horse* also returned to the stage, embarking on a major UK & Ireland tour from September 2024 through to 2026, visiting 24 venues over 52 weeks to inspire another generation of audiences across the country.

Theatre Nation Partnerships (TNP)

By the National Theatre working in partnership with theatres and creative organisations in 13 priority areas of England, we create more opportunities for people to engage with theatre. This year we worked with our TNP partners on touring productions, community engagement and audience development activity, in-depth school programmes, expanding access to our digital platforms, and skill and resource sharing across the network. Through the TNP network, we supported a production of *Handbagged* by Moira Buffini, produced by Queen's Theatre Hornchurch, that toured to six TNP venues where it reached 11,400 people. The show also toured to six further venues - making it the longest midscale tour delivered through TNP - reaching an additional audience of 6,000 people to date.

We also worked with four TNP venues to offer wraparound engagement with schools and community groups alongside the *War Horse* tour, reaching over 600 participants in TNP areas through Page to Stage, puppetry workshops and Teacher CPD sessions.

STRATEGIC REPORT

As we review the impact of TNP and future opportunities for partnership and touring, we engaged arts researchers Indigo Ltd to conduct nationwide research into live drama audiences, using a combination of box office data, audience surveys and focus groups. We worked with TNP venues and nine additional theatres across England to achieve the greatest insight into the habits of drama attenders and non-attenders with a view to inform both future programming and marketing decision-making. The resulting report and sector toolkit are due to be launched in winter 2025.

Speak Up

Speak Up is a three-year programme which launched in 2022 and will conclude in summer 2025. It was set up to support young people most affected by the pandemic and in response to challenges in schools, to help to develop young people's self-expression, wellbeing and personal skills, with an open-ended invitation to make creative projects in their local area. Through Speak Up and TNP the National Theatre has established a strong collaborative network of theatres and arts organisations across England. We are in active conversation with our partners and Arts Council England about what comes next.

This year, the Speak Up programme has continued to grow in reach, creativity, and collaboration — both nationally and locally. The Speak Up Youth Researchers from Wakefield have played a key role in shaping this year's evaluation work. They have co-designed the Year 3 evaluation survey for young people, teachers, and artists, which will be shared across the programme.

We were also pleased to publish the Year 2 Evaluation Report, highlighting the ongoing impact of the programme. Headline statistics and verbatim feedback from the report are now available on the [website](#). In addition, we launched *The Story of Speak Up – Year 1 Comic Book*, an illustrated snapshot of the programme's beginnings. Both resources are helping us to share the impact of Speak Up in creative and accessible ways.

Generate

Our Generate programme was created during the pandemic in response to a demand from national organisations coinciding with capacity in the Studio. The National Theatre currently shares the space and resources of our New Work Studio with artists developing work that is destined for stages outside of London. This support can include costs like artist fees and travel expenses, as well as offering space for workshops and writing, dramaturgical support, and introductions to potential co-producing partners. Since the outset of Generate, 1,039 actors and artists have been engaged on the programme. 93% of the projects supported either had the writer in the room or were devised as a company.

STRATEGIC REPORT

This year, once again, a third of our New Work Department research and development workshops were devoted to supporting over 30 theatres and companies from outside London through our Generate programme, including Paines Plough (*My Mother's Funeral*), Sheffield Theatres (*Dolls House*), Middle Child (*Biting point*), Kook Ensemble (*Sand*), and Theatr3 (*Port Talbot Gotta Banksy*). Alongside these organisations, we also supported individual artists and their projects.

National Theatre Live

In 2024/25, National Theatre Live released seven productions to cinemas in over 50 countries, watched by an audience of over 1.8 million people across more than 250,000 screenings, with 90% watching a broadcast outside London. The 15-year-old initiative reached a significant milestone, celebrating its 100th release in April 2024 with the release of *Nye*, charting the life of Aneurin 'Nye' Bevan and his battle to create the NHS.

To mark this major milestone, we collaborated with the NHS to provide free tickets to NHS workers to see the performance in our Olivier theatre and invited a further 1,000 NHS workers nationwide to watch the live broadcast in cinemas for free, extending our commitment to share impactful stories that inspire and unite people.

The UK circuit has continued to grow, now spanning over 900 venues—from chain cinemas to community halls—bringing world-class theatre to more parts of the country than ever before. In addition to showcasing productions from its own stages, like *Nye* and *The Importance of Being Earnest*, National Theatre Live worked with a number of partners to bring a wider range of performances to audiences, including *Dr Strangelove* starring Steve Coogan and a special re-release of *Prima Facie*. These collaborations highlight National Theatre Live's ongoing commitment to using its platform and reach to share the best of British theatre with the world.

NT Live brings communities together, working with a wide range of venues that deliver theatre to audiences beyond the stage, working with a range of venues from cinema chains and independents such as Odeon, Picturehouse and The Light to community halls and venues serving more rural and localised areas to Screen Machine, a mobile cinema serving the highlands and Islands of Scotland.

National Theatre at Home

A further 26 titles were added to our streaming platform in 2024/25, taking the total number of productions available to over 100. Titles added included award-winning productions from the West End such as *Vanya* with Andrew Scott as well as the National Theatre including Beth Steel's Olivier Award nominated play *Till The Stars Come Down*. In November *Nye* was streamed free on the National Theatre's YouTube channel for our annual 'Take Your Seats' initiative and watched by over 160,000 viewers across the globe. 51% of the YouTube audience was under 35 and it marked the first live stream with Welsh subtitles. National Theatre at Home subscribers watched over 31 million minutes of filmed theatre in 184 countries last year. All productions are available with captions, over 90% are available with audio-description, and we are building on our British Sign Language offering with monthly BSL releases of our back catalogue.

2. Inspire creativity and boost skills:

work at scale with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and training in theatre

INSPIRE

We have provided Continuing Professional Development (CPD) to 667 teachers and youth leaders, impacting an estimated 146,500 students across the UK. Nearly 1,000 schools have taken part in our in-person learning programmes, including student conferences, bespoke school matinees, attendance at NT productions at the South Bank and backstage tours.

This year saw the launch of our new NT Learning Hub on the National Theatre website, a one-stop shop for teachers and students to inspire curiosity, enhance learning and support teaching. Over the year we had 25,252 engagements, including 6,229 downloads of our learning resources. These resources include creative activities and videos about theatre-making, free downloadable PDF resources, and short-form videos with educational content, all designed to inspire new ways of teaching English, drama, and theatre studies.

Schools touring

In 2024/25, we toured *The LeftBehinds* to secondary schools nationwide. Co-created by playwright Ross Willis and director Ned Bennett, this new production was set in a post-apocalyptic future, following a group of young survivors on a mission to rebuild an android and save the planet. Nearly 7,500 students from 56 secondary schools experienced this new production in their school halls. Working with our national partners, we toured the production for 11 weeks to Outer East London & South Essex, Sunderland, Wolverhampton, North Devon, Wakefield, Doncaster, Greater Manchester, Leicester, Peterborough and London.

This year we paused our Primary Schools tour to allow time to evaluate its impact and ensure that it was continuing to deliver what was needed for both young people and teachers. We have now confirmed that the Programme will return in partnership with the Unicorn Theatre, the UK's leading theatre for Young Audiences, which will now reach 15,000 young people each year when it launches in 2026. The first tour will be *The Last Wild*, adapted by Jude Christian from the award-winning novel by Piers Torday.

National Theatre Collection

In the last year we have had over 6.7 million total pupil views for the National Theatre Collection, which is now accessed in over 7,500 education institutions in 62 countries. 90% of state secondary schools in the UK are now signed up to the Collection, contributing towards our ambition for every child in the UK to experience the National Theatre before leaving school.

This year we also celebrated the fifth anniversary of the National Theatre Collection by welcoming pupils to the NT for a free screening of *I Want My Hat Back*. Simultaneous screenings were held in two local hospital schools, with accompanying craft workshops for 250 participating children. Internationally, we secured an extension to our partnership with New York City Public Schools, now reaching 35,000 children across the five boroughs of NYC.

New titles will be added to the National Theatre Collection in September 2025, in partnership with Bloomsbury Publishing and available on their digital platform Drama Online. These titles will include *Blues from an Alabama Sky*, *The Boy with Two Hearts*, *Ballet Shoes* and *Kin*, with more to be announced.

PARTICIPATE

Connections

Connections is our annual, nationwide youth theatre festival. Each year, Connections commissions a selection of brand-new plays for young people to perform, pairing some of the UK's most exciting writers with the theatre-makers of tomorrow. We work with hundreds of youth companies and several thousand young people annually from every corner of the UK. Each participating company stages a Home Performance at their own venue, before transferring their production to a Partner Theatre Festival, where they will perform on a professional stage. A select number of groups (one for each play) are then invited to perform at the Connections Summer Festival held at the National Theatre.

In our 2024 cycle, over 5,000 young people and over 600 teachers and group leaders from 238 schools and youth groups across the UK took part, as well as one group from Norway and one group from Australia who shared their performance digitally. We worked with 33 partner theatres to produce regional festivals that featured performances from all Connections groups. Ten groups were then selected to perform at our week-long Connections festival in the Dorfman theatre in summer 2024.

Over the past 30 years, Connections has offered 125,000 young people across the UK first-hand experience in all aspects of staging and performing new plays. From developing new ideas to the final curtain call, young people dive into every part of the theatre making process, gaining hands-on experience, building new creative skills, and exploring the exciting world of backstage and offstage roles. The programme has helped shape the early paths of many career routes from teachers to lawyers and doctors, as well as standout performers, including Rose Ayling-Ellis, Keira Knightley, David Oyelowo, and Callum Scott Howells. At a time when young people are facing mounting social and mental health challenges, Connections offers more than just performance, it builds community, confidence, and critical life skills in young people nationwide.

New Views

New Views is our annual in-school playwriting programme and competition for students aged 14 to 19. Each school is paired with a professional playwright to support and mentor students to write their very own original plays. New Views provides teachers with specialist training from world-class artists and facilitators

alongside resources to support delivery of the programme in their school, theatre tickets for participating students and a chance for a participant's play to be staged at the New Views Festival at the National Theatre, celebrating the talent of young writers from across the UK.

Across the 2024/25 academic year, the programme has undergone a period of evaluation and development, which has included surveys, interviews and focus groups with a range of stakeholders. The research affirmed the value of the programme to schools and teachers, and made a number of recommendations including a wider range of course materials for young people, a refreshed professional development offer, clearer guidelines for schools to ensure the project is embedded and supported, and the development of an offer for SEND young people and/or alternative provision contexts. These recommendations will be implemented from the relaunch of the programme in September 2025, aiming to work with 150 schools across the UK each year. We will also set up new digital and in person New Views hubs for young people to take part independently if their school is not signed up to the programme.

Public Acts

Public Acts is the National Theatre's nationwide community programme which celebrates theatre as an act of community building.

In 2024/25 Public Acts worked in-depth with a total of 438 participants across the country, connecting with alumni members in our partner locations as well as with new participants in Sunderland.

In May 2024 we launched the *Public Record* project in collaboration with Sunderland Culture and Sunderland Empire, the tenth Public Acts production and the conclusion of the programme.

Three years of partnership working in Sunderland culminated in city-wide workshops led by local artists, involving 155 community members aged 2 to 93. Five core community partners anchored this work: Back on The Map, Sunderland Nigerian Families Group, Connect Company, Dance Jam and Young Musicians Group. We also developed relationships with Pallion Action Group, Sunderland University's Nepalese Society and the National Youth Theatre through a series of taster workshops.

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For the first time our creative team, director Emily Lim, co-director/choreographer Dan Canham, writer Stewart Pringle and composer Ross Millard, used a devising approach to develop a Public Acts show. *Public Record* told the story of Sunderland and its community through the city's music. 81 community members, alongside a professional cast of 14, rehearsed weekly from February to March, leading to four performances in April that celebrated Mackem spirit: 'a joyous show, full of laughter, civic pride... a spectacular, shimmering ode to Sun'Lun.'

We aim to share the legacy of the programme widely, through a Public Acts toolkit, published research, and the commissioned plays. The impact of Public Acts on participants, partners and the National Theatre cannot be overstated; the success and impact of this programme would not have been possible without the collaboration of hundreds of partners, artists and community members from across the UK over the last eight years. We remain committed to serving communities nationwide and our learning from Public Acts will be crucial to inform our next exciting nationwide project.

Beyond Sunderland, some Public Act organisations continued to work in partnership nationwide with Cast in Doncaster, Trowbridge Town Hall, Restoke in Stoke-on-Trent, and Trybe House Theatre. Members of Trybe House taking part in monthly workshops at the National Theatre and sharing an early work-in-progress of their latest script, *Ego Is Killing The Mandem*.

SKILLS

The new National Theatre Skills Centre, launched in 2024/25, plays a vital role in developing talent and skills for the sector and supporting long term career-growth. Focused on addressing skills gaps and achieving greater representation in the theatre workforce, the programme currently prioritises technical, production, design and craft disciplines.

In April 2025, significant financial support enabled us to accelerate the nationwide expansion of engagement, skills development, career support, and entry-level to mid-career training programs. We will now be able to reach 15,000 individuals over the next three years.

In 2024/25 a total of 4,802 people have engaged with and benefitted from Skills Development via National Theatre courses, projects and programmes.

This work has comprised of apprenticeships, courses for young people, including Introduction to Stage Management, Young Technicians and a Young Producers course, as well as one off masterclasses and placement opportunities reaching 184 young people. In addition, the breadth of the work delivered by the Skills

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Centre has included careers-focused tours, attendance at national careers events, online workshops, and networking events for early career artists. Our programmes are advertised via careers events, newsletters, on our website and through our social media.

For several years, the National Theatre has been leading on the creation of new apprenticeship standards for specialist theatre production crafts. This work culminated in 2024 with four new standards receiving final sign-off from the Department for Education and Ofqual. Twelve Apprentices have continued or started their training across the organisation this financial year, training in key backstage roles, including scenic carpentry, technical theatre, metal works, prop making and IT support.

One of the many routes into the sector is through technical qualifications such as T Levels. One of the latest T Level subjects launched in September 2014, is the Media, Broadcast and Production T Level which the National Theatre played a role in shaping the curriculum for. We partner with local education providers Lilian Baylis Technology School and Mulberry UTC to deliver our T Level placements.

The National Theatre welcomes the Department for Education's Curriculum & Assessment Review to which we submitted a series of recommendations. Our recommendations seek to ensure that all young people across England, at every stage of education from primary school onwards, can access and benefit from high quality arts experiences in school.

3. Be sustainable:

economically, environmentally and socially

Making theatre sustainably

Productions

We continue to embed Theatre Green Book standards across all productions, with at least 75% meeting the Basic Standard and two productions reaching the Intermediate level. We successfully met the overall Basic Standard meaning that in at least two-thirds of our productions, over 50% of the materials used on stage come from reused sources, and more than 65% will have a future life.

In September 2024, we opened the National Theatre Green Store in South Bermondsey, a game-changing 40,000 sq ft facility developed to make theatre more sustainable, promoting reuse and creating the circular economy needed to limit our impact and reach net zero. Housing costumes, props, technical equipment, and modular scenic elements, the Green Store plays a key role in delivering our decarbonisation targets. The electric HGV that handles all transport from the site has already saved over £50,000 in transport costs and at least 1,500kg of carbon emissions in its first seven months.

Operations

To enable all staff and teams to embed sustainability in their operations, in 2024/25 we increased our offering of carbon literacy training and now run a session every month. Attending is now mandatory for all new starters within their first 12 months of employment. By the end of 24/25, 33% of current staff had completed the training including 54% of Heads of Departments.

We are now instigating our Departmental Action Plan (DAP) for Sustainability programme. This will help departments assess their environmental impact, develop an action plan to reduce it, alongside assessing carbon footprint activities including commuting and homeworking. In 2024/25 we engaged with 14 departments to develop DAPs, Scenic construction, Support services, Security, Facilities, Archive, Learning, Culture, People, Props, Armoury, Wigs Hair and Make-up, Stage Management, Sound & Video, and Safety.

All our job descriptions now include a statement on sustainability and confirm that it is the responsibility of all staff to integrate sustainability considerations into their work.

Buildings

Streamlined Energy and Carbon Reporting (SECR)

In accordance with the requirements of the SECR guidelines introduced by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2024/25:

Scope 1: Emissions from combustion of Gas tCO ₂ e: 2025: 1,030 tCO ₂ e (Energy consumption: Gas 5,632,958 Kwh) 2024: 1,021 tCO ₂ e (Energy consumption: Gas 5,581,358 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'
Scope 2: Emissions from purchased Electricity tCO ₂ e: 2025: 1,291 tCO ₂ e (Energy consumption: Electricity 5,729,929 Kwh) 2024: 1,269 tCO ₂ e (Energy consumption: Electricity 5,640,827 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e 2025: 2.8 tCO ₂ e 2024: 4.2 tCO ₂ e
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type
The total energy consumed by the Group was 11,362,887kwh (2024: 11,222,185kwh).
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²) 2025: 0.040 TCO ₂ e/m ² 2024: 0.038 TCO ₂ e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area. The CO ₂ e gross figure for 2025 is 2,323.8 (2024: 2,171.4) and the useful floor area used in the ratio calculation is 57,141 m ² .

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Our energy use this year is slightly up on last year's (Gas .9%, Electricity 1.6%). However, in July we moved from our Brixton storage facility to the National Theatre Green Store. This move increased our storage space significantly but has slightly added to our overall energy impacts. We have seen some small benefits from better plant operation and management and working to further reduce energy through a comprehensive LED retrofit programme, which is about to go to tender, and should produce significant results next year.

The refurbishment of the Kors Le Pere Textile Studio, which came into operation in August, also contributed to a larger electrical demand, as we replaced the gas fired dye vats and clothes dryers with electrical ones. Moving forward, as we replace fossil fuel driven plant, our increased electrical loads from these changes will continue to be a major part of our Scope 2 impacts, until the UK Grid becomes zero carbon.

Financial sustainability

In 2024/25, income of £128.7m , expenditure of £131.2m and creative industries tax credit of £9.6m generated a positive movement in total group funds of £7.1m; this comprises a positive net movement (after transfers between funds) to unrestricted operational funds of £0.7m, and to our designated and restricted funds of £6.4m.

The positive net movement to unrestricted funds of £0.7m reflects record levels of fundraising and digital income, and strong growth to our catering and hospitality outlets; somewhat offset by the financial challenges for our commercial productions and the closure of the Dorfman Theatre for part of the year for essential capital works. Included in this is critical Theatre Tax Relief support of £8.9m in 2024/25.

Positive net movements to our designated and restricted funds of £6.4m reflect (i) a designation of our fundraising revenues as part of the Stories Start Here campaign to support future and current capital expenditure needs of £6.7m, (ii) £0.4m designated to the Digital Future Tech fund to support and protect the future of our Digital activity, (iii) £0.9m of endowments for spend in future years, (iv) offset by £1.6m utilised from the Risk & Investment fund to replenish unrestricted reserves from our operating deficit. 2024/25 Restricted and Designated income exceeds expenditure by £0.9m. £3.8m restricted fundraising income for capital, receipt of £4.4m of our £26.4m government grant towards capital infrastructure works, £6.9m for other restricted project grant and fundraising income to support our charitable activity this year and in future; offset by expenditure on restricted projects and depreciation of £13.3m.

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The unrestricted operational fund carried forward is a deficit of £5.3m; this comprises cash and current asset investments of £19.5m, offset by other net liabilities of £24.8m, which includes the long-term loan liability (the Culture Recovery Fund (CRF) loan of £20.6m repayable at annual repayments of £1.5m per annum, including interest, over 20 years from 2025).

Our unrestricted reserves target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash and current asset investment reserves are in line with our reserves policy. Our policy is to keep the charity's funds in low-risk investments to preserve capital and maintain liquidity. Surplus funds are placed in cash deposits and liquidity funds, with maturities limited to 12 months or less to ensure availability for the charity's activities. This approach meets the charity's objectives of keeping its resources safe, accessible, and used responsibly to support our charitable aims. The trustees regularly review this policy to ensure it remains in the best interests of the charity and its beneficiaries.

Our Arts Council England core revenue grant, which in 2024/25 was £16.15m, is critical to support our aims. The National Theatre received a five percent cut to its annual grant, reducing it to £16.15m in 2024/25, and will benefit from a 1.6% inflationary uplift in 2025/26, increasing it to £16.41m.

Looking forward, repayments on the CRF loan, now totalling £20.6m with accrued interest, have commenced in March 2025, with the first repayment of £0.8m and annual repayments of £1.5m thereafter.

The current higher rates of inflation and energy costs continue to have a significant impact on our cost base. Thirty-nine percent of our expenditure relates to staff costs, increasing to seventy percent when including freelancer and royalty costs. We are mindful of the impact of the cost-of-living crisis on our staff and freelancers, and our ability to attract and retain talent in a competitive market within and outside of our own sector.

Future financial sustainability

The impacts to our operating environment post-pandemic have structurally changed the way we do business, presenting significant challenges for income to keep pace with rising costs.

Our financial model immediately post pandemic was impacted by three key factors requiring us to raise or save an additional £8 million per annum to achieve our plan to deliver break even by 2026/27:

1. An ongoing annual increased need of circa £6m to maintain our operations at the inflationary increased levels of running the business.
2. The cut to our annual ACE grant of £0.85m effective from 2024/25.
3. Repayments on the CRF loan of £20.6m commencing in 2025 at £1.5m per annum.

Good progress has been made in achieving this in terms of growth to box office, fundraising and digital income, as evidenced by a positive net movement to unrestricted operations funds of £0.6m in 2024/25. Two additional factors have affected our ongoing future financial sustainability:

1. The unexpected increase to Employers National Insurance contributions which take effect from 2025/26 and impact us by circa £1.1m per annum.
2. The increase to the cost of producing and presenting shows due to skills shortages, the growing technical nature of our shows and impact of addressing staff and creative teams' welfare and work/life balance needs. We anticipate this will add circa £1m to £2m to our cost base per annum.

To address these financially negative impacts and achieve our target break-even financial position by 2027/28, we have identified income growth and cost saving targets in each of the next two years. We will also continue to utilise our designated risk and investment fund to support in the interim.

The five-year Entertain and Inspire strategy and accompanying 2025/26 Business Plan provide a framework for the critical thinking needed to achieve this. To deliver our four key objectives within this strategy, and seven Commitments that we would act on to meet the challenges of the future. These Commitments are designed to help test and achieve financial sustainability through income growth and cost saving initiatives.

Capital needs

In addition to the need to bring the business in line with a break-even revenue budget position by 2027/28, we have a concurrent urgent need to upgrade the National Theatre's infrastructure of our Grade II* listed building sitting over 5.5 acres on the South Bank.

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The plan includes:

- Major infrastructure and fabric upgrades to our estate.
- Technical and production infrastructure and equipment within our theatres.
- On-site workshop facilities.
- Key areas within the estate to meet required environmental sustainability and accessibility targets, alongside tackling staff, artist and customer welfare concerns.

The UK Government grant of £26.4m announced in the Spring 2024 Budget, and our major funding campaign, *Stories Start Here*, are two key steps forward in delivering to this challenge. We remain confident about our future, but these are particularly challenging times for us and our sector. During the financial year, we recognised £4.4m of the Government grant, which has been used to initiate the capital works. As of the period end, there are no unfulfilled conditions or other contingencies associated with the grant. In addition, The National Theatre also benefits from a grant from Arts Council England to support the ongoing activities of the charity.

Organisational Design

The NT is taking active steps to build a workplace where excellence, inclusivity, and empowerment are at the core, and where both permanent staff and freelancers feel a sense of belonging. We are investing in our people, giving them the skills and knowledge they need to make a real difference. For example, 85% of our Senior Leadership group have engaged with the SLG development programme, and 56% of managers have engaged with a bespoke Management Essentials training programme, equipping individuals with the necessary skills to effectively lead teams and drive organisational success.

We have also improved the way we work by introducing simpler processes and easy-to-use systems that support everyone, from employees to leaders. This includes refreshing our information and advice for hiring managers and candidates to support a streamlined recruitment process. We have also developed policies, procedures and best practice guidance to ensure clarity and equity of approach for all staff using HR systems.

Our recruitment strategies are focussing on attracting and retaining a diverse workforce, to ensure we better reflect the communities we serve. The expert support and guidance that exists across the NT reinforces our culture of collaboration, innovation, and continuous improvement.

Our sector leading Welfare and Wellbeing team provides a range of support to all who work with the NT to ensure we can entertain and inspire in all we do.

4. Attract the best collaborators:

offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions

Our Values

- **Make a positive impact** – striving to make the world a better place through theatre.
- **Bring your passion** – applying energy and expertise to achieve the highest standards.
- **Collaborate to create** – bringing ideas to life through teamwork and forging connection.
- **Empower each other** – working to build and uphold an inclusive and equitable culture.
- **Act with confidence** – with the courage to make clear, intentional decisions that support our shared vision.

As part of embedding the National Theatre values, 2024/25 saw the inaugural launch of the NT People Awards. Whether backstage, front of house, in a rehearsal room, workshop or at a desk, the National Theatre is made up of incredible people doing brilliant work every day. The NT People Awards was an opportunity to shine a spotlight on our colleagues who are making an extraordinary contribution internally by living our values.

The five categories were based on each of our values, with a two-stage judging process by representatives from across the National Theatre workforce, including members of the People & Culture and Communications departments and Co-Chief Executives.

In supporting the continued ambition to make the NT an employer of choice and one to collaborate with, we have further developed the framework for ensuring that anyone at the NT is treated with dignity and respect. The NT's Dignity and Respect policy and procedure has been updated, and a new reporting tool has been introduced. This work will be supported by training for managers and staff in respect to expected standards of behaviour in the workplace.

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Staff Networks

In 2024/25, the National Theatre continued to have five staff networks, run voluntarily by staff. Throughout the year, they run events to provide a sense of community, peer support and the opportunity to network with colleagues. They also play an important role in raising awareness, encouraging advocacy, and promoting openness and accountability across the organisation.

The National Theatre's five staff networks are:

- **Amplified Network for the Global Majority:** A supportive space for NT employees who are from the global majority.
- **Disability Network:** A supportive space for staff who identify as disabled, d/Deaf, and/or neurodivergent, or anyone with Access needs.
- **LGBTQ+ Network:** Celebrates and supports supportive space for all LGBTQ+ staff at the NT.
- **Parents & Carers' Network:** A supportive space for parents and carers who work at the NT.
- **Women's Network:** A supportive space for all women working at the NT.

Inclusion Working Group

We engage with representative bodies across the NT to share reflections, learnings, suggestions and enable consultation with staff. These groups formed the NT's Inclusion Working Group (IWG). Our IWG was made up of 25 people including industry freelancers and staff from across the business, senior leaders and National Theatre Board members.

In 2024/25, the IWG monitored the National Theatre's progress of the Culture Action Plan and contributed to key discussions and areas of working practice relating to Equity, Diversity & Inclusion (EDI). This included plans on how to live our values at the National Theatre, providing input to the Culture Strategic Plan, sharing feedback on policy on recruitment and dignity at work, and discussing how we can support the wellbeing of our workforce in times of high-impact external conflict and world events.

2024/25 saw the conclusion of the first cohort of the IWG, who served a term of two-years, and started the preparations for a new cohort in a refreshed format.

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Equality, Diversity and Inclusion (EDI) Training

As part of embedding our values, in 2024/25, we continue to roll out an EDI training programme, in collaboration with our training provider Creative Access, the training focuses on three groups of staff:

- **Inclusive Leadership:** This training is to equip and empower senior leaders with inclusive leadership practices, designed to commit to EDI actions, build momentum and establish accountability.
- **Inclusive Management:** This training provides a structured forum for NT leaders and managers to discuss and plan the best ways that they can incorporate inclusivity in their management styles, for the benefit of their teams and the NT as a whole.
- **Inclusive Working:** This training provides a structured forum for new staff at the NT to learn, discuss and understand the core values and expectations of inclusive practise for the benefit of themselves and their teams at the NT.

In 2024/25, the National Theatre remained committed to being a Disability Confident Committed employer. We work towards several commitments to increase accessibility in our workplace.

To support the staff body's understanding of Access requirements, training programmes were developed over the year with partner organisations ranging from Parkinson's UK to Access All Areas. This training is part of our ongoing organisational learning that will support the National Theatre's recent public commitment to the Social Model of Disability, as driven by our internal Access Working Group (AWG).

In 2024/25, we continued to provide a programme of assisted performances, accessibility devices and adjustments at our South Bank venues and on tour, as well as ensuring a broad accessible offer for our National Theatre at Home titles and National Theatre Live screenings.

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Diversity Targets

In the 2017/2018 financial year, under previous Director Rufus Norris, the National Theatre set itself five diversity targets as one tool to support increasing the gender and ethnic diversity of writers, directors and actors on our South Bank stages. These targets are one of the tools the National Theatre have historically employed to bring about a significant shift in the diversity of people who we have worked with over the following six years.

In the 2024/25 financial year we have exceeded all the targets that were set, the information below relates to our progress on diversity on our stages for the 2024/25 financial year:

Target	2016/17	2024/25
50% of living writers on NT stages will be female	33%	55%
50% of directors working on NT stages will be female	30%	54%
20% of on-stage work will be written or adapted by global majority writers	9%	27%
20% of directors working on NT stages will be from the global majority	17%	31%
A minimum of 25% of performers will be from the global majority	Not available	35%

Productions opened in 2024/25

Olivier theatre

- *Boys from the Blackstuff* by Alan Bleasdale adapted by James Graham, directed by Kate Wasserberg. A Bill Kenwright Ltd production, co-produced with Liverpool's Royal Court theatre.
- *Mnemonic* conceived and directed by Simon McBurney. A co-production with Complicité.
- *Coriolanus* by William Shakespeare, directed by Lyndsey Turner.
- *Ballet Shoes* by Noel Streatfeild adapted by Kendall Feaver, directed by Katy Rudd.
- *Dear England* by James Graham, directed by Rupert Goold.

Lyttelton theatre

- *London Tide* based on Charles Dickens' *Our Mutual Friend*, adapted by Ben Power. Songs by PJ Harvey and Ben Power. Directed by Ian Rickson.
- *The Grapes of Wrath* based on the novel by John Steinbeck, adapted by Frank Galati. Directed by Carrie Cracknell.
- *The Other Place* written and directed by Alexander Zeldin. In association with A Zeldin Company.
- *The Importance of Being Earnest* by Oscar Wilde. Directed by Max Webster.
- *Alterations* by Michael Abbensetts, additional material by Trish Cooke. Directed by Lynette Linton.

Dorfman theatre

- *Underdog: The Other Other Brontë* by Sarah Gordon. Directed by Natalie Ibu. A co-production with Northern Stage.
- *The Hot Wing King* by Katori Hall. Directed by Roy Alexander Weise.
- *A Tupperware of Ashes* by Tanika Gupta. Directed by Pooja Ghai.
- Connections festival, ten groups performed in summer 2024

The Dorfman theatre closed following *A Tupperware of Ashes* in mid-November 2024 for urgent capital works and infrastructure upgrades. It will reopen in June 2025.

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Beyond the South Bank

- *People, Places & Things* by Duncan Macmillan. Directed by Jeremy Herrin. A co-production with Gavin Kalin Productions, Mark Gordon Pictures/Eilene Davidson Productions, Seaview and Second Half Productions.
- *The Lehman Trilogy* by Stefano Massini, adapted by Ben Power. Directed by Sam Mendes. A co-production with Neal Street Productions.
- *War Horse* based on the novel by Michael Morpurgo, adapted by Nick Stafford, directed by Tom Morris. In association with Handspring Puppet Company. A co-production with Michael Harrison, Fiery Angel, and Playing Field.
- *The LeftBehinds*, co-created by Ned Bennett and Ross Willis, directed by Ned Bennett. National Theatre Secondary Schools tour to schools in TNP areas.
- *Handbagged* by Moira Buffini. Directed by Alex Thorpe. A Theatre Nation Partnerships production, produced by Queen's Theatre Hornchurch.
- *Public Record* concept and direction by Dan Canham and Emily Lim, music by Ross Millard, words by Stewart Pringle. Co-produced with Sunderland Culture and Sunderland Empire.

Nominations & Awards

Outgoing Director, Rufus Norris received a Special Award for his services to the theatre industry at this year's Olivier Awards with Mastercard. Following a 10-year tenure overseeing over 170 productions, Rufus has led crucial efforts to stage more new work, increase representation and make theatre more sustainable, as well as increasing the National Theatre's worldwide reach, now standing at a remarkable 31 million.

We received one of the Princess Royal Training Awards, in recognition of our apprenticeship programme. The award recognises 'exceptional commitment to learning and development' and we were one of the 52 organisations to be awarded this year, and the first theatre to ever have received this prestigious award. We were one of five organisations to win the Diversity, Equity and Inclusion Commendation in recognition of our apprenticeships scheme addressing the lack of diversity in the workforce and removing barriers.

In 2024/25, Frankie Bradshaw won Best Designer for *Ballet Shoes* at the 2025 Critics' Circle Theatre Awards; our production of *Hadestown* at the Lyric Theatre won two Whatsonstage Awards 2025; and we were nominated for eight Olivier Awards. We also hosted and supported again the Linbury Prize for Stage Design and the Ian Charleston Award. Both are important industry awards supporting new talent starting out in the industry.

2025/26 Commitments

Commitments are priority areas of work that are cross-organisational and where there is need to scale-up, change or evolve to help us achieve our organisational objectives. For 2025/26 we re-focused from four to three objectives:

- Create world-class theatre shared with audiences live and digitally
- Inspire creativity and boost skills
- Be sustainable: financially, environmentally, socially

We knew at the point of writing last year's Business Plan that our Commitments list would evolve, some would be 'completed' and others would merge with other workstreams. For 2025/26, we have further adjusted our Objectives and Commitments to more simply outline our areas of focus and how we will deliver against them. There will therefore be 7 Commitments, reduced from 16 in 2024/25, which will enable us to deliver against our five-year strategy:



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Tell big stories in bold ways

- Delivering a new era of productions that move hearts and open minds
- Commissioning new playwrights
- Investing in artist development, training and support at the NT Studio
- Exploring digital-first storytelling

Grow our audience

- Revitalising the model for National Touring
- Expanding our global audience through NT Live and NT at Home
- Develop access provisions and become sector-leading in our accessibility work
- Reaching US audiences through partnerships with non-commercial theatres and producers to support residency/transfers
- Continuing to scope an audience development scheme targeting the under 30s, with discounted seats and targeted outreach

Transform our building

- Upgrading all three theatres including lighting and power provisions
- Improving critical infrastructure such as roof waterproofing
- Elevating audience experience through upgrades to front of house
- Advancing sustainability and efficiency of the building

Inspire engagement, participation and develop skills

- Ensuring live and digital opportunities are available to every young person in the UK
- Developing and rolling out a nation-wide skills offering to enhance the creative sector
- Deliver a year-long, nationwide programme, connected to the tour of *Dear England*, that engages directly with young people and schools
- Maximising the potential of the NT Archive and optimise access

Drive business growth and impact

- Maximising existing revenue and exploring new opportunities to transform impact/finances

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- Achieving record-breaking box office revenue and another successful year of Stories Start Here fundraising campaign
- Maintaining and developing new stakeholder relationships across government
- Strictly controlling expenditure and exploring ways of saving money

Retain and motivate a values-led workforce

- Developing career pathways and opportunities for underrepresented groups
- Embedding inclusive recruitment practices and new policy
- Increasing staff engagement through a new Internal Communications strategy
- Further develop our annual wellbeing programme for staff

Achieve Carbon Net Zero

- Driving sector-leading environmental efficiency and innovation across our operations
- Building productions of which 75% achieve the Theatre Green Book Basic standards
- Rolling out Carbon Literacy Training to educate our teams on best practice
- Optimising opportunities at the NT Green Store in Bermondsey to support Theatre Green Book aspirations

Our approach to fundraising

We are committed to fundraising best practice and voluntarily subscribe to the Fundraising Regulator and abide by its key principles: to be legal, open, honest and respectful. In line with its Code of Fundraising Practice, we monitor compliance with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and the Charity Commission for England and Wales guidance, as well as the National Theatre's corporate policies, such as Anti-Bribery.

The Development Department also actively assesses potential donations and corporate partnerships for associated legal, financial, reputational and dependency risks as outlined by the National Audit Office. Final decisions regarding gift acceptance may be escalated to the Board of Trustees, who also act in accordance with Charity Commission guidance.

All our fundraising activity is delivered in-house by our Development team, and we ensure that our fundraising staff are trained in our fundraising policies and procedures. We do not engage professional external fundraisers or commercial participators. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships and donations legacies, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to the Trustees at regular board meetings. Internal objectives are set by the Development team each year as part of the National Theatre's budgeting process – these funding goals have been exceeded in 2024/25.

It is possible that our fundraisers may come into contact with vulnerable people. We have a safeguarding policy in place that is reviewed annually to ensure that we are doing all we can to protect vulnerable people. All staff are required to complete mandatory safeguarding training to ensure they follow the correct procedures and understand how to report concerns. As outlined in the Fundraising Regulator's Code of Fundraising Practice, we take all reasonable steps to treat every donor fairly to ensure they can make an informed decision about any donation.

No issues of noncompliance with the Fundraising Code of Practice occurred during the year (2023/24: None). No fundraising complaints were received during the year (2023/24: None).

Self-evaluation

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to the National Theatre productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including National Theatre Live, our Learning activity and our membership schemes. Under Rufus Norris artistic leadership, he appointed a team of Artistic Associates group (a group of 14 freelancers attached to the National Theatre) to meet regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy. The appointment of those Associates ended with his tenure, and under Indhu Rubasingham's artistic leadership there are four new Artistic Associates working to the new vision: Miranda Cromwell, Sophie Duncan, Clint Dyer and Lynn Nottage.

We conduct detailed press campaign reports for every production as well as a wide variety of audience feedback research. We are constantly seeking feedback from all stakeholders and audiences and use the learning to try and improve the quality of the work on our stages.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. We currently collect and analyse over 44,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. In 2024/25 we developed a refreshed framework for self-evaluation of our activity in line with ACE's Let's Create strategy. The evaluation strategy will be developed further in 25/26 by the Director of Data and Insights who joined the NT in 2025.

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity.

Section 172 (1) statement

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors/trustees to act in the way that they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires the National Theatre, as a large company, to report on how directors/trustees have complied with Section 172 and other linked matters:

1. Section 172: Directors/Trustees must promote the charity towards its charitable objectives, considering:

a) The likely consequence of any decision in the long term

Trustees developed the National Theatre's strategic objectives (page 12 of this report) as part of its five-year Entertain and Inspire strategy to make theatre that entertains and inspires using our creativity, expertise and unique reach. The needs of our beneficiaries – our audiences, future audiences and especially young people – and those of our other key stakeholders – our employees, our freelancers, Arts Council England and donors – form the bedrock of our strategic plans.

Decisions regarding our 2024/25 artistic programme were informed by our long-term aims to increase the range of artists making the work on our stages and to attract a wide and diverse audience.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 47 to 49 of this report.

b) The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's ongoing success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, we worked collaboratively with staff and freelancers through a series of workshops and consultations to determine the values that guide our behaviours in support of our Entertain and Inspire strategy. We recognise three trade unions, which we regularly consult with on key aspects of business planning. For example, our annual cost-of-living employee pay award is agreed in consultation with those unions.

Our employee strategy reflects concerns raised by employees as well as feedback from staff meetings. In response to concerns raised by staff, we added courses to support wellbeing, stress management and financial management to our e-learning platform, and our Employee Assistance Programme, available to all staff, includes six free counselling sessions on any subject.

c) The need to foster the charity's business relationships with suppliers, customers and others

Engagement with our customers, such as our audiences, participants in our learning programmes and teachers, is essential to ensure that we understand and meet their needs.

Executive Management regularly seeks and evaluates feedback from our audiences through a rolling programme of audience insight gathered through surveying. This takes place for every staged production and periodically for digital initiatives, including online streaming. We are thus able to build a detailed picture of how the theatre's output is received by different audience groups, including those traditionally under-represented, and to understand motivations for attendance and engagement. This insight programme continued this year. We communicate, on a personalised and regular basis, with our audiences and our membership base in accordance with their communication preferences.

We regularly seek and evaluate feedback from the young people and teachers who engage in our learning programmes; this feedback is fed into the development of these programmes and future activity plans. Regular consultation with teachers has informed the development of learning resources alongside the productions on the National Theatre Collection. More information on how we seek feedback from our beneficiaries can be found on page 40 of this report.

We have developed strong relationships with certain key suppliers who support our stages technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our stages and those across the theatre sector. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d) The impact of the charity's operations on the community and the environment

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 23 to 28 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

e) The desirability of the charity maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviours. Areas covered include fundraising (our fundraising practices are discussed on page 39 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

We use our organisational values in our recruitment and training for employees and our induction of freelancers to ensure that these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

f) The need to act fairly as between members of the charity

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, with inclusivity and accessibility paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Inclusion Working Group (IWG) has existed as an advisory group to the National Theatre, being a catalyst for the change we want to see by actively contributing to the organisation's work on equity,

diversity, inclusion and belonging. Currently chaired by Melanie Richards, diversity lead from the National Theatre Board of Trustees, the IWG is made up of a group of colleagues with a mixture of skills, demographics and experience across the organisation to achieve the greatest breadth of thought and opinion. This includes both staff and freelancers. The composition and terms of reference of this group are currently under review for 2025/26.

2. How directors/trustees have engaged with employees and taken account of their interests

Our staff are crucial to our success, and we regard ongoing, regular engagement with them as a top priority, and our decision-making processes take this into account.

Trustees are updated at each Board meeting on any substantive matters of staff concern. Trustees are updated quarterly at each Board meeting on progress against our Employee Strategy, including equity, diversity and inclusion, and key themes from the quarterly pulse surveys. Trustees are advised of any health and safety issues at each Trustee Board meeting, and our Head of Safety attends the meeting on an annual basis to provide a full report on progress and issues. We also had two Trustees on our Inclusion Working Group (IWG) where staff representatives are members.

Executive Management provide staff with information on matters of concern and interest to them and encourage feedback through various channels of communication, including bi-weekly all-staff briefings on current activity and upcoming events, quarterly all-staff briefings on progress against our strategic plans, regular departmental team meetings and our staff intranet. Executive Management consult with staff and measure employee engagement and satisfaction through regular surveys and address any issues raised as quickly as possible.

Reflecting their commitment to an inclusive workplace, trustees also responded to staff feedback on the sickness absence policy, particularly around disability. Following a review, the policy was updated to distinguish disability-related absence from general sickness—an example of how employee perspectives directly inform trustee decision-making.

We have a number of Staff Networks, set up to bring together and represent specific groups of employees, with the aim of helping to establish a sense of community and support for these groups of people, as well as providing social networks. This includes groups representing protected characteristics and they are consulted on equity, diversity and inclusion matters.

3. How directors/trustees have engaged with other stakeholders, for example service users, beneficiaries, funders and the wider community

Our relationships with partners, suppliers and other key stakeholders are key to our effectiveness.

Trustees and Executive Management ensure, through regular engagement with key stakeholders, that we maintain an understanding of their needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on relevant stakeholders.

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with regional theatres under our Theatre Nation Partnerships (TNP) initiative. TNP has provided a regular forum for the NT to share information on the challenges affecting the wider theatre ecology across the UK, which has fed into our policy and evidence work, for example a number of TNP partners contributed to the *Scene Change* report into business models in the performing arts. Through the TNP network we have also commissioned research into audience development for drama across large-scale and mid-scale touring, offering a toolkit which has been trialled by the TNP network and non-TNP venues, and which will inform the NT's future approach to audience development on tour. This year marked the final year of TNP and we are now reviewing the impact of the network to inform future opportunities and ways of working with the wider theatre sector. More information on this can be found on pages 14 and 15 of this report.

Our Artistic Associates group have met regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Executive in developing a forward-looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

Our donors are fundamental to our ability to achieve our aims and mission. We engage a Development Board who act as representatives of our donor community of trusts, corporates and individuals, and we meet this group regularly to seek their feedback. We also communicate regularly with all our donors, acting in accordance with their communication preferences.

Our funding relationship with ACE is crucial to the delivery of our mission. We ensure our aims meet those of ACE by aligning the Commitments in our Business Plan with the actions in our Let's Create Outcomes and Investment Principles. We report to the Board on our progress against these actions on a quarterly basis. An ACE representative attends our Trustee Board meetings, and we meet with them annually to discuss our successes and challenges in delivering our Let's Create actions.

STRATEGIC REPORT

Additionally, we maintain strong, collaborative relationships with key stakeholders at Arts Council England, engaging in regular dialogue to ensure alignment with shared strategic priorities. We advocate consistently for policies and funding approaches that benefit the wider sector, championing access, support for artists, and sustainable growth across the arts ecosystem. We played a key role in the development of the Incentivised Touring Scheme which launched this year and enables more high-quality dance and theatre productions to tour across the UK.

Summary of the NT's Highest Rated Risks as of March 2025

Risk	Area of concern	Mitigation
Artistic	Delivering quality productions across our 3 stages is challenged by: • Securing sufficient funding to realise artistic ambition • Contractual commitments for creatives to streaming platforms and film companies impacting availability • Economic impact on the grassroots theatre sector reducing the number of entry points for creatives into the sector	We aim to mitigate this risk through: • Carefully developed five-year business plans that show a path to break even • Seeking and developing new creative talent • Ongoing development work within our New Work Department
Reputational, communication and advocacy risks	Our reputation can be impacted by: • The perception that our London location does not serve a national remit and reach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention • Ineffective communications handling or response to incidents. All of which could impact one or more of our income streams and our ability to attract talent.	We aim to mitigate this risk by: • Weaving national reach into the 2023–2027 National Theatre Strategy and Business Plan • Creating a clear communications story of our national and international reach to funders, Government, the public • Advocacy activity with Government, Mayor of London and ACE • Undertaking due diligence on donors and investors following our Donation and Sponsorship Acceptance policy and procedure • Careful consideration of internal and external and pro-active and reactive messaging, alongside a Communications Crisis Plan • Setting out clear standards of behaviour for staff, freelancers and audiences including a Social Media Policy & guidance.

Compliance	Compliance risks arise in four key areas: • The inherent health and safety risks involved in theatre production and presentation (e.g., working at height, noise, manual handling) • A data protection breach (GDPR) • A cyber or ransomware attack • Safeguarding risks in our work on our stages, on tour and in our Learning and Community programmes.	We mitigate these risks by: • Maintaining best practice in health and safety including a robust management structure for safety, a competency framework, staff training, investigation of near misses and incidents and Safe-Working Groups • Data Protection policy and procedures that are monitored by a steering group and supported by a tested Data Breach Process • Enhanced cyber security systems including dedicated staffing, staff training, system scans, enhanced passwords and access authentication • Robust safeguarding policy, procedures and guidance that are regularly reviewed and supported by our Safeguarding Steering Group and staff training Close oversight on compliance by the Finance and Audit Committee
Business planning and management risks	There are a number of areas where we face risks that will either prevent us from operating our business, or make it more difficult to operate our business: • Failure of key customer-facing business systems such as the website and ticket booking platform • A major incident arising from the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London	We mitigate these risks through: • Maintaining best practice, technology and training for our security team • Building strong relationships with neighbours, neighbourhood groups and the police • Up to date and resilient systems for business systems including cloud-based ticketing system and a robust website • A Major Incident Plan that is being updated and that is supported by plans for specific incident types • The 2023–2027 Strategy and Business plans that revise the scope of activities and ensure they are properly resourced. These

	- Failing to support our growing organisational and artistic ambitions due to capacity overstretch - Being unable to recruit and retain staff of the calibre required to support our standards of excellence and innovation	plans are delivered by capable and experienced Executive Management and Senior Leadership teams. A robust People and Culture team enabling us to recruit, retain and develop staff and freelancers.
Financial risks	Insufficient funds would arise if we failed to meet our income targets for Box Office, Fundraising, Digital, Food & Drink and Enterprises, and/or to deliver our cost-saving initiatives. This would lead to an inability to: - Invest adequately in our repertoire and to support new styles of work - Fund our social mission programmes within Learning and our digital outreach - Support our annual and long term capital need.	We are mitigating these risks with: - Carefully developed five-year business plans that show a path to break even - Strong Development team and robust fundraising strategy <i>Stories Start Here</i> fundraising campaign to raise £125m. As well as a £26m grant from UK Government - Ten-year capital plan with assessment of different financing models - Risk and Investment designated fund of £4.9m to support our operating model through this transition period to break-even - Strong ACE relationship management and strategic alignment with ACE objectives - Annual operating contingency of £1m - Food and Drink partnership governance structure includes Strategic and Operational Boards, to which the director of NT Food and Drink reports.

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Board Members up to the date of the report

Sir Damon Buffini (Chair)
Sabine Chalmers (Resigned 26 September 2024)
Louise Charlton (née Durant)
Dame Vikki Heywood DBE
Simon Minty
Vicki Mortimer (Resigned 26 September 2024)
Dame Karen Pierce
Amanda Pritchard
Elizabeth Pryce
Melanie Richards CBE
Timothy Score
Farrah Storr (Resigned 25 March 2025)
Simon Warshaw (Resigned 3 July 2025)
Cate Blanchett (appointed 27 November 2024)
James Graham (appointed 27 November 2024)
Dame Marit Mohn (appointed 25 Sept 2024)
Sarah Wiggins (appointed 27 November 2024)
Deborah Weinstein (appointed 2 July 2025)

Executive

Indhu Rubasingham, Director and Co-Chief Executive (Appointed 1 April 2025)
Kate Varah, Executive Director and Co-Chief Executive
Rufus Norris, Director and Chief Executive (resigned 31 March 2025)

Executive Committee

Liz Fosbury, Chief Operating Officer
Robert Hastie, Deputy Artistic Director
Alex Bayley, Chief Marketing Officer
Kathryn Marten, Chief Development Officer
Christine Gettins, Director of Producing
Paul Handley, Director of Production & Technical
Alice King-Farlow, Director of Learning & National Partnerships
Laura Friedner, Director of People and Culture
Clint Dyer, Deputy Artistic Director (resigned 30 November 2024)

GOVERNANCE

Governing Document

The Royal National Theatre is a company limited by guarantee (Company Number 749504) governed by its Memorandum and Articles of Association, which were last updated on 26 November 2012. It is a registered charity at the Charity Commission for England and Wales (Charity Number 224223).

Charitable Objects

The Royal National Theatre's charitable objects, as stated in its governing document, are to promote and assist the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, so far as of a charitable nature, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The achievement of our aims, as set out in the Strategic Report above, enable us to fulfil our charitable objects and legal purpose with integrity and effectiveness, and in adherence with the Charity Governance Code.

Public Benefit

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission for England and Wales's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, in the provision of lower price tickets for all performances. Geographical reach is achieved through touring and NT Live broadcasts to cinemas in the UK and overseas. The NT's Learning programme seeks to introduce children and young people to theatre and offers participation opportunities both on-site and across the country. Through a programme of talks, exhibitions, publishing and digital content The National Theatre inspires and challenges audiences of all ages.

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The Board

The Board is the non-executive and unpaid governing body of The National Theatre. Board members are both directors of the company and charity trustees who, under company and charity law, are responsible for policy, administration and general control. The Board works with the Executive to ensure that The National Theatre's remit is fulfilled, its work remains of the highest quality, and it is managed efficiently and cost-effectively. The Board has responsibility for setting the remuneration of the Executive. Their pay is reviewed annually and benchmarked internally and externally to ensure it is fair, competitive, and aligned with the charity's aims and financial position. The Board delegates to the Artistic Director the selection and staging of all productions and does not interfere in repertoire decisions.

The Board met five times between April 2024 and March 2025, with the Executive and Executive Committee present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

The Nominations Committee considers Board composition, skills, diversity and succession planning and addresses gaps with new Board appointments. The Board has taken active and effective measures over the past few years to increase the diversity of its composition

Trustee Induction and Training

New Trustees are briefed by the Executive on the activities of The National Theatre and their obligations as Trustees, meet with the Executive Committee and Senior Leadership Team to understand each area of its operations, and are given the opportunity to tour The National Theatre and see its activities. Also, they receive an induction pack and complete compliance training.

The Executive

The Executive comprises the Director* and Chief Executive, Rufus Norris, the Executive Director, Kate Varah. Together, the Executive are responsible to the Board for devising and delivering the artistic programme, policies and management of The National Theatre to the strategy agreed with the Board. The Board appoints the Executive, who report to the Board.

GOVERNANCE

Associate Directors* and NT Associates

Rufus Norris was supported in making repertoire decisions by The National Theatre's Artistic Associate.

**The term "Director" is a traditional title used at The National Theatre. Neither the Directors, the Artistic Associate nor other members of the Executive, are directors under the Companies Act 2006, or Trustees under the Charities Act 2011.*

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 50. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 124 and 125 of this Annual Report.

The activities recorded in the annual report and financial statements include The National Theatre as well as its five subsidiaries:

- Royal National Theatre Enterprises Limited, a limited company whose principal activity is to operate as the trading subsidiary of The National Theatre. Its operations include catering, hospitality and retail outlets, external costume and props hire, theatre tours, car park management and exhibition and venue hire.
- National Theatre Productions Limited, a limited company whose principal activity is earning royalty and profit income on the co-producing and licensing of commercial productions in the West End and on tour in the UK and internationally, supporting the management teams of licensed productions, and operating in an advisory role on digital matters.
- National Theatre Staging Limited, a limited company whose principal activity is to produce, run and close theatrical productions.

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- National Theatre Live Limited, a limited company whose principal activity is to produce and distribute films.
- Royal National Theatre North America LLC, a limited liability corporation registered in the USA, whose principal activity is to earn royalty and profit income on the co-producing and licensing of commercial productions internationally. Royal National Theatre North America LLC has interests in the following companies which are included in the activities of the group financial statements.
 - Curious Incident Broadway LP
 - Three Brothers Broadway LLC (dissolved 14 March 2025)

Further information regarding the subsidiary companies of The National Theatre are set out in Note 27 of the Financial Statements.

Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. In addition, the Committee approves the annual pay rise for staff and oversee the appointment of external and internal auditors. The Committee met five times during the year and met the external, Independent Auditors on five occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

The Nominations Committee is appointed by and from the Board and reviews the structure, size and composition of the Board and, in the light of that review, makes recommendations to the Board with regard to the appointment of new members and the re-appointment of any member and the Chair at the conclusion of his or her first term of office.

Development Board

The Development Board assists in fundraising for The National Theatre. Its members, who are co-opted onto the Development Board, represent the three fundraising sectors – Individuals, Trusts and Corporates. The full Development Board meets at least twice a year, and the Corporate and Individual sector groups also meet twice a year. The Development Board reports regularly to The National Theatre Board through its Chair, who is a member of the main Board.

GOVERNANCE

Connected Charities

Details of Connected Charities are set out in Note 26 of the Financial Statements.

Executive Management at The National Theatre

The review of activities shows that The National Theatre has many facets.

- The Co-Chief Executives hold the overall responsibility for the day-to-day management of The National Theatre with the assistance of the Executive Committee and the Senior Leadership Team.
- The Senior Leadership Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer, Chief Marketing Officer, Chief Development Officer, Director of Producing, Director of Production and Technical, Director of Learning & National Partnerships or Director of People and Culture, who report to the Executive Director.
- The Executive Committee meets weekly as a decision-making group supporting the Co-Chief Executives. In addition to a fortnightly management team meeting of the Executive Committee, Senior Leadership Team and all Heads of Departments, plus a quarterly Senior Leadership Team meeting, efficient cross-departmental working is managed through a series of groups meeting on a regular basis.
- The key decision-making groups include Producing, Planning (repertoire), Financial Planning, Capital Projects, National Theatre Productions, Enterprises, Health and Safety, and IT and other project related Steering groups.

Communication is key and The National Theatre aims to engage all its employees and others working at The National Theatre in its activities and achievements.

- All staff are invited to a bi-monthly company meeting led by a representative from the Executive Committee.
- Information from the bi-monthly company meetings and other new developments and policies are available on The National Theatre's intranet.
- Longer Town Hall meetings, led by the Co-Chief Executives with Board members invited to attend, are held four times a year to brief staff, in more detail, on various aspects of policy and programming and to provide a forum for discussion.

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All staff are required to cooperate with The National Theatre's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why The National Theatre's workforce is not better representative of the population of London; what barriers, if any, there might be and what measures might be taken to improve diversity.

The National Theatre's disability policy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for, employees who have become disabled persons while employed; and (c) ensuring the same training, career development and progression opportunities are available to all staff regardless of any disability. The National Theatre is a Disability Confident Employer.

The Health and Safety team is closely involved in the key risk areas of the organisation and advises and assists with health and safety aspects of productions, special events, accident investigations and training.

The above model will be reviewed by the new leadership team in order to ensure it is effective and fit for purpose in the new chapter.

Trustees' Transactions

The Trustees are not remunerated for their work as Trustees of The National Theatre. From time to time, members of the Trustee Board, or persons connected with them, enter into transactions with The National Theatre in the normal course of business of both parties. Such transactions are conducted on normal commercial terms, and are in accordance with the specific provisions of clause 5 of the Memorandum of Association. It is the Board's policy that they should be disclosed to and approved by the Board and disclosed in the Financial Statements.

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

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Company 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 company 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 for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- 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;
- 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 Companies Act 2006. 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 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.

Statement on Disclosure of Information to the Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and

- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' Indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Royal National Theatre also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Auditors

During the year BDO UK LLP were appointed auditors of The Royal National Theatre in accordance with section 485 of the Companies Act 2006.

Approval

The Trustees' Report, including the Strategic Report, set out on pages 3 to 58 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 1 October 2025

Company registration number 749504. Registered charity number 224223.

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the members of The Royal National Theatre

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 30 March 2025 and of the Group's incoming resources, cash flows and application of resources for the period 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 Companies Act 2006.

We have audited the financial statements of The Royal National Theatre ("the Parent Charitable Company") and its subsidiaries ("the Group") for the 52 week period ended 30 March 2025 which comprise the consolidated statement of financial activities (including an income & expenditure account), the group and company 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 Charitable Company in accordance with the ethical requirements that are 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.

INDEPENDENT AUDITORS' REPORT

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 Charitable Company'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.

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 course of 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 this gives rise to 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

INDEPENDENT AUDITORS' REPORT

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial 52 weeks for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; 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 Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Charitable Company'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 Charitable Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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. 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 and Charitable Company and the sector in which it operates;
- Discussion with management, internal audit and those charged with governance; and
- Our understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice (SORP), UK tax legislation and employment law.

INDEPENDENT AUDITORS' REPORT

The Group 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 the employment law, General Data Protection Regulations (GDPR) and the health and safety legislation.

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 correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of internal audit reports for any instances of non-compliance identified;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- 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, internal audit and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group'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; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, the going concern assumptions and revenue recognition around the period end.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the period, which met a defined risk criteria, by agreeing to supporting documentation;

INDEPENDENT AUDITORS' REPORT

- Assessing the significant accounting estimates made by management for indications of bias;
- Involvement of forensic specialists in the audit to assess any particular areas susceptible to fraud;
- Obtaining independent confirmations of the investment and cash balances as at the period end;
- Testing a sample of revenue recognised around the period end; and
- Assessing judgements and assumptions applied in the going concern cash flow forecasts.

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.

INDEPENDENT AUDITORS' REPORT

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Jill Halford

Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London, UK

Date: 02 October 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account)
for the 52 weeks ended 30 March 2025

		52 weeks ended 30 March 2025						53 weeks ended 31 March 2024 Restated					
		Unrestricted Funds		Restricted Funds		Total		Unrestricted Funds		Restricted Funds		Total	
		Operations	Designated	Projects	Long Term			Operations	Designated	Projects	Long Term		
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:	Note(s)												
Donations & legacies	5(a)/(b)	31.2	-	8.9	4.4	0.9	45.4	24.7	-	9.4	-	-	34.1
Charitable activities	5(c)	59.3	-	-	-	-	59.3	66.4	-	-	-	-	66.4
Other trading activities	5(d)	22.6	-	-	-	-	22.6	19.4	-	-	-	-	19.4
Investments		1.4	-	-	-	-	1.4	1.5	-	-	-	-	1.5
TOTAL Income & Endowments	20	114.5	-	8.9	4.4	0.9	128.7	112.0	-	9.4	-	-	121.4
Expenditure on:													
Raising funds		(3.6)	-	-	-	-	(3.6)	(3.3)	-	-	-	-	(3.3)
Charitable activities	6 (a)	(96.0)	(4.3)	(5.7)	(3.3)	-	(109.3)	(100.0)	(3.9)	(6.9)	(3.7)	-	(114.5)
Other trading activities	6 (b)	(18.3)	-	-	-	-	(18.3)	(15.8)	-	-	-	-	(15.8)
TOTAL Expenditure	20	(117.9)	(4.3)	(5.7)	(3.3)	-	(131.2)	(119.1)	(3.9)	(6.9)	(3.7)	-	(133.6)
Net Income / (Expenditure) Before Tax Credit		(3.4)	(4.3)	3.2	1.1	0.9	(2.5)	(7.1)	(3.9)	2.5	(3.7)	-	(12.2)
Creative Industries Tax Credit	10	9.6	-	-	-	-	9.6	8.2	-	-	-	-	8.2
Net Income/(Expenditure) After Tax Credit		6.2	(4.3)	3.2	1.1	0.9	7.1	1.1	(3.9)	2.5	(3.7)	-	(4.0)
Transfers between Group Funds	20	(5.5)	11.2	(5.7)	-	-	-	(3.4)	5.2	(1.8)	-	-	-
Net Movement in Group Funds		0.7	6.9	(2.5)	1.1	0.9	7.1	(2.3)	1.3	0.7	(3.7)	-	(4.0)
Reconciliation of Group Funds:													
Total Funds brought forward	20/21	(6.0)	51.1	3.6	32.9	0.2	81.8	(3.7)	49.8	2.9	36.6	0.2	85.8
TOTAL Group Funds carried forward	20/21	(5.3)	58.0	1.1	34.0	1.1	88.9	(6.0)	51.1	3.6	32.9	0.2	81.8

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 70 to 125 form part of these financial statements.

GROUP AND COMPANY BALANCE SHEETS - as at 30 March 2025

		Group		Company	
	Note(s)	2025 £m	2024 £m	2025 £m	2024 £m
Fixed Assets:					
Tangible assets	11	64.6	56.2	64.5	53.8
Investments	12	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		64.8	56.4	64.7	54.0
Current Assets:					
Stocks	13	0.2	0.2	-	-
Cost of productions not yet opened	14	0.1	0.2	0.1	0.1
Debtors	15	29.5	30.5	24.7	28.6
Investments	16	10.6	13.3	10.6	13.3
Cash in bank and in hand	17	37.4	31.1	35.5	24.8
TOTAL Current Assets		77.8	75.3	70.9	66.8
Liabilities:					
Creditors: amounts falling due within one year	18	(34.6)	(29.8)	(27.7)	(21.4)
TOTAL Net Current Assets		43.2	45.5	43.2	45.4
Creditors: amounts falling due after more than one year	19	(19.1)	(20.1)	(19.1)	(20.1)
TOTAL Net Assets		88.9	81.8	88.8	79.3
The Funds of the Group and Company:					
Operations Funds	20/21	(5.3)	(6.0)	(5.4)	(8.5)
Designated Funds	20/21	58.0	51.1	58.0	51.1
Restricted Funds	20/21	35.1	36.5	35.1	36.5
Endowment Funds	20/21	1.1	0.2	1.1	0.2
TOTAL Group and Company Funds	20/21	88.9	81.8	88.8	79.3

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net income for the Company for the year was £9.5m (PY: £3.6m net expenditure). The Notes on pages 70 to 125 form part of these financial statements. The financial statements on pages 66 to 125 were approved by the

Board of Trustees and signed on its behalf by: **Sir Damon Buffini (Chair)**

Damon M. Buffini

Date 1 October 2025

CONSOLIDATED STATEMENT OF CASH FLOWS – for the 52 weeks ended 30 March 2025

		52 weeks ended 30 March 2025 £m	53 weeks ended 31 March 2024 Restated £m
	Note(s)		
Cash flows from operating activities			
Net cash provided by operating activities	Page 69	17.7	7.6
Cash flows from investing activities:			
Purchase of tangible fixed assets	11	(15.5)	(6.2)
Movement in long term cash deposits (over 3 months maturity)	16	3.6	(0.5)
Interest received		1.4	1.1
Net cash used in investing activities		(10.5)	(5.6)
Cash flows from financing activities:			
Repayment of borrowings		(0.8)	-
Receipt of endowment		0.1	
Net cash used in financing activities		(0.7)	-
Increase in cash and cash equivalents in the reporting period		6.5	2.0
Cash and cash equivalents at the beginning of the reporting period	17	31.1	29.0
Exchange gains on cash and cash equivalents		(0.2)	0.1
Cash and cash equivalents at the end of the reporting period	17	37.4	31.1

CONSOLIDATED STATEMENT OF CASH FLOWS – for the 52 weeks ended 30 March 2025 (CONTINUED)

	52 weeks ended 30 March 2025	53 weeks ended 31 March 2024 Restated
	£m	£m
Net cash provided by operating activities		
Net profit / (loss) for period before tax (as per Statement of Financial Activities)	(2.5)	(12.2)
Adjustments for:		
Depreciation	7.1	7.1
Loan interest	0.4	0.4
Interest income	(1.4)	(1.5)
Exchange gains / (losses) on operating activities	0.2	(0.1)
Endowment income	(0.9)	-
Working capital movements:		
Increase in stocks	-	-
Decrease in work in progress	0.1	0.9
(Increase) / Decrease in debtors	(5.9)	6.4
Increase in creditors	4.1	6.2
Tax credits	16.5	0.4
Net cash flow provided by operating activities	17.7	7.6

CONSOLIDATED ANALYSIS OF CHANGES IN NET DEBT – as at 30 March 2025

	At 31 March 2024	Cash-flows	Acquisition / Disposal of Subsidiaries	New Finance Leases	Fair Value Movements	Foreign Exchange Movements	Other Non- Cash Changes	At 30 March 2025
Cash	31.1	6.3	-	-	-	-	-	37.4
Cash equivalents	13.3	(3.6)	-	-	-	-	-	9.7
Loans falling due within one year	(0.8)	-	-	-	-	-	(0.7)	(1.5)
Loans falling due after more than one year	(20.1)	0.8	-	-	-	-	0.2	(19.1)
Total	23.5	3.5	-	-	-	-	(0.5)	26.5

The Notes on pages 70 to 125 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a private company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 00749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on page 12.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of "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" (the “Charities SORP”).

The 2024/2025 period covers the 52 weeks ended 30 March 2025; the comparative 2023/2024 period covers the 53 weeks ended 31 March 2024. The financial year is calculated on a 52 week basis, and every 6th year there is a 53 week period.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

B. GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2027, which is a period of at least 12 months from the date of approval of the financial statements.

This assessment period was selected as it aligns to the Group's financial year end, is consistent with its budgeting process and timelines and is a period of at least 12 months from the date of approval of the financial statements.

At present, the Group is reporting an operating deficit of £5.3m, as outlined in the Financial Sustainability section on pages 25-26. A clear plan is in place to return to a break-even position by the 2027-28 financial year, as detailed under Future Financial Sustainability on pages 26-27.

Based on the Group's cash flow projections, the Trustees have adopted the going concern basis of accounting in preparing these financial statements.

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- Audience numbers at the Southbank continue to return to pre-pandemic levels.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

- West End commercial productions continue at current levels, whereas Touring is at a lower level than in previous years.
 - Income from NT Live & Digital and Trading activity continues to grow.
-
- a. Arts Council England (ACE) annual grant funding, for the three-year period from April 2023, remains at levels communicated to the Group at £16.15m per annum.
 - b. The ability to continue to attract sponsorship and obtain donations is retained, alongside support from The Royal National Theatre Foundation.
 - c. Full management of the Group's fixed and variable cost structure.

SENSITIVITY ANALYSIS

The Trustees have considered the impact on forecast and projected activities, budgets, cash flows and liquidity of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) such that the key assumptions are not met, or able to be met, in whole or in part.

This comprises:

- Reduced audience and visitor numbers.
- Reduction in NT Live & Digital and Trading income.
- Reduced levels of donations.
- Higher levels of inflation on payroll costs and materials and other costs.
- Delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2027, without needing to implement mitigating actions. Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2027.

The National has provided its subsidiaries with a written agreement that, amongst other things, (a) it will not seek repayment of any amounts owed by the subsidiary to the National unless the subsidiary has funds readily available and is able to do so; (b) any allocation of costs (for example staff costs and management fees) from the National to the subsidiary, will only be made to the extent that the subsidiary will not, at any time, have a resulting financial loss

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

in any accounting period; and (c) to the extent permissible by law and regulations, the National will provide such financial support as is required to enable the subsidiary to fulfil all of its obligations as they fall due.

CONCLUSIONS

The Trustees believe that, having considered the forecasted income, expenditure and cash flows of the Company and the Group for at least 12 months from the date of approving the financial statements and the written agreement from the National referred to above, they have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and the Group were unable to continue as a going concern.

C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the disclosure exemptions from preparing a statement of cash flows and reconciliation of net debt, on the basis that it is a qualifying entity.

No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole and are the same as note 7.

D. BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 27). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The consolidation is prepared on a line by line basis. Transactions and balances outstanding between the entities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

E. FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the period have been translated at the prevailing rate of exchange at the date of the transaction. Non-monetary assets are recorded at the prevailing rate of exchange at the date of the original transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date.

Foreign exchange differences incurred in respect of overseas activities are recorded in the Statement of Financial Activities within the activity which the income and expenditure relates in the period in which they are incurred.

The functional currency of the Company and its UK based subsidiaries is pounds sterling, and the functional currency of its US subsidiaries, National Theatre North America LLC, Curious Incident Broadway LP and Three Brothers Broadway LLC is US dollars. The presentational currency of the Group is pounds sterling.

E. FOREIGN CURRENCIES (CONTINUED)

The income and expenditure of foreign subsidiaries consolidated within the Group financial statements are translated from their functional currency to the presentational currency at the average rate of exchange for the period. The balance sheet of each foreign subsidiary is translated to the presentational currency at the prevailing rate of exchange at the balance sheet date. Any exchange gains or losses are accounted for within other comprehensive income within the Statement of Financial Activities.

F. FUND ACCOUNTING

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes.

Restricted funds may only be used in accordance with the specific requests and conditions of the donors.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

An endowment fund is held in long term restricted funds. Under the terms of donation this will be converted at the trustees' discretion into expendable income at the end of the 20-year term (December 2028).

G. INCOME & ENDOWMENTS

All income and endowments are included in the Statement of Financial Activities when the Group has legal entitlement, there is reasonable probability over receipt and the amount of income can be quantified with reasonable accuracy.

H. INCOME & ENDOWMENTS (CONTINUED)

DONATIONS & LEGACIES

Donations and legacies comprise of income from sponsorships, donations, legacies, grants, and membership subscriptions. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – The Royal National Theatre Foundation and National Theatre in America (formerly American Associates of the National Theatre) is recognised at the point at which the amount receivable is known.

Where donor-imposed conditions, such as grant terms, require that funds are expended in a future period or that the Group is entitled to funds only once specific conditions are met, then amounts are recorded as deferred at the balance sheet date. Income is then recognised once conditions have been met, income is recorded as deferred income at the balance sheet date.

Sponsorship income represents income received from commercial organisations in support of specific activities or projects. Income is recognised at the point where the goods/services in relation to the activities or projects are delivered.

Income from individual membership schemes eligible for Gift Aid is recognised in full on receipt. Corporate membership income is apportioned over the year of the subscription and the element relating to a future year is recorded as deferred income at the balance sheet date.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Goods and services received in kind, are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the Group at the time of receipt.

Arts Council England's revenue grant is recognised in the period to which the funding relates. All other grant income from Arts Council England is recognised in line with expenditure of the project funded.

H. INCOME & ENDOWMENTS (CONTINUED)

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

- income from performances at The National Theatre;
- income from touring activities (UK and International) under the management of the Group (excluding grant income); and
- ticket sales for productions which have transferred to the West End under The National Theatre direct management.

All other income:

- income from NT Learning performances, NT Live ticket income, NT at Home subscriptions, events and workshops; and
- sundry income (recognised on a receivable basis).

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. Income received in advance of the performance date is recognised as a liability on the Balance Sheet until such time as the show matures, when the income is released to the Statement of Financial Activities. NT at Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities and through third party arrangements, including the sale of goods, food and drink, and publications;
- box office, royalty and profit share income generated by other NT subsidiaries (in the UK and USA) from the commercial exploitation of The National Theatre's productions to the extent that the Group is entitled to such income.
- Corporate membership and sponsorship income received from commercial organisations in support of specific activities or projects.

This income is recognised on a receivable basis, net of any discounts and excluding VAT

H. INCOME & ENDOWMENTS (CONTINUED)

INTEREST INCOME

Interest income is recognised using the effective interest rate method. Interest income is recognised when receipt is probable and the amount can be measured reliably.

I. EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing corporate and individual donations, grants from Trusts and Foundations, and servicing our patrons and members.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

CHARITABLE ACTIVITIES

Expenditure which relates directly to the Group's charitable objectives are analysed between:

- performances at The National Theatre or elsewhere under direct management of the Group;
- performances on tour (UK and International);
- Digital (NT Live, NT At Home and NT Collection)
- NT Learning (education and participation work) and Public Engagement (including Archive, Platforms, Foyer Music); and
- research and development (including the NT Studio and commissioning costs).

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities, they have been apportioned as set out in Note 6(c). Staff canteen costs are shown net of contributions.

OTHER TRADING ACTIVITIES

Expenditure which forms part of the Group's trading activities and commercial exploitations that are separately disclosed as Other Trading Activities.

J. LEASE OF THE NATIONAL THEATRE BUILDING

The National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 20).

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

K. FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £3,000 are capitalised.

Depreciation is provided on a straight-line basis to write off the cost of assets, less estimated residual values, over their anticipated useful economic lives and is charged to the relevant fund as follows:

Freehold land & buildings	50 years (excluding land, which is not depreciated)
Leasehold improvements	5 years, 10 years and 20 years
Equipment	3 years, 5 years and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When considering the existence of impairment indicators, The National Theatre considers, amongst other things, the ability of assets to assist in the delivery of The National Theatre's future activities.

K. FIXED ASSETS AND DEPRECIATION

Assets within work in progress are not depreciated until they are brought into use.

Assets are derecognised when they are disposed of or when no future economic benefits are expected from their use or disposal.

L. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

M. STOCKS

Stocks, principally held by The National Theatre's trading subsidiary (RNTE), comprise of bookshop and programme supplies for resale. Other stocks comprise consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the latest purchase price for bookshop and programme stock, and on actual cost for production stock. Where it is identified that stocks will not be sold as a result of a prolonged closure, then the stocks are considered to have £nil value. All impairment losses are recognised within the Statement of Financial Activities.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Financial Activities. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Financial Activities.

N. COSTS OF PRODUCTIONS NOT YET OPENED

The direct costs, including the cost of materials, associated creative fees and costs of rehearsals, of each new production are carried forward on the balance sheet prior to productions opening as Cost of productions not yet opened. Once a production opens, these costs and associated tax credit are recognised as performances take place, with expenses yet to be recognised held as prepayments. Where circumstances lead to the production being cancelled, the amounts recognised are impaired to £nil. Overheads, including the cost of production labour, are expensed as incurred.

O. CURRENT ASSET INVESTMENTS

Current asset investments includes:

- Cash deposits placed with banks or financial institutions with an original maturity of more than three months but less than one year.
- Properties classified as investment property that are being actively marketed for sale and expected to be disposed of within 12 months.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Cash deposits with a maturity of over three months are measured at amortised cost using the effective interest method. Interest income is recognised in the Statement of Financial Activities as it accrues.

Investment properties held for sale are measured at fair value at the reporting date, with gains or losses recognised in the Statement of Financial Activities. Fair value is based on market data or professional valuations where available. If not reliably measurable, assets are held at cost less impairment.

P. CASH AT BANK AND IN HAND

Cash at bank includes cash in hand and bank overdrafts. Short term demand deposits are included as current asset investments

Cash equivalents includes deposits held at call with banks and other short-term highly liquid investments. Bank overdrafts (where applicable) are shown within current liabilities. Cash equivalents includes deposits with original maturities of 3 months or less at the date of acquisition. .

Q. PROVISIONS

Provisions are recognised on the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that settlement will be required, and a reliable estimate can be made of the amount.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date and are not discounted unless the effect is material.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimates. Where it is no longer probable that an outflow of resources will be required, the provision is reversed to the Statement of Financial Activities.

R. REDUNDANCY/TERMINATION BENEFITS

Termination benefits paid to employees, such as redundancy costs, are recognised within expenditure as soon as the Group has a detailed formal plan for the termination of employment and has no realistic alternative possibility of withdrawal from the plan.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

S. OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

T. FINANCIAL INSTRUMENTS

The Group's financial instruments are basic financial instruments as defined by Section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the Group.

The carrying values of financial assets are reviewed for objective evidence of impairment at the end of each financial period. Where an impairment loss has been identified, the loss is immediately recognised within the Statement of Financial Activities.

Financial instruments are derecognised when the contractual obligation is discharged, settled, cancelled or expired.

During the year ended 28 March 2021, the Group entered into a public benefit entity concessionary loan arrangement. The Group has elected to apply the accounting treatment set out under Section 34 under FRS 102. As a result, the loan was initially measured and recognised in the balance sheet at the amount of the loan principal amount received. Subsequently, the Group adjusts the carrying amount of the loan in each accounting period to reflect repayments and accrue for interest payable.

T. PENSIONS

The Group offers a stakeholder defined contribution pension scheme to its employees and, where appropriate, also contributes to employees individual defined contribution schemes. These costs are expensed in the Statement of Financial Activities as they become payable and are recognised centrally across the Group within charitable activities. At the reporting date, any unpaid contributions are recognised as a liability within creditors. All pension contributions are funded from the charity's unrestricted funds. Accordingly, all pension related expenditure is reported within the unrestricted column of the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

U. TAXATION

The National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994, and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the assets. The National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Royal National Theatre Enterprises Limited and National Theatre Productions Limited pay their taxable profits to the Company, through a Deed of Covenant, under Gift Aid.

Royal National Theatre North America LLC pays a profit distribution to the Company. The Company has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

The Group receives creative industry tax credits from HMRC on qualifying expenditure. In the current financial year, the Group revised the presentation of these tax credits in the Statement of Financial Activities. Previously, such credits were recognised as a reduction to the related expenditure. The tax credits are now presented separately within the Statement of Financial Activities, rather than netted against the associated expenditure.

The change has been applied retrospectively, and the comparative figures have been restated. The impact of the change was to increase both tax credits and expenditure by £8.2m in the prior year, with no impact on the net movement in funds or overall financial position.

Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates, in current and future periods, positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation or in light of correspondence with the relevant tax authority and amends tax amounts, where appropriate, on the basis of amounts expected to be received from or paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Other than the judgment in relation to Going Concern, discussed in Note 3, the key judgment made in preparing the financial statements is discussed below.

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 27). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following in respect of the following US entities:

- Curious Incident Broadway LP – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Three Brothers Broadway LLC – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The National Theatre), the Group is sole general partner of the partnership and the partnership's limited partners, who provided funding to finance the partnership initially, have no decision-making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LLC, and so its results are consolidated in these financial statements. On 14th March 2025, the Group disposed of its 100% shareholding in Three Brothers Broadway LLC by voluntarily dissolving the company. At the date of disposal, the carrying net assets of the company was nil; the disposal did not result in any difference to the group's total assets and equity.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONTINUED)

Critical accounting estimates and assumptions made by the Group include:

- Assessing the recoverability of the Theatre Tax Relief (TTR) due from HMRC. The balance recognised in the financial statements is based on a detailed assessment of eligible production expenditure and the criteria set out by HMRC for TTR. Supporting documentation has been retained, and external tax specialists have been consulted to ensure the accuracy and compliance of the claims.

While the Trustees believe the full amount is recoverable, final confirmation is required from HMRC, and there is therefore some inherent uncertainty. Any adjustments arising from changes in the estimated recoverable amount will be recognised in the period in which they become known.

- Assessment of potential impairment of tangible fixed assets. The charity assesses at each reporting date whether there is any indication that its tangible fixed assets may be impaired. Where it is determined that an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount and the impairment loss is recognised in the Statement of Financial Activities.

The Group's activities mean that there are limited other estimates in which a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP)

a) Donations & Legacies – Analysis by Fund Type

	52 weeks ended 30 March 2025						53 weeks ended 31 March 2024					
	Unrestricted Funds			Restricted Funds			Unrestricted Funds			Restricted Funds		
	Operations £m	Designated £m	Projects £m	Long Term £m	Endowment £m	Total £m	Operations £m	Designated £m	Projects £m	Long Term £m	Endowment £m	Total £m
Arts Council England (ACE):												
Revenue Grant	16.2	-	-	-	-	16.2	16.2	-	-	-	-	16.2
Capital and other Grants	-	-	0.4	4.4	-	4.8	-	-	0.6	-	-	0.6
TOTAL ACE	16.2	-	0.4	4.4	-	21.0	16.2	-	0.6	-	-	16.8
Other:												
Performances	-	-	0.7	-	-	0.7	-	-	0.9	-	-	0.9
NT Live & Digital	-	-	0.7	-	-	0.7	-	-	0.6	-	-	0.6
NT Learning & Public Engagement	-	-	2.7	-	-	2.7	-	-	4.0	-	-	4.0
NT Studio, Research & Development	-	-	0.4	-	0.1	0.5	-	-	0.5	-	-	0.5
Capital Projects	-	-	3.8	-	-	3.8	-	-	2.4	-	-	2.4
Donations supporting General Activity	15.0	-	0.2	-	0.8	16.0	8.5	-	0.4	-	-	8.9
TOTAL Other	15.0	-	8.5	-	0.9	24.4	8.5	-	8.8	-	-	17.3
TOTAL Donations & Legacies	31.2	-	8.9	4.4	0.9	45.4	24.7	-	9.4	-	-	34.1

NOTES TO THE FINANCIAL STATEMENTS

INCOME & ENDOWMENTS (GROUP) (continued)

b) Donations & Legacies – Analysis by Income Type

	52 weeks ended 30 March 2025				53 weeks ended 31 March 2024			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):								
Revenue Grant	-	-	16.2	16.2	-	-	16.2	16.2
Capital and Other Grants	-	-	4.8	4.8	-	-	0.6	0.6
Other:								
Performances	-	0.5	0.2	0.7	-	0.6	0.3	0.9
NT Live & Digital	0.4	0.3	-	0.7	0.4	0.2	-	0.6
NT Learning & Public Engagement	0.1	1.4	1.2	2.7	0.3	0.5	3.2	4.0
NT Studio, Research & Development	-	0.3	0.2	0.5	-	0.1	0.4	0.5
Long Term Projects	-	3.8	-	3.8	-	0.3	2.1	2.4
Donations supporting General Activity	0.2	15.6	0.2	16.0	0.8	7.8	0.3	8.9
TOTAL Other	0.7	21.9	1.8	24.4	1.5	9.5	6.3	17.3
TOTAL Donations & Legacies (all UK)	0.7	21.9	22.8	45.4	1.5	9.5	23.1	34.1

Recognised within donations and legacies are Gifts in Kind of £1.6m during the year (2024: £0.8m).

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

c) Charitable Activities

	2025 Total £m	2024 Total £m
Performances:		
National Theatre	25.5	27.5
West End Commercial Transfers	9.0	22.4
UK Touring	9.3	2.9
International Touring	1.2	1.8
TOTAL Performances	45.0	54.6
Other Activities:		
NT Live & Digital	12.7	10.5
NT Learning & Public Engagement	0.5	0.5
Other Income	1.1	0.8
TOTAL Other Activities	14.3	11.8
TOTAL Income from Charitable Activities (all UK, except USA)	59.3	66.4

Touring income includes co-production and touring fees where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

d) Other Trading Activities

	2025	2024
	Total	Total
	£m	£m
Rights, Royalties & Exploitations – USA	0.7	0.7
Rights, Royalties & Exploitations – West End	1.0	0.7
Catering & Hospitality	15.1	13.1
Retail & Prop and Costume Hires	1.9	1.9
Car Park	0.7	0.7
Tours & Events	0.6	0.4
Sponsorship Income	2.6	1.9
TOTAL Income from Trading Activities (all UK, except USA)	22.6	19.4

e) Income by Geographical Location

	2025	2024
	Total	Total
	£m	£m
United Kingdom	115.1	113.6
Europe	1.3	0.9
USA	10.7	4.8
Australia	0.4	1.4
Rest of World	1.2	0.7
Total Income by Geographical Location	128.7	121.4

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP)

a) Expenditure on Charitable Activities

	52 weeks ended 30 March 2025						53 weeks ended 31 March 2024 (Restated)					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Performances:												
National Theatre	33.7	11.9	-	0.7	-	46.3	31.8	10.6	-	1.1	-	43.5
West End Commercial Transfers	11.3	2.6	-	-	-	13.9	22.9	4.7	-	-	-	27.6
UK Touring	9.6	2.2	-	-	-	11.8	6.5	1.4	-	-	-	7.9
International Touring	2.4	0.5	-	-	-	2.9	2.5	0.5	-	-	-	3.0
TOTAL Performances	57.0	17.2	-	0.7	-	74.9	63.7	17.2	-	1.1	-	82.0
Other Activities:												
NT Live & Digital	11.1	4.0	-	0.7	-	15.8	10.1	3.5	-	0.6	-	14.2
NT Learning & Public Engagement	1.8	1.9	-	3.6	-	7.3	0.9	1.7	-	4.4	-	7.0
NT Major Projects	-	-	0.5	-	-	0.5	-	-	0.5	-	-	0.5
Research & Development	1.6	0.9	-	0.5	-	3.0	1.7	0.9	-	0.4	-	3.0
Other Expenses	0.5	-	-	0.2	-	0.7	0.3	-	-	0.4	-	0.7
TOTAL Other Activities	15.0	6.8	0.5	5.0	-	27.3	13.0	6.1	0.5	5.8	-	25.4
Other:												
Depreciation	-	-	3.8	-	3.3	7.1	-	-	3.4	-	3.7	7.1
TOTAL Other	-	-	3.8	-	3.3	7.1	-	-	3.4	-	3.7	7.1
TOTAL Expenditure on Charitable Activities	72.0	24.0	4.3	5.7	3.3	109.3	76.7	23.3	3.9	6.9	3.7	114.5

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

b) Other Trading Activities

	2025	2024 (Restated)
	Total £m	Total £m
Rights, Royalties & Exploitations	0.5	0.1
Catering & Hospitality	14.3	12.6
Retail & Prop and Costume Hires	2.3	2.3
Car Park	0.2	0.2
Tours & Events	0.8	0.6
Sponsorship	0.2	-
TOTAL Expenditure on Trading Activities	18.3	15.8

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

c) Analysis of Support Costs

	52 weeks ended 30 March 2025				53 weeks ended 31 March 2024 (Restated)			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.6	0.6	-	-	0.5	0.5
Charitable Activities:								
Performances:								
National Theatre	2.1	4.0	5.8	11.9	1.7	3.8	5.1	10.6
West End Commercial Transfers	0.7	-	1.9	2.6	1.2	-	3.5	4.7
UK Touring	0.6	-	1.6	2.2	0.3	-	1.1	1.4
International Touring	0.1	-	0.4	0.5	0.1	-	0.4	0.5
Other Activities:								
NT Live & Digital	0.7	1.4	1.9	4.0	0.6	1.2	1.7	3.5
NT Learning & Public Engagement	0.4	0.6	0.9	1.9	0.3	0.6	0.8	1.7
Research & Development	0.2	0.3	0.4	0.9	0.2	0.3	0.4	0.9
TOTAL Charitable Activities	4.8	6.3	12.9	24.0	4.4	5.9	13.0	23.3
Other Trading Activities	-	0.2	0.2	0.4	-	0.1	0.1	0.2
TOTAL Support Costs	4.8	6.5	13.7	25.0	4.4	6.0	13.6	24.0

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen. Support costs are allocated to the key activity areas driving support costs as above based on their proportionate costs to overall direct costs.

* Governance costs for the year were £0.3m (2024: £0.3m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £185k (2024: £153k). The Group audit fee includes £56.5k (2024: £51k) borne by the RNT on behalf of audit services provided to the subsidiaries. Fees for tax compliance services of £8k (2024: £9k) were borne by RNT on behalf of tax services provided to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Wages and salaries	44.8	42.4	44.8	42.4
Social security costs	3.9	3.5	3.9	3.5
Other pension costs	1.8	1.5	1.8	1.5
Redundancy costs	0.2	0.2	0.2	0.2
	50.7	47.6	50.7	47.6

The redundancy costs included above represent payments to employees in accordance with a detailed formal plan for the termination of their employment with the Group during the 52 week period ending 30 March 2025. As at the reporting date, no further redundancy obligations remained outstanding.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)

The average number of employees in the year are 761 permanent staff including management (2024: 803) and 278 casual and temporary staff (2024: 260). To ensure comparability with the current year, prior year staffing figures have been restated using the current year's methodology. While the overall headcount remains unchanged at 1,063, the split between temporary and permanent staff in 2024 has been revised from 933 and 130 respectively. The Group considers business activities by full-time equivalent staff; further analysis is provided below based on average full-time equivalent staff employed in the year:

	Group		Company	
	2025 Number	2024 (Restated) Number	2025 Number	2024 (Restated) Number
Artistic delivery	462	393	462	393
Artistic planning and producing	65	70	65	70
Marketing and box office	49	47	49	47
Front of house operations	46	49	46	49
Digital	52	47	52	47
Trading operations	45	44	45	44
Learning	55	45	55	45
Fundraising	38	37	38	37
Building and business support operations	112	106	112	106
Capital Delivery	7	2	7	2
	931	840	931	840

* All staff excluding actors are employed by The National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant. The Full-Time Equivalent (FTE) employee figures have been restated by category to enhance the clarity and understandability of the information presented. This restatement does not affect the overall totals previously disclosed but provides a more meaningful breakdown aligned with operational functions.

The Group's consolidated US entities incurred no staff costs in either year. Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider, and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £4.6m (comprising £4.1m wages and salaries and £0.5m social security and other costs) (2024: £4.2m, comprising £3.8m wages and salaries and £0.4m social security and other costs) in respect of 215 individuals (2024: 231) who were employed by the third party during the year.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)

The number of employees with emoluments greater than £60,000 was as follows:

	2025	2025	2024
	With Termination	Without Termination	
	Number	Number	Number
£60,000 - £70,000	59	58	33
£70,001 - £80,000	18	19	10
£80,001 - £90,000	5	4	6
£90,001 - £100,000	10	10	4
£100,001 - £110,000	1	1	3
£110,001 - £120,000	4	4	5
£120,001 - £130,000	2	3	-
£130,001 - £140,000	1	1	1
£140,001 - £150,000	-	-	1
£150,001 - £160,000	2	1	
£160,001 - £170,000	-	-	1
£170,001 - £180,000	-	-	1
£180,001 - £190,000	3	2	-
£190,001 - £200,000*	1	1	-
	106	104	65

*Includes holiday pay for end of service.

Pension contributions of £0.5m (2024: £0.3m) were made to defined contribution schemes for the above members of staff during the year.

During the year, certain organisational restructures resulted in termination payments. The 2025 remuneration bandings are presented both inclusive and exclusive of these reorganisational-related payments. The 2024 remuneration bandings were not impacted by such payments and therefore have not been restated.

The total remuneration for Key Management Personnel was £1.8m (2024: £1.4m), comprising the Executive (Chief Executive and Executive Director) and the Executive Committee. Due to a transition in artistic leadership during the period, the number of Key Management Personnel increased from 11 to 13.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment during the year or in the previous year were incurred while on the Company's business. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, charity trustees may also provide additional services as part of their profession.

Vicki Mortimer, a trustee (resigned 26 September 2024) provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 26 September 2024 was £6k (2024: £7k). £15k (2024: £11k) was also paid in relation to royalties on NT at Home and NT Live screenings, and £4k paid in relation to other royalties. The Company's governing documents permit such payments to Trustees and were approved by the Board.

James Graham, a trustee (appointed 27 November 2024) provides services to the Company as a writer. The total amount paid for such services in the period from appointment to 30 March 2025 was £1k. £7k was also paid in relation to royalties on NT at Home and NT Live screenings. A further £62k was payable at 30 March 2025 in relation to royalties payable as the writer of Dear England (Olivier Theatre).

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.8m (2024: £1.5m) with £0.3m (2024: £0.3m) payable at the balance sheet date. The Group charge for the year was £1.8m (2024: £1.5m) with £0.3m (2024: £0.3m) payable at the balance sheet date.

10. TAXATION

The National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a qualifying charitable donation arrangement. Accordingly, there is no corporation tax charge in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

10. TAXATION (CONTINUED)

Royal National Theatre North America LLC pays a profit distribution to The National Theatre. The National Theatre has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £9.6m (2024: £8.2m).

a) Tax Credit:

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Theatre Tax Credit	8.8	8.6	-	-
Learning Tax Relief	0.1	0.1	-	-
Film Tax Relief	0.1	0.5	-	-
Audio Visual Expenditure Credits	0.5	-	-	-
Adjustment in respect of prior periods	0.1	(1.0)	-	-
	9.6	8.2	-	-

b) Factors Affecting Tax Credit:

The tax assessed for the year is lower (2024: lower) than that resulting from applying the standard rate of corporation tax in the UK of 25% (2024: 25%)

	Group	
	2025	2024
	£'000	£'000
Loss before taxation	(2.5)	(12.2)
Corporation tax at 25% (2024: 25%) thereon	(0.6)	(3.0)
Effects of:		
Theatre Tax Credit claim	(8.1)	(5.5)
Film Tax Relief Claim	(0.1)	(0.5)
Audio Visual Expenditure Credits	(0.5)	-
Learning tax relief	(0.1)	(0.1)
Adjustment in respect of prior periods	(0.2)	0.9
Total tax credit	(9.6)	(8.2)

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (GROUP)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 31 March 2024	6.6	62.2	40.5	0.7	19.2	6.4	44.1	1.1	3.3	184.1
Additions	-	3.6	1.9	-	1.7	0.8	0.4	3.1	4.0	15.5
Disposals	-	-	(32.1)	-	-	-	(18.2)	-	-	(50.3)
Transfers from work in progress	-	0.9	1.0	-	-	0.1	-	-	(2.0)	-
As at 30 March 2025	6.6	66.7	11.3	0.7	20.9	7.3	26.3	4.2	5.3	149.3
Accumulated Depreciation										
As at 31 March 2024	1.9	29.6	37.5	0.5	10.8	4.4	43.2	-	-	127.9
Charge for period	0.1	3.2	0.9	0.1	1.5	0.8	0.5	-	-	7.1
Disposals	-	-	(32.1)	-	-	-	(18.2)	-	-	(50.3)
As at 30 March 2025	2.0	32.8	6.3	0.6	12.3	5.2	25.5	-	-	84.7
Net book value										
As at 30 March 2025	4.6	33.9	5.0	0.1	8.6	2.1	0.8	4.2	5.3	64.6
As at 31 March 2024	4.7	32.6	3.0	0.2	8.4	2.0	0.9	1.1	3.3	56.2

Freehold land and buildings include NT Studio land at a cost of £0.7m (2024: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2024: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

During the year assets with a gross cost of £49.0m and £nil net book value were written off as part of a fixed asset register clean-up to remove items no longer in use.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (GROUP) (CONTINUED)

Fixed and floating charges over The National Theatre's leasehold registered offices at Upper Ground, London SE19PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years. A further charge was registered in January 2025 for the potential repayment obligations under a grant of £26.4m in relation the NTiU project in 2025 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (COMPANY) (CONTINUED)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 31 March 2024	6.6	62.2	40.5	0.7	14.6	5.3	42.6	1.1	3.3	176.9
Additions	-	3.7	1.9	-	3.4	1.3	0.3	3.1	4.0	17.7
Disposals	-	-	(32.1)	-	-	-	(18.2)	-	-	(50.3)
Transfers from work in progress	-	0.9	1.0	-	-	0.1	-	-	(2.0)	-
As at 30 March 2025	6.6	66.8	11.3	0.7	18.0	6.7	24.7	4.2	5.3	144.3
Accumulated Depreciation										
As at 31 March 2024	1.9	29.6	37.5	0.5	8.1	3.7	41.8	-	-	123.1
Charge for period	0.1	3.2	0.9	0.1	1.4	0.8	0.5	-	-	7.0
Disposals	-	-	(32.1)	-	-	-	(18.2)	-	-	(50.3)
As at 30 March 2025	2.0	32.8	6.3	0.6	9.5	4.5	24.1	-	-	79.8
Net book value										
As at 30 March 2025	4.6	34.0	5.0	0.1	8.5	2.2	0.6	4.2	5.3	64.5
As at 31 March 2024	4.7	32.6	3.0	0.2	6.5	1.6	0.8	1.1	3.3	53.8

During the year, tangible assets with a net book value of £2.0m were transferred to The National from National Theatre Staging Limited, a wholly owned subsidiary company. The transfers were made at net book value and did not result in any gain or loss being recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Expendable endowment (30-year gilt bond)	0.2	0.2	0.2	0.2
	0.2	0.2	0.2	0.2

In 2008, the Company invested £200,000 into a 30-year gilt, with a remaining term of 20 years, in accordance with the terms of a donation received from a long-term benefactor. In 2028, when the instrument matures, the capital sum (£166,000) will become available for use by the Company. Interest on the gilt accrues to the Company on a received basis. The initial premium on the gilt is amortised over the life of the gilt. The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

See Note 27 for details of investments in subsidiary undertakings.

13. STOCKS

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Goods for resale	0.2	0.2	-	-
	0.2	0.2	-	-

Stock impairment losses charged to the statement of financial activities during the year for the Group were £nil (2024: £nil) and for the Company were £nil (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS

14. COST OF PRODUCTIONS NOT YET OPENED

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
National Theatre – Productions	0.1	0.1	0.1	0.1
National Theatre – NT Live screenings	-	0.1	-	-
	0.1	0.2	0.1	0.1

These costs relate to productions which are planned to start in the financial period ending 29 March 2026 for which expenditure has been incurred in the period to 30 March 2025. Expenditure is released from Costs of Productions Not Yet Opened to the Statement of Financial Activities in the period in which the show is opened. See accounting policy N for further details.

15. DEBTORS

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade debtors	2.8	3.5	1.9	2.8
Amounts owed by group undertakings	-	-	12.5	21.1
Other debtors	1.0	1.5	0.7	0.7
Tax recoverable	14.0	19.1	2.1	0.4
Prepayments and accrued income	11.7	6.4	7.5	3.6
	29.5	30.5	24.7	28.6

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

Included within tax recoverable is £9.0m (2024: £7.7m) in respect of the current period theatre tax relief (TTR) claim and £0.6m (2024: £0.5m) in respect of the current year film tax relief (FTC) claim. The remaining balance comprises prior year TTR and FTC claims of £1.7m (2024: £8.9m) and £0.5m (2024: £0.7m) respectively, and other taxes recoverable of £2.2m (2024: £0.4m).

NOTES TO THE FINANCIAL STATEMENTS

16. CURRENT ASSET INVESTMENTS

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Cash equivalents on deposit	9.7	13.3	9.7	13.3
Investment property held for resale	0.9	-	0.9	-
	10.6	13.3	10.6	13.3

The charity holds a property located in Fulham, which was gifted to the charity on 26 July 2024, to be used to fund NT projects that develop skills of UK residents who experience relative disadvantage. This property is classified as held for sale and is expected to be sold within 12 months.

17. CASH AT BANK AND IN HAND

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Cash and bank balances	37.4	31.1	35.5	24.8
	37.4	31.1	35.5	24.8

NOTES TO THE FINANCIAL STATEMENTS

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade creditors	3.5	1.3	3.1	0.7
Accruals	8.2	10.8	7.2	5.3
Advance bookings	8.7	6.3	8.7	6.3
Deferred income	4.1	3.2	2.1	2.0
Taxation and social security	1.0	1.4	1.0	1.3
Other creditors	7.6	6.0	4.1	5.0
Concessionary loan (see note 19)	1.5	0.8	1.5	0.8
	34.6	29.8	27.7	21.4

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

Deferred income represents amounts received in advance of the next financial period. This includes income from advanced performance bookings, membership and subscriptions, learning programmes, investment income and commercial partnership arrangements.

Deferred income and advance bookings totalling £9.5m, recognised as at 31 March 2024, have been released to the Statement of Financial Activities in the period ended 30 March 2025. The total amount of deferred income and advance bookings recognised in the current period is £12.8m.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Concessionary loan	19.1	20.1	19.1	20.1
	19.1	20.1	19.1	20.1

NOTES TO THE FINANCIAL STATEMENTS

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Consequent on the impact of Covid on the Group's finances, in December 2020, The National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group could seek to return to financially sustainable operations by March 2022.

The finance agreement was signed in February 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16-year period from March 2025. The facility is unsecured but has certain on-going non-financial covenants and conditions attached to it.

The interest charge for the year was £0.4m (2024: £0.4m). The principal loan balance that falls due within one year is £0.3m, between two and five years is £4.6m, and after more than five years is £14.8m.

The total loan balance of £20.6m (£19.1m in note 19 and £1.5m in note 18) comprises the principal of £19.1m and accrued interest of £1.5m.

NOTES TO THE FINANCIAL STATEMENTS

20. THE FUNDS OF THE GROUP & COMPANY

	Balance at 31 March 2024	Income	Expenditure	Creative Tax Credits	Transfers	Balance at 30 March 2025	Balance at 26 March 2023	Income	Expenditure (Restated)	Creative Tax Credits (Restated)	Transfers	Balance at 31 March 2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:												
Unrestricted operations fund (Group)*	(6.0)	114.5	(117.9)	9.6	(5.5)	(5.3)	(3.7)	112.0	(119.1)	8.2	(3.4)	(6.0)
Unrestricted designated (Group & Charity)												
NT Future Fund	3.9	-	(0.6)	-	-	3.3	4.5	-	(0.6)	-	-	3.9
Building & Equipment Fund	37.0	-	(3.7)	-	12.4	45.7	34.6	-	(3.2)	-	5.6	37.0
Security Fund	0.2	-	-	-	-	0.2	0.3	-	(0.1)	-	-	0.2
Loan Repayment Fund	1.5	-	-	-	(1.5)	-	1.5	-	-	-	-	1.5
Risk & Investment Fund	4.0	-	-	-	2.9	6.9	4.9	-	-	-	(0.9)	4.0
NTP Investment Fund	-	-	-	-	0.5	0.5	-	-	-	-	-	-
Innovation Fund	1.0	-	-	-	(0.5)	0.5	1.0	-	-	-	-	1.0
Programme Development Fund	3.0	-	-	-	(3.0)	-	3.0	-	-	-	-	3.0
Digital Future Tech Fund	0.5	-	-	-	0.4	0.9	-	-	-	-	0.5	0.5
TOTAL unrestricted designated funds	51.1	-	(4.3)	-	11.2	58.0	49.8	-	(3.9)	-	5.2	51.1
TOTAL unrestricted funds	45.1	114.5	(122.2)	9.6	5.7	52.7	46.1	112.0	(123.0)	8.2	1.8	45.1
RESTRICTED: Project funds (Group & Charity)												
NT Performance	0.3	0.7	(0.7)	-	-	0.3	0.5	0.9	(1.1)	-	-	0.3
NT Live & Digital	-	0.7	(0.7)	-	-	-	-	0.6	(0.6)	-	-	-
NT Learning & Public Engagement	1.3	2.7	(3.2)	-	-	0.8	1.1	4.0	(3.8)	-	-	1.3
NT Studio Projects (R&D)	0.1	0.4	(0.5)	-	-	-	-	0.5	(0.4)	-	-	0.1
ACE UK Touring	-	0.4	(0.4)	-	-	-	-	0.6	(0.6)	-	-	-
General Activity	-	0.2	(0.2)	-	-	-	-	0.4	(0.4)	-	-	-
Capital	1.9	3.8	-	-	(5.7)	-	1.3	2.4	-	-	(1.8)	1.9
TOTAL restricted project funds	3.6	8.9	(5.7)	-	(5.7)	1.1	2.9	9.4	(6.9)	-	(1.8)	3.6
RESTRICTED: Long term funds (Group & Charity)												
NT Future Fund	17.9	-	(2.1)	-	-	15.8	20.5	-	(2.6)	-	-	17.9
ACE NT Future Fund	10.3	-	(1.1)	-	-	9.2	11.3	-	(1.0)	-	-	10.3
ACE Lottery Fund	0.9	-	-	-	-	0.9	0.9	-	-	-	-	0.9
Studio Refurbishment Fund	3.8	-	(0.1)	-	-	3.7	3.9	-	(0.1)	-	-	3.8
NT Infrastructure Upgrade Project Fund	-	4.4	-	-	-	4.4	-	-	-	-	-	-
Permanent Endowment	-	0.1	-	-	-	0.1	-	-	-	-	-	-
Expendable Endowment	0.2	0.8	-	-	-	1.0	0.2	-	-	-	-	0.2
TOTAL long-term funds	33.1	5.3	(3.3)	-	-	35.1	36.8	-	(3.7)	-	-	33.1
TOTAL restricted funds	36.7	14.2	(9.0)	-	(5.7)	36.2	39.7	9.4	(10.6)	-	(1.8)	36.7
TOTAL Group funds	81.8	128.7	(131.2)	9.6	-	88.9	85.8	121.4	(133.6)	8.2	-	81.8

NOTES TO THE FINANCIAL STATEMENTS

20. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

	At 30 March 2025	At 31 March 2024
	£m	£m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Company unrestricted operations fund (as disclosed in the Company Balance Sheet)	(5.4)	(8.5)
Unrestricted retained surplus held by trading subsidiaries (note 27)	0.1	2.5
Group unrestricted operations fund	(5.3)	(6.0)

The income for the Company for the year was £87.1m (2024: £75.3m) and the expenditure was £77.6m (2024: £78.8m). Due to the qualifying charitable donations made from the trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, to The National Theatre there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in 26.

DESIGNATED FUNDS

NT Future Fund

This represents NT Future assets which were funded by The National Theatre. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs.

Building & Equipment Fund

The building and equipment fund is a designated fund set aside by the Trustees in order to enable monies to be made available for the renewal and maintenance of The National Theatre's buildings and mechanical and electrical equipment in accordance with its lease and obligations under Lottery funding.

£6.7m (2024: £3.8m) was transferred from the operations fund, and £5.7m (2024: £1.8m) from Restricted Project Funds into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

NOTES TO THE FINANCIAL STATEMENTS

20.THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

Security Fund

The security fund is a designated fund set aside by the Trustees in order to enable monies to be made available to enhance the physical security infrastructure of The National Theatre.

Loan Repayment Fund

The loan repayment fund has been designated to the risk & investment fund and the balance of £1.5m has been transferred out, and this fund will be dissolved.

Risk & Investment Fund

The risk and investment fund is a designated fund set aside by the Trustees to mitigate against the cost-of-living impacts on our audiences and customers, and inflationary pressures to our costs, particularly in relation to staff remuneration and energy costs. This fund will also ensure the National Theatre continues the constant revitalisation of the great traditions of the British Stage and expands the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives. £4.5m has been transferred in from the programme development fund, and loan repayment fund, and £1.6m has been transferred out to the unrestricted operations fund.

NTP Investment Fund

The NTP investment fund is a designated fund set aside by the Trustees to support investment in National Theatre productions that transfer to the West End and/or tour nationally. £0.5m has been transferred into this fund from the innovation fund.

Innovation Fund

The investment fund is a designated fund set aside by the Trustees to support new initiatives. £0.5m has been transferred from this fund to the NTP investment fund.

NOTES TO THE FINANCIAL STATEMENTS

20.THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

Programme Development Fund

The programme development fund has been designated to the risk & investment fund and the balance of £3m has been transferred out, and this fund will be dissolved.

Digital Future Tech Fund

The future digital tech fund is a designated fund set aside by the Trustees to support investment in the NT at Home platform. £0.4m has been designated in year from the unrestricted operations fund.

RESTRICTED FUNDS: PROJECT FUNDS

These represent funds made available for projects generally completed within two years or activities funded on an annual basis.

NT Performance Fund

The NT Performance Fund represents restricted funding and related expenditure, relating to The National Theatre productions and performances.

NT Live & Digital Fund

The NT Live & Digital Fund represents restricted funding and related expenditure, in relation to The National Theatre's broadcasting and digital initiatives.

NT Learning & Public Engagement Fund

The NT Learning & Public Engagement Fund represents restricted funding and related expenditure, for participation projects and training initiatives, along with funds received in support of activities in the external public spaces at The National Theatre and various access, archive and digital initiatives.

NT Studio Projects (Research & Development) Fund

The NT Studio Projects Fund represents restricted funding for activity at the NT Studio, including new writing and directing initiatives.

NOTES TO THE FINANCIAL STATEMENTS

20.THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

ACE UK Touring Fund

The ACE UK Touring Fund represents restricted funding for Theatre Nation partnership.

General Activity Fund

The General Activity Fund represents restricted funding for support related expenditure.

Capital Fund

The Capital Fund represents restricted funding for capital projects. The restriction has been satisfied through the purchase of assets, and £5.7m has been transferred to the building and equipment fund.

RESTRICTED FUNDS: LONG TERM FUNDS

Long-term funds represent funds used for capital purposes or where there is an expectation that the fund will be used over the longer term.

NT Future Fund

This fund was created to support a major refurbishment of The National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.1m (2024: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The National Theatre, completed in 2016. Expenditure was £1.1m (2024: £1.0m) and represents depreciation on NT Future assets.

NOTES TO THE FINANCIAL STATEMENTS

20.THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

ACE Lottery Fund

This fund was created specifically in relation to a grant from Heritage Lottery, to support a major refurbishment of The National Theatre. The balance reflects future depreciation on the assets acquired through this fund.

Studio Refurbishment Fund

This fund was created to support a major refurbishment of the NT Studio, completed in 2008. The balance reflects future depreciation on the assets acquired through this fund.

NT Infrastructure Upgrade Project

This fund was created in relation to a grant from Arts Council England to support infrastructure upgrades to support the long-term maintenance of the facilities and lower the risk of damage from natural weather events.

Permanent Endowment Fund

The fund represents a permanent endowment, which will be held to generate interest income which is to be used to cover two Resident Directors' travel and accommodation costs.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. The fund also represents £0.8m in properties donated to the Group during the year. These properties are recorded as current asset investments and will remain so until they are sold. See Note 12.

NOTES TO THE FINANCIAL STATEMENTS

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP & COMPANY)

	As at 30 March 2025				As at 31 March 2024			
	Tangible fixed assets	Cash & cash equivalent investments	Other net (liabilities) /assets	Total net (liabilities) / assets	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets
	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:								
Operations fund	-	19.5	(24.8)	(5.3)	-	13.9	(19.9)	(6.0)
Unrestricted designed								
NT Future Fund	2.2	1.1	-	3.3	2.7	1.2	-	3.9
Building & Equipment Fund	28.4	17.3	-	45.7	20.4	16.6	-	37.0
Security Fund	0.2	-	-	0.2	0.2	-	-	0.2
Loan Repayment Fund	-	-	-	-	-	1.5	-	1.5
Risk & Investment Fund	-	6.9	-	6.9	-	4.0	-	4.0
NTP Investment Fund	-	0.5	-	0.5	-	1.0	-	1.0
Innovation Fund	-	0.5	-	0.5	-	-	-	-
Programme Development Fund	-	-	-	-	-	3.0	-	3.0
Digital Future Tech Fund	-	0.9	-	0.9	-	0.5	-	0.5
TOTAL unrestricted designated funds	30.8	27.2	-	58.0	23.3	27.8	-	51.1
TOTAL unrestricted funds	30.8	46.7	(24.8)	52.7	23.3	41.7	(19.9)	45.1
RESTRICTED: Project funds								
NT Performance	-	0.3	-	0.3	-	0.1	0.2	0.3
NT Learning & Public Engagement	-	-	0.8	0.8	-	1.2	0.1	1.3
NT Studio (Research & Development)	-	-	-	-	-	-	0.1	0.1
Capital	-	-	-	-	-	1.4	0.5	1.9
TOTAL restricted project funds	-	0.3	0.8	1.1	-	2.7	0.9	3.6
RESTRICTED: Long term funds								
NT Future Fund	15.8	-	-	15.8	17.9	-	-	17.9
ACE NT Future Fund	9.2	-	-	9.2	10.3	-	-	10.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	3.7	-	-	3.7	3.8	-	-	3.8
NT Infrastructure Upgrade Project	4.2	-	0.2	4.4	-	-	-	-
Permanent Endowment	-	0.1	-	0.1	-	-	-	-
Expendable Endowment	-	-	1.0	1.0	-	-	0.2	0.2
TOTAL long-term funds	33.8	0.1	1.2	35.1	32.9	-	0.2	33.1
TOTAL restricted funds	33.8	0.4	2.0	36.2	32.9	2.7	1.1	36.7
TOTAL Group funds	64.6	47.1	(22.8)	88.9	56.2	44.4	(18.8)	81.8

Note: Other net assets/(liabilities) includes the cultural recovery fund concessionary loan of £20.6m (2024: £20.9m). This loan has a term of 20 years, with an initial 4 year repayment holiday. The loan and interest is repayable over 16 years, in six-monthly equal instalments of £0.8m, the first instalment being paid in March 2025, the final instalment due in March 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS

22. CAPITAL COMMITMENTS (GROUP & COMPANY)

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
Commitments:				
Lighting upgrades	0.5	1.9	0.5	1.9
Storage unit fit-out	-	1.4	-	1.4
Costume workshops	-	1.4	-	1.4
NTIU Capital Project	23.2	-	23.2	-
Olivier S&V Upgrade	0.2	-	0.2	-
Welfare project	0.6	-	0.6	-
Other commitments (<£100k)	0.9	0.3	0.9	0.3
	25.4	5.0	25.4	5.0

The amount payable within one year is £25.4m (2024: £5.0m). The NTIU Capital Project is being funded by a grant from the Arts Council England (ACE) to make essential repairs to the NT infrastructure. Funding is received periodically after a report of spending is submitted and approved by ACE. The project is expected to be completed by March 2026. All other commitments relate to improvements made to the NT building and are funded from the Charity reserves.

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING LEASE COMMITMENTS

At year end, the Group and Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2025	2024	2025	2024
	£m	£m	£m	£m
Within one year	1.3	1.1	0.8	0.5
In two to five years	5.3	5.3	3.2	3.2
In more than five years	3.7	4.5	2.8	3.6
	10.3	10.9	6.8	7.3

Expenditure within the period on operating leases was £1.1m (2024: £0.6m). The Company entered into a 15 year lease agreement from January 2024 on a commercial property in Bermondsey that will primarily be used for storage. Lease payments are renegotiated every 5 years to reflect market rates. The lease commitment of £6.8m up to the break clause at the end of year 10 has been included above.

24. CONTINGENT LIABILITY

With regards to the commercial lease detailed in note 22 there is a clause that requires the Company to reinstate the property to its original condition, at the end of the lease in January 2034, if the landlord requires. Alternatively, the landlord may not exercise that right. The view of the Trustees is that it is not currently possible to estimate the scope of such works, and therefore the likely cost of doing so. This will be reviewed annually and provided for when sufficient information allows.

NOTES TO THE FINANCIAL STATEMENTS

25. PRIOR PERIOD ADJUSTMENT

The Group receives creative industry tax credits from HMRC in relation to qualifying expenditure. In the current financial year, the presentation of these tax credits within the Statement of Financial Activities has been revised.

Previously, such credits were presented as a reduction to the related expenditure. The tax credits are now presented separately within the Statement of Financial Activities, rather than netted against the associated costs. This change enhances transparency and improve the understandability of the financial statements for users and achieves compliance with FRS 102.

The change represents a correction in the presentation approach and has been applied retrospectively. Comparative figures have been restated accordingly.

The change resulted in an increase in expenditure, with the associated tax credit of £8.2m now presented separately in the prior year, with no impact on the net movement in funds or the overall financial position of the Group.

The cash received from HMRC in respect of the tax credits has also been separately disclosed on the Consolidated Statement of Cash flows with a corresponding reduction in the Net profit / (loss) before tax line. The adjustment has no impact on the net cash flow provided by operating activities.

	As previously reported 2024	Amendment	As restated 2024
	£m	£m	£m
Raising donations & legacies	(3.3)	-	(3.3)
Charitable Expenses	(106.4)	(8.1)	(114.5)
Trading Expenses	(15.7)	(0.1)	(15.8)
Creative Industry Tax Credit	-	8.2	8.2
TOTAL EXPENSES & TAX CREDIT	(125.4)	-	(125.4)

NOTES TO THE FINANCIAL STATEMENTS

26. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation (the “Foundation”) (charity number: 271706) has objects related to those of The National Theatre and makes grants to The National Theatre from time to time. The Foundation has eight trustees, two of whom have a direct connection to The National Theatre.

The National Theatre entered into a joint arrangement to create an endowment fund within The Foundation to further The National Theatre’s national remit in terms of education, new work and productions, and for capital and general purposes. All unrestricted legacies directed to The National Theatre were directed to The Foundation and the donations have been held in appropriately named sub-funds of the endowment fund. From 31 March 2025, by agreement with the Foundation, legacies will be retained by the National Theatre and directed to the Foundation at the discretion of the National Theatre.

During the period, The National Theatre received legacy income of £0.2m (2024: £0.2m) which was paid to The Foundation.

During the period, the Foundation granted £596k (2024: £611k) for The National Theatre’s work with: Capital grants £500k; Legacy Development costs £46k; Welfare £50k and Peter Hall Award £nil. In 2024, the £611k principally comprised grants for Capital grants £500k; Legacy Development costs £31k; Welfare £50k and Peter Hall Award £30k. The Foundation owed The National Theatre £466k at the year-end (2024: £518k). The Foundation also made £52k (2024: £77k) benevolent grants to members and former members of the staff and Company.

NATIONAL THEATRE IN AMERICA (formerly American Associates of the National Theatre)

National Theatre in America (“NTiA”) is an independent not-for-profit charity registered in New York, USA. During the period, \$8.3m (2024: \$3.0m) was raised by the NTiA for The National Theatre. The NTiA owed The National Theatre \$0.8m at the year-end (2024: \$0.9m).

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £3.1m (2024: £417k).

NOTES TO THE FINANCIAL STATEMENTS

26.CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CONTINUED)

The National Theatre has a limited power to enter into transactions with its Trustees. This power is in its governing document, the Memorandum of Association, and it is limited by conditions which protect the interests of The National Theatre as a charity.

The Buffini Chao Foundation (the Chair of the National's Trustee Board, Damon Buffini, and his wife, are two of the five trustees of the Foundation) donated £22k during the year for the Gala Auction. In 2024, The Buffini Chao Foundation donated £250,000 as part of a £1m total commitment over a four-year period 2021-2024) towards the NT's engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, received royalties of £0.8k in relation to NT Collection streaming service (2024: £1.6k for NT at Home and NT Collection).

During the year, One to Seventeen Limited, received £14k from The National Theatre in respect of co-production income. National Theatre Productions Limited shares a common director with One to Seventeen Limited. There were no amounts outstanding between the parties at the year end.

The National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £6.6m (2024: £3.6m). This represents the balance of operational transactions between the entities and includes the NTPL Management Fee £0.7m (2024: £nil) and the Gift Aid of profit £0.1m (2024: £nil) to its parent company.

The National Theatre (RNT) is owed by the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2024: £0.6m owed to). This represents the balance of operational transactions between the entities and includes the RNTE Management Fee £0.2m (2024: £0.2m) and the Gift Aid of profit £3.7m (2024: £3.0m) to its parent company.

The National Theatre (RNT) owes the National Theatre Live Limited (NTLL) a net balance of £0.3m (2024: £nil). This represents the balance of the Commissioning Fee payable by RNT of £4.3m (2024: £3.6m) and operational transactions payable by NTLL. During the year, RNT charged £0.2m to NTL for costs incurred on filmed performances.

NOTES TO THE FINANCIAL STATEMENTS

26.CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CONTINUED)

The National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £4.4m (2024: £17.5m). This represents the balance of the Commissioning Fee payable by RNT of £23.6m (2024: £42.3m) and operational transactions payable by NTSL. During the year, the charity acquired fixed assets with a carrying amount of £2.1 million from the company. The transaction was undertaken at net book value and represents a transfer of assets within the group. During the year RNT charged £1.4m in relation to the use of its theatre spaces.

The National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTNA LLC) a net balance £1.1m (2024: £0.6m). This represents the balance of operational transactions between the entities and includes the NTNA LLC distribution of profit £0.4m (2024: £nil) to its parent company.

See Note 27 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

27. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 30 March 2025, The National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Royal National Theatre Enterprises Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Trading activities	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Productions Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Staging Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Live Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
Royal National Theatre North America LLC	USA	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x \$1 Ord Shares	100%	Yes (Line-by-line)

NOTES TO THE FINANCIAL STATEMENTS

27. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

b) PARTNERSHIPS ACCOUNTED FOR AS SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident Broadway LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes (Line-by-line)
Three Brothers Broadway LLC*	USA	311 West 43 rd Street 14 th Floor New York New York 10036	Commercial exploitation of productions	N/A	N/A	51% (Indirect holding)	Yes (Line-by-line)

*The National Theatre is the sole Managing Member of Royal National Theatre North America LLC (NTNA LLC) which has the following interests:

- *Curious Incident Broadway LP* - One of two General Partners - Joint arrangement between NTNA LLC and Wombat Crossing 2 LLC. NTNA LLC holds the casting vote in any decisions made and so controls the LP. Therefore, in accordance with FRS 102, it has been consolidated as a subsidiary undertaking
- *Three Brothers Broadway LLC* - Sole General Partner

NOTES TO THE FINANCIAL STATEMENTS

27. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

c) FINANCIAL INFORMATION

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		Royal National Theatre North America LLC		Three Brothers Broadway LLC (Dissolved 14 March 2025)		Curious Incident LP	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A		N/A	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income	21.5	18.7	20.9	27.9	38.8	42.3	4.3	3.6	0.5	0.6	0.1	-	-	0.1
Expenditure	(17.8)	(15.7)	(20.8)	(27.9)	(48.1)	(50.5)	(4.9)	(4.1)	(0.1)	(0.1)	(0.1)	-	-	(0.1)
Net Surplus/(Deficit)	3.7	3.0	0.1	-	(9.3)	(8.2)	(0.6)	(0.5)	0.4	0.5	-	-	-	-
Gift Aid/distribution due to parent company	(3.7)	(3.0)	(0.1)	-	-	-	-	-	(0.4)	(0.5)	-	-	-	-
Tax Credit	-	-	-	-	9.0	7.7	0.6	0.5	-	-	-	-	-	-
Retained in the subsidiary	-	-	-	-	(0.3)	(0.5)	-	-	-	-	-	-	-	-
Assets	1.6	1.5	4.9	8.9	10.8	20.0	1.4	1.3	1.2	0.7	-	0.1	0.1	0.2
(Liabilities)	(1.6)	(1.5)	(4.9)	(8.9)	(10.7)	(17.5)	(1.4)	(1.3)	(1.2)	(0.7)	-	(0.1)	(0.1)	(0.2)
Net Assets	-	-	-	-	0.1	2.5	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

27. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

+Included in cost of trading activities are administration expenses charged by The National Theatre as follows:

	Payable to the National	
	Year ended 30 March 2025 £m	Year ended 31 March 2024 £m
Royal National Theatre Enterprises Limited	0.2	0.2
National Theatre Productions Limited *	0.2	-
	0.4	0.2

* The charge in 2024 was waived by The National Theatre

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED (RNTE) is a wholly owned trading subsidiary of The National Theatre responsible for The National Theatre's trading activities. The National Theatre's Board appoints the directors of RNTE which comprise Board members, external experts and senior members of staff responsible for the trading areas.

NATIONAL THEATRE PRODUCTIONS LIMITED (NTPL) is a wholly owned trading subsidiary of The National Theatre whose primary remit is responsibility for the commercial exploitation of The National Theatre productions and the exploitation of rights in any production via digital, broadcast, or other media. The National Theatre's Board appoints the directors of NTPL which comprise Board members, external experts and senior members of staff.

NATIONAL THEATRE STAGING LIMITED (NTSL) is a wholly owned trading subsidiary of The National Theatre whose primary remit is responsibility for producing The National Theatre productions at the South Bank and on tour. The National Theatre's Board appoints the directors of NTSL which comprise Board members and senior members of staff.

NOTES TO THE FINANCIAL STATEMENTS

27.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

NATIONAL THEATRE LIVE LIMITED (NTLL) is a wholly owned trading subsidiary of The National Theatre whose primary remit is responsibility for producing NT Live films in respect of The National Theatre productions at the South Bank and on tour, and for third party theatres in the UK and internationally. The National Theatre's Board appoints the directors of NTLL which comprise Board members and senior members of staff.

ROYAL NATIONAL THEATRE NORTH AMERICA LLC (NTNA LLC) is a wholly owned trading subsidiary of The National Theatre responsible for The National Theatre's activities in North America. The National Theatre's Board appoints the directors of NTNA LLC which comprise Board members and senior members of staff.

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 1 APRIL 2024 TO 30 MARCH 2025

The Royal National Theatre Board

Sir Damon Buffini (Chair)
 Sabine Chalmers (Resigned 26 September 2024)
 Louise Charlton (née Durant)
 Dame Vikki Heywood DBE
 Simon Minty
 Vicki Mortimer (Resigned 26 September 2024)
 Dame Karen Pierce
 Amanda Pritchard
 Elizabeth Pryce (née Offord)
 Melanie Richards CBE
 Timothy Score
 Farrah Storr (Resigned 25 March 2025)
 Simon Warshaw (Resigned 3 July 2025)
 Cate Blanchett (appointed 27 November 2024)
 James Graham (appointed 27 November 2024)
 Dame Marit Mohn (appointed 25 Sept 2024)
 Sarah Wiggins (appointed 27 November 2024)

Finance and Audit Committee

Timothy Score (Chair)
 Sir Damon Buffini
 Sabine Chalmers (Resigned 26 September 2024)
 Melanie Richards CBE

Nominations Committee

Elizabeth Pryce (née Offord) (Co Chair)
 Simon Warshaw (Co Chair) (Resigned 3 July 2025)
 Sir Damon Buffini
 Farrah Storr (Resigned 25 March 2025)
 Dame Karen Pierce

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
 Alex Bayley
 Louise Charlton (née Durant)
 Huw Gott
 Geoffrey Matthews
 Kate Varah (née Booth)
 Liz Fosbury

National Theatre Productions Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Kate Varah (née Booth)
 Timothy Score
 Michael Harrison
 Kathryn Bennett
 Alain Airth
 Rebecca Rae
 Victoria Hawkins (appointed 12 August 2024)
 Robert Noble (appointed 12 March 2025)

National Theatre Staging Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Rebecca Thompson
 Kate Varah (née Booth)

National Theatre Live Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Rebecca Thompson
 Kate Varah (née Booth)
 Farrah Storr (resigned 19 February 2025)
 Emma Keith (née Davies) (resigned 14 February 2025)

Royal National Theatre North America LLC

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (née Offord) (Chair)
Heather Acton
Nick Barnes
Sujata Bhatia
Sir Damon Buffini
Louise Charlton (née Durant)
Victoria Corcoran
James Garvey
Kate Groes
Andrea Harris
Priya Heal
Elizabeth Jack
Chales Kirwan-Taylor (appointed 1 October 2024)
Steven Larcombe
Hannah Lewis
Rafael Marquez
Emma Marsh
Shifali Mudumba
Sheryl Needham
Jim O'Neil (appointed 1 Jul 2024)
Marc Polonsky
Elizabeth Rantzen
Francesca Robinson
Maria Sebastian
Phil Smith
Emma Turner
Charlotte Warshaw
Jacqueline Worswick
Anthony Zammit (appointed 1 June 2024)

Executive

Artistic Director and Chief Executive:
Rufus Norris (resigned 31 March 2025)
Executive Director and Chief Executive:
Kate Varah (née Booth) (appointed Co-Chief Executive 29 April 2024)
Artistic Director Designate:
Indhu Rubasingham (appointed 29 April 2024)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

BDO LLP
55 Baker Street
London W1U 7EU

The annual report is available to download at

www.nationaltheatre.org.uk/annualreport

If you would like to receive it in large print, or you are visually impaired and would like a member of staff to talk through the publication with you, please contact the Board Secretary at the National Theatre

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.

Accounts

The Royal National Theatre

Annual Report

2023/2024

Trustees' Report	
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In this document The Royal National Theatre is referred to as 'the NT', 'the National', and 'the National Theatre'.

The Trustees have pleasure in presenting the Trustee's Report and the Strategic Report included within it for the 53 week period ended 31 March 2024 (2023/2024).

THE YEAR IN SUMMARY

- Our three theatres on the South Bank were 87% full.
- We produced 31 plays and musicals that were staged across the globe including 18 productions on the South Bank, 12 of which were world premieres of new work.
- We transferred nine productions to the West End, the most of any year in our history.
- James Graham's *Dear England* won Best Play at the Olivier Awards.
- The National Theatre was awarded Theatre of the Year at The Stage Awards (alongside Watermill Theatre).
- 89% of state secondary schools are signed up to the National Theatre Collection, our schools streaming service, with a total of 1.3 million UK students accessing National Theatre Collection.
- We celebrated the fifth anniversary of Public Acts, staging an epic multi-venue adaptation of *The Odyssey* made in collaboration with 192 community members and 98 professional artists in five venues across the country reaching a total audience of almost 7,000.
- The UK Government announced flagship investment in the National Theatre of £26.4m to support urgent infrastructure repairs to parts of the National Theatre building, beginning in 2024/25.
- The UK Government investment will support the formation of a new National Theatre Skills Centre, operating from the National Theatre building, which will supercharge specialist skills needed across the whole creative sector.

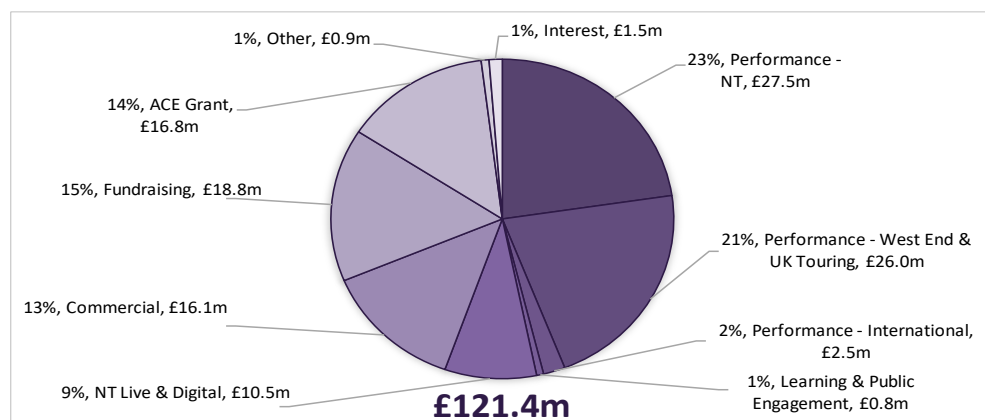
INTRODUCTION

FINANCIAL SUMMARY

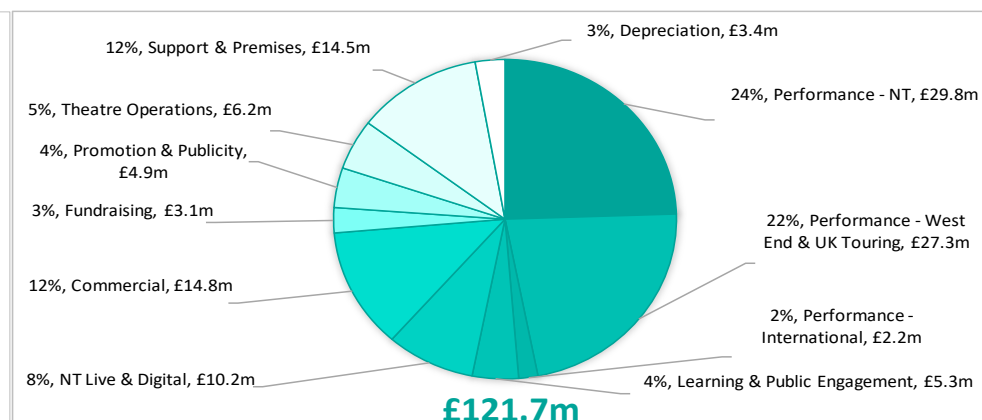
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise the National Theatre's building-related fundraising income and depreciation). The amounts and percentages are subject to rounding.

INCOME

2023-2024

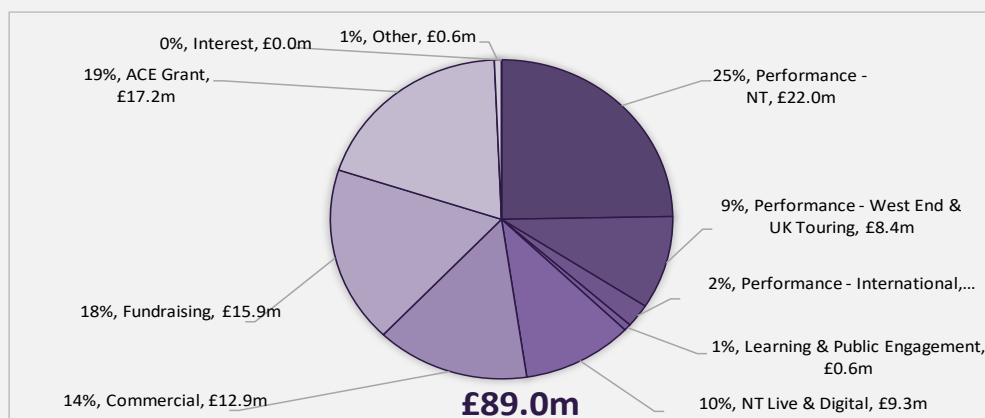


EXPENDITURE

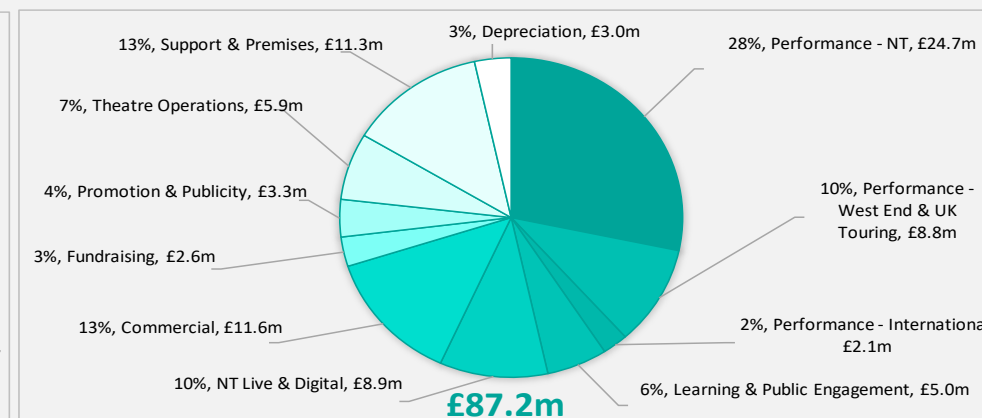


INCOME

2022-2023



EXPENDITURE



CHAIR'S STATEMENT

The National Theatre's 60th year was surely one of the most remarkable in its history.

On the South Bank, the roster of new productions drew exceptional levels of acclaim and were enormously popular with audiences. From *The Motive and the Cue* to *The Witches* to *Grenfell: in the words of survivors*, it was a year in which artistic excellence was truly matched by multiplicity and resonance.

In the West End, the National Theatre staged a record-breaking nine productions. Across the UK, the National Theatre worked in person with tens of thousands of young people, with one in four secondary students engaging digitally. It staged its most ambitious multi-venue production ever: an epic adaptation of *The Odyssey* made with hundreds of community participants that unfolded in five different locations across the UK. Around the world, we released eight productions to cinemas in almost 50 countries via National Theatre Live and the National Theatre Collection was accessed in 61 countries by over 900 institutions, breaking down geographic access to world leading theatre.

The National received 15 Olivier Award nominations and won Best New Play for James Graham's *Dear England*, which raised the roof in the Olivier theatre and went on to be the first play staged at the vast Prince Edward Theatre in nearly a century.

While the 60th anniversary encouraged reflection, this was a year in which the future was also shaped. Indhu Rubasingham was appointed Director Designate and will take on the duties of Joint CEO alongside Kate Varah in Spring 2025, when Rufus Norris' decade-long tenure comes to an end. We look forward with great anticipation to Rufus' final year of productions, with Indhu already working in parallel on planning her first exciting season.

The year's successes are even more noteworthy given the global challenges of the period. The after effects of the pandemic converged with escalating rates of inflation across all areas of the theatre's cost base, from energy to materials to wages. The NT is navigating these pressures and remains on track on its pathway to financial sustainability, although hard work still lies ahead. The NT is also making significant strides towards its net zero aims, as environmental sustainability is an important twin track.

A major challenge facing the National Theatre is the scale of investment required in its unique South Bank building over the next decade to replace failing infrastructure and ensure its facilities are fit-for-purpose for world-class artists to make their best work.

We made a major step towards being able to do this work in the form of an unprecedented £26.4m investment from the UK Government in the Spring 2024 Budget to enable crucial infrastructure works on our building, in turn ensuring world-class theatre is made, artists vision is served and young talent is nurtured.

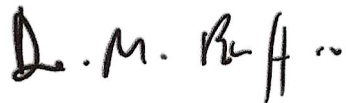
STRATEGIC REPORT

The commitment will strengthen the organisation and support the UK's globally renowned theatre-makers by providing essential, urgent infrastructure upgrades to our theatres and buildings. In parallel it will also support the creation of a new National Theatre Skills Centre to super charge specialist skills needed across the whole sector. The National Theatre Skills Centre will unlock opportunities for the next generation through skills programmes, engagement, skills development, career support and training opportunities delivered nationwide to over 5,000 people a year.

The sector also received a huge boost in the Spring 2024 Budget through new permanently higher rates of Theatre Tax Relief. These higher rates will reinforce the UK as a global cultural leader and support jobs and growth. The higher rates of tax relief have made all the difference to the National Theatre supporting it to produce such major shows as *Dear England* and *The Witches*.

Propelled by this investment, the National Theatre has launched a £125m fundraising campaign, Stories Start Here. The campaign, the most ambitious in its history, will raise revenue and capital funds to ensure that the theatre is thriving and vital, sparking imagination, nurturing talent and inspiring the world for generations to come. Already we have received some exceptionally generous support from donors, and we hope that many more will join us in supporting this vital work.

On behalf of the whole Board, I would like to express my heartfelt thanks to all who have contributed to the success of the National Theatre during this historic year, in particular the exceptional staff and freelance artists and experts who work here.



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 19/9/24

ENTERTAIN AND INSPIRE: OUR STRATEGY

INTRODUCTION

2023/24 saw us deliver year one of our new five-year strategic plan, Entertain and Inspire. Introduced in 2023, when a combination of challenges and imperatives led us to radically rethink why and how we work in order to survive and thrive, our new strategy underpinned by four clear Objectives looks to set the National Theatre on a path towards delivering a sustainable financial model that breaks even as a minimum by 2026.

FINANCIAL CONTEXT

The National Theatre relies on box office income, government subsidy and the generosity of supporters to break-even each year. As we emerged from the pandemic, we faced significant challenges: To box office income, with late and unpredictable booking patterns leading to greater reliance on strong reviews and well-known performers and plays; the increased competition for share of interest and share of wallet – especially in the context of the cost-of-living crisis; and the preference for working from home resulting in lower footfall on the South Bank and in the West End. These adverse factors continued to impact our audience, to some extent, into 2023/24. Despite this, our productions presented at the South Bank this year, which drew exceptional levels of critical acclaim, were enormously popular with audiences and generated record levels of box office income.

The high inflationary environment post pandemic is the most significant on-going challenge to our financial position. Our entire cost base has been impacted by this, with energy and materials costs seeing the highest price rises, whilst the majority of our income streams have declined in real terms, placing significant pressure on our business model.

The National Theatres' Arts Council England annual revenue grant was cut by 5 percent with effect from April 2023, reducing it to £16.15m.

In 2023/24 these financial challenges were partially offset by the crucial extension of the higher rate of Theatre Tax Relief, taking the total relief to £9.1m this year.

This financial challenge to our revenue break-even business model is compounded by the scale of investment required to our unique South Bank building over the next decade to replace our failing infrastructure and ensure that our facilities are fit-for-purpose for world-class artists to make their best work.

The Spring 2024 Budget marked two major steps forward in our financial sustainability challenge. The UK Government announced:

- The new, permanent higher rates of Theatre Tax Relief; this provides the National Theatre with an expected annual benefit of circa £2.5m to support its revenue break-even budget.
- An unprecedented £26.4m investment in the National Theatre, to enable crucial infrastructure works on our building.

We are extremely grateful to the UK Government for this support.

Propelled by this £26.4m investment, in March 2024, the National Theatre launched a £125m fundraising campaign, Stories Start Here. The campaign, the most ambitious in its history, will raise revenue and capital funds to support the theatres' on-going financial sustainability and a fit for purpose building that enables world-class theatre, attracts the best talent, serves artistic vision, nurtures young talent, delivers its sustainability aims and meets audience expectations.

We continue to interrogate our financial model. In the context of a higher cost base and reduced ACE funding, we continue to examine how to grow the income we generate and the funds we raise – in the UK, USA and further afield – to ensure that we are maximising every opportunity for sustained recovery and growth.

OUR PURPOSE – We believe great theatre sparks imagination and brings people together.

OUR VISION – A world where theatre is thriving and vital.

OUR MISSION – To make theatre that entertains and inspires using our creativity, expertise and unique reach.

OUR FOUR KEY OBJECTIVES

Innovate to expand our audience: offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact.

Inspire creativity and boost skills: work at scale and with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and access to training in theatre.

Be sustainable: economically, environmentally, socially, with the right culture that takes care of our people and the world around us.

Attract the best collaborators: offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions.

WHO WE WILL DO IT FOR

For audiences – to give more people greater access to world-class storytelling. Offering a unique National Theatre experience – in person, online, in schools, in cinemas. Nationally and internationally.

For society – to entertain, educate and stimulate creativity across the nation and worldwide, ensuring theatre is always relevant, exciting and essential.

For artists and theatre-makers – to support them to make their best work and enable it to have the widest possible audience and impact.

HOW WE WILL DO IT

Our new strategy has been introduced in a year of celebration and change that saw us celebrate 60 years of the National Theatre. In June 2023, Rufus Norris announced that he will be stepping down after ten years as Director in mid-2025 when his current term comes to an end. In December 2023, Indhu Rubasingham was appointed as his successor, she joined us in May 2024 as Director Designate.

2023/24 was also year one of a three-year Arts Council England (ACE) funding cycle. Principles of quality, sustainability, dynamism, inclusivity and nationwide partnerships, in line with ACE's Investment Principles, underpin our new strategy and the objectives complement those of the Let's Create Strategy: Creative People, Cultural Communities and a Creative and Cultural Country.

As the National Theatre enters its seventh decade, our strategy looks to guide us during a time of unprecedented opportunities and challenges facing both theatre, creative industries and the country.

Achievements against our objectives

1. Innovate to expand our audience: offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact

Our theatres on the South Bank

We presented 18 productions on the South Bank, with our three theatres returning to pre-pandemic capacity levels being 87% full in 2023/24

We premiered 12 new plays which were developed at our New Work Department. Three of the four nominees for Best Play at the 2024 Olivier Awards were National Theatre productions, these were Jack Thorne's love letter to theatre *The Motive and the Cue*, former writer in-residence Beth Steel's hilarious and heartbreaking *Till the Stars Come Down*, with the trophy lifted by James Grahams for his hit play *Dear England*. Will Close took home Best Supporting Actor at the Olivers for his role as England football captain Harry Kane in *Dear England*, with Mark Gatiss named Best Actor for his portrayal of Sir John Gielgud in *The Motive and The Cue*.

The new plays we presented over the year represented the people and issues of this time and our country – from the birth of the welfare state in Tim Price's *Nye*, to the criminal justice system in *Dixon & Daughters*, and the power of community and testimony in *Grenfell: in the words of survivors*. Our new version of Roald Dahl's *The Witches* was the largest musical the National Theatre has ever produced and thrilled both critics and audiences.

Revivals on our stages ranged from Dodie Smith's *Dear Octopus* – the first time the play has been seen in London since 1967 – and Josie Rourke's production of Brian Friel's *Dancing at Lughnasa*, to searing new versions of Federico García Lorca's *The House of Bernarda Alba* and Lucy Prebble's *The Effect*, which premiered at the NT just over a decade ago.

We celebrated our 60th birthday by making 3,600 tickets available for free to 16–25-year-olds. In 2023/24 the proportion of people seeing a National Theatre production for the first time grew by 150%, with 95% of first timers rating the productions they had seen as 'excellent' or 'very good'.

River Stage, London's largest free outdoor arts festival, returned for its 7th year. Over four summer weekends, 55,000 people joined us for live music, theatre, dance, family workshops and club nights in partnership with our friends from The Glory, James Cousins Company, Shubbak Festival and Hackney Empire Young Producers.

Sharing work beyond the South Bank

There has not been a year in our history where we have transferred as many shows to the West End as we did in 2023/24. An extraordinary nine productions made their way to the West End and were seen by 624,047 people. Both *Dear England* and *The Motive and the Cue* made the leap across the Thames and we were delighted to bring back our productions of *The Crucible*, *The Lehman Trilogy* and the Olivier Award-winning Best New Musical *Standing at the Sky's Edge*.

We introduced London audiences to the Bristol Old Vic production of *Dr Semmelweis* and the Tony Award-winning musical *A Strange Loop* and re-introduced them to the eight-time Tony Award-winning *Hadestown*, which was first seen at the National Theatre in 2018. Transatlantic traffic was not one way, and we took Jamie Lloyd's production of *The Effect*, with Taylor Russell and Paapa Essiedu reprising their roles, to The Shed in New York.

Following its five-star runs here and in the West End, we were pleased to share Katy Rudd's production of *The Ocean at the End of the Lane* with audiences across the UK, as it toured to 29 venues over 42 weeks. We remain committed to taking our productions to towns and cities across the UK and are actively working to develop a new, financially sustainable model for touring.

Theatre Nation Partnerships

Theatre Nation Partnerships (TNP) is our collaborative network of arts organisations, which aims to strengthen their relationships with local audiences, schools and communities.

Convened by the National Theatre, the network is made up of theatres and creative organisations across 11 regions. TNP partners are: Cast in Doncaster; The Lowry in Salford; Curve in Leicester; The Queen's Theatre Barnstaple & The Landmark in Ilfracombe; Queen's Theatre Hornchurch; Peterborough New Theatre & Key Theatre in Peterborough; Restoke, Regent Theatre & Victoria Hall in Stoke-on-Trent; Sunderland Empire and Sunderland Culture; Trowbridge Town Hall; Theatre Royal Wakefield; and Wolverhampton Grand Theatre.

In 2023/24, we worked with our TNP partners on touring productions, community engagement and audience development activity, in-depth school programmes, expanding access to our digital platforms, and skill and resource sharing across the network.

Through the TNP network, we supported a production of *My Beautiful Laundrette* by Hanif Kureishi, produced by Leicester Curve, that toured to four TNP venues where it reached audiences of over 8,500. We piloted monthly National Theatre Collection library screenings in Wolverhampton and Peterborough, reaching over 600 attendees across the two locations. Following this success from 2024/25 all public libraries nationally will have access to National Theatre Collection 3.

Generate

Our Generate programme shares the space and resources of our New Work Studio with artists developing work that is destined for stages outside of London. This support includes costs like artist fees and travel expenses, as well as workshopping and writing space, dramaturgical support, and introductions to co-producing partners.

This year, once again, a third of our New Work Department research and development workshops were devoted to supporting over 30 theatres and companies from outside of London. Our support facilitated a range of work including the development of new plays, ambitious musicals, classical adaptations, aerial work, access-integrated work as well as productions co-created with young people.

National Theatre Live

We released eight productions to cinemas in almost 50 countries via National Theatre Live in 2023/24, which were watched by over 750,000 people across more than 20,000 screenings. National Theatre Live's circuit of UK venues has grown across the year and now screens in over 830 venues from cinemas to community centres, reaching more areas of the country than ever before. As well as productions from our stages such as *Dear England*, we have filmed and distributed work from other theatres, including *GOOD* with David Tennant, *Vanya* with Andrew Scott, and *Best of Enemies* starring David Harewood and Zachary Quinto from the West End.

National Theatre at Home

A further 19 titles were added to our streaming platform in 2023/24, taking the total number of productions available to over 80. They included our award-nominated productions of *The Effect* and *The Crucible*, as well as productions from other theatres and producers including *Fleabag* from Soho Theatre and *Constellations* from the Donmar Warehouse.

Our production of *Othello* was streamed free on YouTube for one week to celebrate our 60th birthday, made possible by Bloomberg Philanthropies, and viewed over 185,000 times. National Theatre at Home subscribers watched over 23 million minutes of filmed theatre in 170 countries. All productions are available with captions, 85% are available with audio-description, and we are building on our British Sign Language offering.

National Theatre Collection

A further 20 titles were added to National Theatre Collection in 2023/24, taking the total number of productions with supplementary materials to 70. All of which can be accessed free by state schools and Further Education colleges. We continued to develop the dedicated National Theatre Collection for primary schools, now with 15 titles available to stream, including the Unicorn Theatre's production of Roald Dahl's *The Magic Finger* which was launched on World Book Day 2024. Schools across the UK are continuing to subscribe to the National Theatre Collection, with 89% of state secondary schools signed up - this equates to 1.3 million pupils accessing National Theatre Collection across 76,000 classrooms in the UK.

Our three-year roll out of National Theatre Collection with the New York City Department of Education and the Fund for Public Schools was successfully completed. Upwards of 32,000 students across New York City's five boroughs (70% of which are considered economically disadvantaged) now have access to National Theatre Collection, and teachers have access to unique professional development opportunities. The National Theatre Collection was also accessed in a further 61 countries by over 900 institutions, offering educational opportunities of world-class theatre across the world.

2. Inspire creativity and boost skills: work at scale with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and training in theatre

In 2023/24, we reached 39,681 children and young people in person nationwide.

We provided CPD (Continuing Professional Development) training for 1,070 teachers and youth leaders, working directly with 706 schools, 69% of which were outside of London.

As well as established programmes, including our nationwide youth theatre festival Connections and our playwriting programme New Views, our community participation programme Public Acts produced its most ambitious production to date: the five-episode national production of *The Odyssey*, created by and performed at our partner organisations across the UK.

Skills Centre

We trained 13 apprentices in backstage specialisms and helped nearly 1,500 young people gain skills in theatre-making disciplines, including lighting, sound, performing, writing and producing.

Work in communities in North Kensington

In 2023/24 we developed sustained partnerships in ongoing consultation with communities in North Kensington, London. We engaged 522 local people in creative, training or careers-related activity including workshops, backstage tours, careers events, and tickets to productions.

As part of ongoing work with primary schools in North Kensington, we have reached 497 pupils across 10 schools with activity around *The Witches* and the Let's Perform programme. We welcomed four work placements at the National Theatre and have offered over 600 subsidised or free tickets for North Kensington community members to see our shows. At our North Kensington Takeover Day in October, we were joined by approximately 400 people for a free afternoon of music, theatre, crafts, workshops, poetry, talks and dance from the North Kensington community.

Connections

Connections is our annual, nationwide youth theatre festival. Almost 8,900 young people and 411 teachers and group leaders from almost 240 schools and youth groups across the UK took part this year, as well as one group from Norway who submitted their performance digitally.

We worked with 33 partner theatres to produce regional festivals that featured performances from all Connections groups. Ten groups were then selected to perform at our week-long Connections festival in the Dorfman theatre in the summer.

New Views

New Views is our annual in-school playwriting programme and competition for students aged 14 to 19. Over 1,500 secondary students from almost 100 schools across the country took part in 2023/24, and we received 468 plays written by students, of which nine were shortlisted. The winning play in New Views 2022/23 was 3.2.1 by 16-year-old writer Keira Grierson, performed as a staged reading in the Olivier directed by Olivier Award winning director Ian Rickson.

Speak Up

Speak Up is a secondary school programme that sees young people working in collaboration with local artists and teachers to co-create artistic responses to the issues that are most important to them.

Speak Up engaged almost 7,500 participants and audience members in 2023/24, through performances, theatre trips, assemblies and artists supporting other lessons at their Speak Up school. We also worked with 56 schools and 166 local artists and trained 41 teachers and 89 artists across 26 sessions.

In November, we hosted the Speak Up Big Get Together. Over two days we welcomed over 100 people from across England to the South Bank for a series of conversations, workshops and CPD training to enhance their practice and equip them with more tools to support their young people. We brought 13 of our Speak Up Council youth representatives to London for an in-person residential trip. During this trip they explored the National Theatre with a backstage tour, workshops and culminating in the wider Get Together at which the students performed a piece using British Sign Language (BSL) and spoken word.

Touring to schools

In 2023/24, we remounted Evan Placey's adaptation of Robert Louis Stephenson's classic *Jekyll & Hyde* for secondary schools touring. Directed by Kirsty Housley, almost 9,500 students from 80 secondary schools saw the production in their school or one local to them. Including performances at professional venues, The Lowry, Greater Manchester and Victoria Hall, Stoke, for schools and family audiences.

Public Acts

To mark the fifth anniversary of Public Acts, *The Odyssey* was reimagined as an epic, multi-venue production made in collaboration with 192 community members and 98 professional artists and staff members from across the country.

Between March and August 2023, five episodes of *The Odyssey* were staged:

- The Lotus Eaters in Stoke-on-Trent in partnership with Restoke.
- The Cyclops in Doncaster in partnership with CAST.
- The Four Winds in Trowbridge in partnership with Trowbridge Town Hall.
- The Island of the Sun in Sunderland in partnership with Sunderland Culture and Sunderland Empire.
- The Underworld in the Olivier Theatre in partnership with Restoke as well as Queen's Theatre Hornchurch, Trybe House Theatre, and four specialist performance groups: Impact Dance Foundation, Vox Choir, a group of Irish Bodhrán Drummers and the South Wales Gay Men's Chorus.

To bring the shows together, there were over 190 rehearsal sessions held across the country. During the fifth episode, 400 costumes were made in house with 6,473 meals served to fuel the company and crew members throughout the final episode. In a survey at the end of the project, 80% of our company members said their idea of community had changed and that Public Acts had strengthened local pride and connections to place, creating more resilient and integrated communities, and 98% agreed that they would like to engage with the National Theatre again in the future.

We also created a documentary, *The Odyssey: A National Story*, following the creation of the landmark production. The documentary gives a unique insight into how this epic production was brought to life, highlighting the power of theatre to bring communities together. Created by award-winning director Hanan Abdalla, it is available to watch on the National Theatre's YouTube channel.

3. Be sustainable: economically, environmentally, socially, with the right culture that takes care of our people and the world around us

Making theatre sustainably

In September 2023, we hosted Making Theatre in a Time of Climate Crisis alongside the National Theatres of Scotland and Wales. It was attended, online and in person, by 300 directors and director-adjacent theatre practitioners from across the UK.

The conference marked the National Theatre's commitment to meeting Theatre Green Book 'baseline' standards in all its productions from the start of 2024. We are committed to developing a pathway that will see us achieve net zero by 2030. Using the Theatre Green Book as a framework, we are transforming our practice across three areas – productions, operations and buildings.

Productions

In 2023, we continued to encourage all artists, together with our production teams, to work to the Theatre Green Book baseline standard. From 2024, all productions have the contractual obligation to deliver minimum baseline standard of ensuring that 50% of all sets, costumes and props used in productions come from reused or recycled sources, and that 65% then go on to have a future life.

2024 productions *Till the Stars Come Down*, *Dear Octopus*, *Nye* and *Underdog: The Other Brontë* all successfully achieved this contractual baseline standard.

To help us accomplish our transition to net zero, we have begun our move into the new National Theatre Green Store, located in Bermondsey. The National Theatre Green Store will house all of our sets, props and costumes under one roof and will be a step forward on our path to creating a more circular economy in our productions. We hope this move will enable us to continue to meet this baseline standard across all our productions and have more productions meeting intermediate standards moving forward.

Operations

To enable all staff and teams to embed sustainability in their operations, in 2023/24 we began carbon literacy training. So far, 221 members of staff - 44% of our Executive Committee, and 71% of the Senior Leadership Team - have completed the training.

Buildings

Streamlined Energy and Carbon Reporting (SECR)

In accordance with the requirements of the SECR guidelines introduced by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2023/24:

Scope 1: Emissions from combustion of Gas tCO ₂ e:	
	2024: 1,021 tCO ₂ e (Energy consumption: Gas 5,581,358 Kwh)
	2023: 1,135 tCO ₂ e (Energy consumption: Gas 6,217,890 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'	
Scope 2: Emissions from purchased electricity tCO ₂ e:	
	2024: 1,269 tCO ₂ e (Energy consumption: Electricity 5,640,827 Kwh)
	2023: 1,036 tCO ₂ e (Energy consumption: Electricity 4,909,225 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'	
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e :	
	2024: 4.2 tCO ₂ e
	2023: 1.8 tCO ₂ e
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type	
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²):	
	2024: 0.038 TCO ₂ e/m ²
	2023: 0.036 TCO ₂ e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area	

In 2023/24 our gas use reduced slightly compared to the previous year, as our Combined Heat and Power plant was out of operation for a sustained period. We purchased 10% more electricity. Interrogating submeter usage, we found that energy use increased in electrical distribution boards connected to kitchens, front of house areas, overall building cooling, air plant, and our construction workshops. The biggest increases

were in areas covered by food and drink, and public spaces. This was due to the opening of our newest restaurant, Forza Wine, and increased onsite cooking for foyer food outlets. These areas had an increase of over 40% for electricity usage compared to 2022/23. The summer of 2023 was also one of the hottest for some years, leading to an increase in the need to cool our public spaces.

Financial sustainability

In 2023/24, income of £121.4m and expenditure of £125.4m generated a negative movement in total group funds of £4m; with a negative movement in unrestricted funds of £2.3m.

This movement reflects record levels of box office and fundraising income, with average box office financial capacity of 80 percent across the year, and strong growth to our West End commercial transfers activity; somewhat offset by the financial challenges of two touring productions (one national and one international), and other revenue generating areas either not reaching targets or choosing to make investment for future growth. Cost pressures include a 21 percent increase to production costs at our South Bank home and a 17 percent increase to our support costs, both heavily impacted by inflation. The extension of the higher rate of Theatre Tax Relief offered substantial support amounting to £9.1m in total in 2023/24.

The unrestricted operational fund is a deficit of £6m; this comprises cash and current asset investments of £13.9m, offset by other net liabilities of £19.9m, which includes the long-term loan liability (the Cultural Recovery Fund (CRF) loan of £20.9m repayable at annual repayments of circa £1.5m p.a., including interest, over 20 years from 2025).

Our unrestricted reserves target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash and current asset investment reserves are in line with our reserves policy.

Our ACE core revenue grant, which in 2023/24 was £16.15m, is critical to support our creative aims. The National Theatre was advised in October 2022 that it would receive a five percent cut to its annual grant, reducing it to £16.15m per annum in the three-year period 2023/24 to 2025/26.

Looking forward, repayments on the CRF loan, now totalling £20.9m with accrued interest, will commence in March 2025, with the first repayment of £750k and annual repayments of £1.5m thereafter.

The current higher rates of inflation and energy costs continue to have a significant impact on our cost base. Fifty-one percent of our expenditure relates to people, and we are mindful of the impact of the cost-of-living crisis on our staff and freelancers, and our ability to attract and retain staff and freelancers. Audience and consumer confidence continues to be affected by the cost-of-living crisis.

Future financial sustainability

The impacts to our operating environment post-pandemic have structurally changed the way that we do business, presenting significant challenges for income to keep pace with rising costs.

Financial modelling suggests that if we do not change or adapt our model, we will need to raise or save additional significant sums each year to achieve a break-even position. This is due to three key factors:

1. An ongoing annual increased need of circa £6m to maintain our operations at the inflationary increased levels of running the business.
2. The cut to our annual ACE grant of £0.85m with effect from 2023/24.
3. Repayments on the CRF loan of £20.9m commencing in 2025 at £1.5m p.a.

The Spring 2024 Budget announcement of the permanent extension of the higher rate Theatre Tax Relief has provided much needed relief to these impacts and will benefit the National Theatre by circa £2.5m per annum.

We have two other short-term reliefs to support this funding challenge for the next two years, providing the time needed to return to a break-even financial model by 2026/27:

1. The CRF loan not being repayable until 2024/25, and that first year at 50 per cent (£750k not £1.5m).
2. Drawing down on designated funds in the NT Risk and Programme Development Funds of £7m.

To achieve our target break-even financial position by 2026/27, we have identified income growth and cost saving targets in each of the next two years, by which point these reliefs are scheduled to end or will be spent down.

The five-year Entertain and Inspire strategy and accompanying 2023/24 Business Plan provide a framework for the critical thinking needed to achieve this. To deliver our four key objectives within this strategy, we created 20 Commitments that we would act on to meet the challenges of the future. A number of these Commitments are designed to help test and achieve financial sustainability through income growth or cost saving initiatives.

Two significant revenue generating Commitments were developed and launched during 2023/24:

- A comprehensive piece of research into audience purchasing behaviour; having held theatre ticket prices at pre-pandemic levels in light of the slow return of audiences. Following these findings, ticket price increases were introduced for 2024/25, but are only partially reflective of the cumulative impact of inflation across this period.
- A £125m fundraising campaign, Stories Start Here, was publicly launched in March 2024. This campaign, the most ambitious in the National Theatre's history, will raise revenue and capital funds to support the theatre's on-going financial sustainability.

Capital needs

In addition to the need to bring the business in line with a break-even revenue budget position by 2026/27, we have a concurrent urgent need to upgrade the National Theatre's infrastructure of our Grade II* listed building sitting over 5.5 acres on the South Bank.

The plan includes:

- Major infrastructure and fabric upgrades to our estate.
- Technical and production infrastructure and equipment within our theatres.
- On-site workshop facilities.
- Key areas within the estate to meet required environmental sustainability and accessibility targets, alongside tackling staff, artist and customer welfare concerns.

The UK Government grant of £26.4m announced in the Spring 2024 Budget, and the launch of our major funding campaign, Stories Start Here, are two key steps forward in delivering to this challenge. We remain confident about our future, but these are particularly challenging times for us and our sector.

Our culture

Inclusion Working Group

Our Inclusion Working Group is made up of 25 people including industry freelancers and staff from across the business, senior leaders and National Theatre Board members.

2023/24 saw the Inclusion Working Group work to ensure that the Culture Action Plan stays on track and is being delivered, as well as development of the Culture Calendar and equity, diversity and inclusion organisational resources.

As part of the Inclusion Working Group's annual review it was agreed to align the discussions at the Inclusion Working Groups meetings to those at the Senior Leadership Team Forum to act as sounding board and sense-checker for implementing new initiatives across the building. This could include policies, training or change of language, all with a focus on diversity and inclusion which flow from discussions at the quarterly Senior Leadership Team Forum meetings.

4. Attract the best collaborators: offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions

Our values

2023/24 was our first year working to our five values:

Make a positive impact – Striving to make the world a better place through theatre.

Bring your passion – Applying energy and expertise to achieve the highest standards.

Collaborate to create – Bringing ideas to life through teamwork and forging connection.

Empower each other – Working to build and uphold an inclusive and equitable culture.

Act with confidence – With the courage to make clear, intentional decisions that support our shared vision.

Equality, Diversity and Inclusion (EDI) Training

Building on our values, in 2023/24 we developed and are rolling out mandatory EDI Foundation Training, Working Inclusively, across every department. In total there will be 30 bespoke sessions, tailored to the specific needs of each department.

We have also introduced EDI Training targeted at managers, *Managing Inclusively*. This has been developed to support managers to feel equipped and empowered to act with confidence when leading, upholding, and building an inclusive and equitable culture, with a supportive mindset within their teams.

Diversity targets

In the 2017/18 financial year, the NT set itself five targets as a tool to support increasing the gender and ethnic diversity of writers, directors and actors on our South Bank stages over the following five years.

- 50% of living writers on NT stages will be female
- 50% of directors working on NT stages will be female
- 20% of on-stage work will be written or adapted by global majority writers
- 20% of directors working on NT stages will be from the global majority
- A minimum of 25% of performers will be from the global majority

These targets are one of the tools the National Theatre has employed which have led to a significant shift in the diversity of people who we have worked with over the following years. The targets were not designed to change things overnight, but to bring about long term and permanent shifts in who we work with. When we look at the annual results since 2016/17 (a year before the targets were set) we can see that the change has been gradual, and while there have been fluctuations from year to year, the trend is of increasing percentages of female and global majority representation.

The impact of the targets is most marked when we compare the data from where we started to where we are now:

Target	2016/17	2023/24
50% of living writers on NT stages will be female	33%	53%
50% of directors working on NT stages will be female	30%	44%
20% of on-stage work will be written or adapted by global majority writers	9%	18%
20% of directors working on NT stages will be from the global majority	17%	22%
A minimum of 25% of performers will be from the global majority	not available	37%

Targets by their nature should be challenging and when we set ours, we wanted to ensure that they would stretch us. They have done, and continue to, and whilst we have not met all the targets in 2023/24 the results this year and last show that we continue to strive to meet them.

Target	2022/23	2023/24
50% of living writers on NT stages will be female	35%	53%
50% of directors working on NT stages will be female	47%	44%
20% of on-stage work will be written or adapted by global majority writers	19%	18%
20% of directors working on NT stages will be from the global majority	33%	22%
A minimum of 25% of performers will be from the global majority	35%	37%

PRODUCTIONS PRESENTED IN 2023/24

Olivier Theatre

- *Dancing at Lughnasa* by Brian Friel, directed by Josie Rourke.
- *Dear England* by James Graham, directed by Rupert Goold.
- *The Odyssey: Episode 5 – The Underworld* by Chris Bush, music by Jim Fortune, directed by Emily Lim.
- *The Father and the Assassin* by Anupama Chandrasekhar, directed by Indhu Rubasingham.
- *The Witches*, book and lyrics by Lucy Kirkwood, music and lyrics by Dave Malloy, directed by Lyndsey Turner. A co-production with Roald Dahl Story Company.
- *Nye* by Tim Price, directed by Rufus Norris. A co-production with Wales Millennium Centre.

Lyttelton Theatre

- *The Motive and the Cue* by Jack Thorne, directed by Sam Mendes. A co-production with Neal Street Productions.
- *The Effect* by Lucy Prebble, directed by Jamie Lloyd. In association with The Jamie Lloyd Company.
- *The House of Bernarda Alba* by Alice Birch after Federico García Lorca, directed by Rebecca Frecknell.
- *The Confessions* by Alex Zeldin, directed by Alex Zeldin. An A Zeldin Company/Compagnie A Zeldin Production, co-commissioned by the National Theatre, RISING Melbourne and Théâtres de la Ville de Luxembourg.
- *Kin* created and directed by Amit Lahav. A Gecko production.
- *Dear Octopus* by Dodie Smith, directed by Emily Burns.

Dorfman Theatre

- *Dixon & Daughters* by Deborah Bruce, directed by Róisín McBrinn. A co-production with Clean Break.
- *Grenfell: in the words of survivors* by Gillian Slovo, co-directed by Phyllida Lloyd and Anthony Simpson-Pike.
- *Death of England: Closing Time* by Clint Dyer and Roy Williams, directed by Clint Dyer.
- *Infinite Life* by Annie Baker, directed by James Macdonald.
- *Till the Stars Come Down* by Beth Steel, directed by Bijan Sheibani.
- *Underdog: The Other Other Brontë* by Sarah Gordon, directed by Natlie Ibu. A co-production with Northern Stage.

Beyond the South Bank

- *The Lehman Trilogy* by Stefano Massini, adapted by Ben Power, directed by Sam Mendes. A co-production with Neal Street Productions.
- *The Ocean at the End of the Lane* based on the novel by Neil Gaiman, adapted by Joel Horwood, directed by Katy Rudd.
- *The Crucible* by Arthur Miller, directed by Lyndsey Turner.
- *The Motive and the Cue* by Jack Thorne, directed by Sam Mendes. A co-production with Neal Street Productions.
- *Dear England* by James Graham, directed by Rupert Goold.
- *The Effect* by Lucy Prebble, directed by Jamie Lloyd. In association with The Jamie Lloyd Company.
- *A Strange Loop* by Michael R. Jackson, directed by Stephen Brackett. A co-production with Howard Panter for Trafalgar Theatre Productions, Barbara Whitman and Wessex Grove.
- *Dr Semmelweis* by Stephen Brown with Mark Rylance, directed by Tom Morris. Sonia Friedman Productions and the National Theatre present the Bristol Old Vic production.
- *Standing at the Sky's Edge*, music and lyrics by Richard Hawley, book by Chris Bush, directed by Robert Hastie. A National Theatre and Sheffield Theatres co-production in association with Various Productions.
- *Hadestown*, music, lyrics and book by Anais Mitchell, developed with and directed by Rachel Chavkin. Produced in London by Mara Isaacs, Dale Franzen, Hunter Arnold, Tom Kirdahy and the National Theatre, in association with JAS Theatricals.
- *The Odyssey: Episode 1 – The Lotus Eaters* by Gabriella Gay and the company, directed by Clare Reynolds and Paul Rogerson. Presented by Restoke.
- *The Odyssey: Episode 2 – The Cyclops* by Tajinder Singh, directed by Madeleine O'Reilly. Presented by Cast.
- *The Odyssey: Episode 3 – The Four Winds* by Florence Espeut-Nickless, directed by Jesse Jones. Presented by Trowbridge Town Hall.
- *The Odyssey: Episode 4 – The Island of the Sun* by Lindsay Rodden, directed by Annie Rigby. Presented by The Fire Station (for Sunderland Culture in partnership with Sunderland Empire Theatre).
- *Jekyll & Hyde* by Evan Placey, directed by Kirsty Housley.
- *Wuthering Heights* based on the novel by Emily Brontë, adapted and directed by Emma Rice. A National Theatre, Wise Children, Bristol Old Vic and York Theatre Royal co-production.
- *My Beautiful Laundrette* Based on the screenplay by Hanif Kureishi and directed by Nikolai Foster. A Theatre Nation Partnerships production, produced by Curve.

2023/24 saw us jointly win Theatre of the Year at The Stage Awards alongside Watermill Theatre. Rufus Norris, Kate Varah, Clint Dyer, Kash Bennett, and the National Theatre were also ranked as number one in The Stage 100 2024.

We were nominated for 15 Olivier Awards, taking home Best New Play for James Graham's *Dear England*, with Will Close awarded Best Actor in a Supporting Role for his performance of Harry Kane also in *Dear England*, and Mark Gatiss winning Best Actor for his portrayal of Sir John Gielgud in *The Motive and the Cue*.

2024/25 Commitments

Commitments are priority areas of work that are cross-organisational and where there is need to scale-up, change or evolve in order to help us achieve our four Objectives.

We knew at the point of writing last year's Business Plan that our Commitments list would evolve, some would be 'completed' and others would merge with other workstreams.

For 2024/25, there will therefore be 16 Commitments (reduced from 20 in 2023/24) which will enable us to deliver against our five-year strategy:

Innovate to expand our audience

- Revitalising the model for National Touring
- Exploring Innovation and Future Opportunities
- Building Customer Loyalty and Revenue alongside Audience Development
- Becoming sector-leading in our accessibility work.

Inspire creativity and boost skills

- Inspire – so every young person in the country can access the NT by the time they leave school
- Participation – develop creative and foundational skills through theatre-making
- Skills – offer support and opportunities to those wishing to progress a career in the creative industries, particularly those who are under-represented
- Using robust Data, Research and Evidence to underpin our decision-making and establish our impact.

Be sustainable – economically, environmentally, socially

- Increasing philanthropic income through our Stories Start Here campaign
- Assessing our global work and developing a future-facing international strategy
- Driving more Ancillary Income onsite through our Food and Drink, bookshop and tours
- Continuing our work towards achieving Net Zero by 2030
- Ensuring we are fit to deliver our strategy through review of our organisation design, communications, governance, compliance and culture.

Attract the best collaborators

- Investing in our workforce through Training and Staff Development
- Ensuring our staff and freelancers are cared for and representative of society
- Transforming our estate to provide cutting-edge technical infrastructure in upgraded auditoriums, in a sustainable building, alongside sector-leading workshops with the latest technology.

Our approach to fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and the Charity Commission for England and Wales guidance, as well as the National Theatre's corporate policies, such as Anti-Bribery. The National Theatre voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. No issues of non-compliance with this code occurred during the year (2022/23: None).

All our fundraising activity is delivered in-house by our Development team, and we ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We do not engage a professional fundraiser or commercial participator. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to the Trustees at regular board meetings. There are processes in place to manage and identify risks to protect the National Theatre's income, assets and reputation. Internal objectives are set by the Development team each year as part of the National Theatre's budgeting process – these funding goals have been met in 2023/24.

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a safeguarding policy, procedures and processes in place to ensure that we are doing all we can to protect vulnerable people.

Self-evaluation

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to the National Theatre productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including National Theatre Live, our Learning activity and our membership schemes. The Associates group (a group of 14 freelancers attached to the National Theatre) meets regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy.

We conduct detailed press campaign reports for every production as well as a wide variety of audience feedback research. We are constantly seeking feedback from all stakeholders and audiences and use the learning to try and improve the quality of the work on our stages.

The diversity targets we have set for writers, directors, and performers on our stages help us approach programming with a greater degree of self-awareness. We look across current and future programming, assess our current performance against these targets and make appropriate adjustments to our programme decision-making.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. We currently collect and analyse over 25,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. In 2023/24 we have developed a refreshed framework for self-evaluation of our activity in line with ACE's Let's Create strategy.

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In 2023/24 we have developed a Theory of Change (TOC) of the NT that sits within our Evaluation Strategy. We will be testing this TOC on selected Learning programmes in 2024/25.

Section 172 (1) statement

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors/trustees to act in the way that they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires the National Theatre, as a large company, to report on how directors/trustees have complied with Section 172 and other linked matters:

1. Section 172: Directors/Trustees must promote the charity towards its charitable objectives, considering:

a) The likely consequence of any decision in the long term

Trustees developed the National Theatre's strategic objectives (pages 8 and 9 of this report) as part of its five-year Entertain and Inspire strategy to make theatre that entertains and inspires using our creativity, expertise and unique reach. The needs of our beneficiaries – our audiences, future audiences and especially young people – and those of our other key stakeholders – our employees, our freelancers, Arts Council England and donors – form the bedrock of our strategic plans.

Decisions regarding our 2023/24 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience diversity aim, *The Ocean at the End of the Lane* continued on a 29-venue tour during the year.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 35 to 38 of this report.

b) The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's ongoing success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform

our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, we worked collaboratively with staff and freelancers through a series of workshops and consultations to determine the values that guide our behaviours in support of our Entertain and Inspire strategy. We recognise three trade unions, which we regularly consult with on key aspects of business planning. For example, our annual cost-of-living employee pay award is agreed in consultation with those unions.

Our employee strategy reflects concerns raised by employees as well as feedback from staff meetings. In response to concerns raised by staff, we added courses to support wellbeing, stress management and financial management to our e-learning platform, and our Employee Assistance Programme, available to all staff, includes six free counselling sessions on any subject.

c) The need to foster the charity's business relationships with suppliers, customers and others

Engagement with our customers, such as our audiences, participants in our learning programmes and teachers, is essential to ensure that we understand and meet their needs.

Executive Management regularly seeks and evaluates feedback from our audiences through a rolling programme of audience insight gathered through surveying. This takes place for every staged production and periodically for digital initiatives, including online streaming. We are thus able to build a detailed picture of how the theatre's output is received by different audience groups, including those traditionally under-represented, and to understand motivations for attendance and engagement. This insight programme continued this year. We communicate, on a personalised and regular basis, with our audiences and our membership base in accordance with their communication preferences.

We regularly seek and evaluate feedback from the young people and teachers who engage in our learning programmes; this feedback is fed into the development of these programmes and future activity plans. Regular consultation with teachers has informed the development of learning resources alongside the productions on the National Theatre Collection. More information on how we seek feedback from our beneficiaries can be found on page 34 of this report.

We have developed strong relationships with certain key suppliers who support our stages technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our stages and those across the theatre sector. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d) The impact of the charity's operations on the community and the environment

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 17 to 19 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

e) The desirability of the charity maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviours. Areas covered include fundraising (our fundraising practices are discussed on pages 28 and 29 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

We use our organisational values in our recruitment and training for employees and our induction of freelancers to ensure that these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

f) The need to act fairly as between members of the charity

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, with inclusivity and accessibility paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Inclusion Working Group (IWG) exists as an advisory group to the National Theatre, being a catalyst for the change we want to see by actively contributing to the organisation's work on equity, diversity, inclusion and belonging. Facilitated by Melanie Richards, Diversity Champion for the National Theatre Board of Trustees, the IWG is made up of a group of colleagues with a mixture of skills, demographics and experience across the organisation in order to achieve the greatest breadth of thought and opinion. This includes both staff and freelancers. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and informed the Equity, Diversity and Inclusion policy for 2023/24.

2. How directors/trustees have engaged with employees and taken account of their interests

Our staff are crucial to our success, and we regard ongoing, regular engagement with them as a top priority.

Trustees are updated at each Board meeting on any substantive matters of staff concern. Trustees are regularly updated on progress against our Employee Strategy, including equity, diversity and inclusion, and key issues arising from the annual staff survey. Trustees are advised of any health and safety issues at each Trustee Board meeting, and our Head of Safety attends the meeting on an annual basis to provide a full report on progress and issues.

Executive Management provide staff with information on matters of concern and interest to them and encourage feedback through various channels of communication, including bi-weekly all-staff briefings on current activity and upcoming events, quarterly all-staff briefings on progress against our strategic plans, regular departmental team meetings and our staff intranet. Executive Management consult with staff and measure employee engagement and satisfaction through regular surveys and address any issues raised as quickly as possible.

We have a number of Staff Networks, set up to bring together and represent specific groups of employees, with the aim of helping to establish a sense of community and support for these groups of people, as well as providing social networks. This includes groups representing protected characteristics and they are consulted on equity, diversity and inclusion matters.

3. How directors/trustees have engaged with other stakeholders, for example service users, beneficiaries, funders and the wider community

Our relationships with partners, suppliers and other key stakeholders are key to our effectiveness.

Trustees and Executive Management ensure, through regular engagement with key stakeholders, that we maintain an understanding of their needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on relevant stakeholders.

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with regional theatres under our Theatre Nation Partnerships initiative. More information on this can be found on pages 11 and 12 of this report.

Our Associates group meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Executive in developing a forward-looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

Our donors are fundamental to our ability to achieve our aims and mission. We engage, on a regular basis, with all our donors and seek their feedback, in accordance with their communication preferences.

Our funding relationship with ACE is crucial to the delivery of our mission. We ensure our aims meet those of ACE, and report to them our progress against these aims and Key Performance Indicators (KPIs) on an annual basis. An ACE representative attends our Trustee Board meetings.

Risks

Internal Control and Risk Management

Trustees are responsible for ensuring that the National Theatre has effective risk management and control systems and processes in place. Agreed processes are in place by which the Trustees identify, review and assess major risks and agree with management the controls that already are, or will be, put in place to manage those risks. The details form part of the Risk Register, which Trustees review on a regular basis. Executive Management has responsibility for managing resources, monitoring performance and establishing and maintaining effective internal control systems. The system of internal control and risk management is designed to:

- Identify and prioritise strategic and operational risks to the achievement of the National Theatre's aims and objectives.
- Evaluate the likelihood of those risks being realised and their potential impact.
- Manage these risks efficiently, effectively and economically.

Trustees are satisfied that appropriate internal control systems and risk management processes are in place.

Key components of the National Theatre's risk management include:

- A five-year strategic plan and annual budget approved by the Trustees, against which progress is reported regularly, including monthly financial reporting of results.

- Regular consideration by the Trustees of financial results and variance from budgets.
- Delegation of authority and segregation of duties.
- Clear policies on health and safety, and safeguarding children, young people and adults at risk, to ensure compliance with statutory requirements.
- Trustees review of the National Theatre's Risk Register on a regular basis.
- Senior management review of key strategic and operational risks on a regular basis. Consideration is given to progress on mitigating actions, new and emerging risks and opportunities.
- The Internal Auditor reviews risks and internal controls on a regular basis and reports findings to the Trustees' Finance and Audit Committee.

The system is designed to manage rather than to eliminate the risks faced by the National Theatre and it must be recognised that such a system can provide only reasonable and not absolute assurance.

Principal risks and uncertainties

The National Theatre continues to monitor and take necessary actions to ensure that we have sufficient reserves to continue to operate on an ongoing basis, whilst also supporting the needs of our staff, freelancers, donors, audiences, students/young people, teachers and other beneficiaries, and the theatre sector.

The National Theatre faces the following principal risks and challenges as of September 2024:

Risk	Area of concern	Mitigation
Artistic	Presenting new writing on our two main stages can be challenging given: • The size and associated challenges of the Olivier and Lyttelton theatres • Our reliance on strong box office sales • Our aim to grow our audience reach • The draw of creatives to work in the more lucrative film and TV sectors.	We aim to mitigate this risk through: • Seeking and developing talent • Ongoing development work within our New Work Department • Effective customer relationship management and marketing • A refreshed programming process and programming group that is planning two years ahead.

Reputational, communication and advocacy risks	Our reputation can be impacted by: • Our London location failing to reflect our national remit and reach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention • Ineffective communications handling or response to incidents. All of which could impact one or more income streams and our ability to attract talent.	We aim to mitigate this risk by: • Weaving national reach into the 2023–2027 National Theatre Strategy and Business Plan • Creating a clear story of our national and international reach to funders, Government etc • Advocacy activity with Government, Mayor of London and ACE • Undertaking due diligence on donors and investors following our Donor and Investor Acceptance policies • Careful consideration of internal and external and pro-active and reactive messaging, alongside a Communications Crisis Plan • Setting out clear standards of behaviour for staff, freelancers and audiences including Dignity and Respect at work and Social Media Policies.
Compliance	Compliance risks arise in four key areas: • The inherent health and safety risks involved in theatre production and presentation (e.g., working at height, noise, manual handling) • A data protection breach (GDPR) • A cyber or ransomware attack • Safeguarding risks in our work on our stages, on tour and in our Learning and Community programmes.	We mitigate these risks by: • Maintaining best practice in health and safety including a robust management structure for safety, a competency framework, staff training, investigation of near misses and incidents and Safe-Working Groups • GDPR policy and procedures that are monitored by a steering group and supported by a tested Data Breach Process • Enhanced cyber security systems including dedicated staffing, staff training, system scans, enhanced passwords and access authentication • Robust safeguarding policy and procedures that are regularly reviewed and supported by our Safeguarding Steering Group, staff training and Finance and Audit Committee oversight.

Business planning and management risks	There are a number of areas where we face risks that will either prevent us from operating our business, or make it more difficult to operate our business: • Terrorism and the potential for a terrorist attack on London • Failure of key customer-facing business systems such as the website and ticket booking platform • A major incident arising from the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London • Failing to support our growing organisational and artistic ambitions due to capacity overstretch • Being unable to recruit and retain staff of the calibre required to support our standards of excellence and innovation across our artistic, operational and commercial teams.	We mitigate these risks through: • Maintaining best practice, technology and training for our security team • Building strong relationships with neighbours, neighbourhood groups and the police • Up to date and resilient business systems including a cloud-based ticketing system and robust website • A Major Incident Plan that is being updated and that is supported by plans for specific incident types • The 2023–2027 Strategy and Business plans that sets out the scope of our activities and ensures that they are properly resourced; supported by a capable and experienced Executive Management and Senior Leadership Team. • The strengthening of our People and Culture teams to promote an inclusive working culture and support the recruitment, retention and development of staff and freelancers.
Financial risks	Insufficient funding at present to support our ten-year capital replacement plan. In addition, insufficient funds would arise if we fail to meet our income targets for Box Office, Fundraising, Digital and Enterprises, and/or to deliver our cost-saving initiatives This could lead to:	We are mitigating these risks with: • Carefully developed five-year business plan that shows a path to break even by 2026/2027, including a number of strategies (Commitments) aimed at growing income and reducing expenditure across the next three to five years • Strong Development team and robust fundraising strategy

	• An inability to invest adequately in our repertoire and to support new styles of work • An increase to the current shortfall to funding of our ten year capital plan.	• Ten-year capital plan, with an identified funding shortfall across this period, for which a range of options to address this are under consideration • <i>Stories Start Here</i> fundraising campaign that has been supported by a £26m grant from the UK Government • Risk and Programme Development designated funds of £7.9m to support our operating model through this transition period to break-even by 2026/2027 • Strong ACE relationship management and strategic alignment with ACE objectives • Annual operating contingency of £1m.

Financial summary

Financial review – 2023/24

In 2023/24, income of £121.4 million and expenditure of £125.4 million resulted in a negative movement in total group funds of £4.0m. This compares to a negative movement of £1.9m in 2022/23. The net movement in group funds excluding long-term funds (which comprise fundraising income and depreciation in respect of our buildings) was a decrease of £0.3m. This compares to an increase of £4.7m in 2022/23.

Income for productions at the South Bank at £27.5m is the highest ever box office in the NT's history with 890 performances held across all theatres.

At 31 March 2024, total group funds were £81.8m, of which negative (£6.0) million are unrestricted operations funds (26 March 2023: £85.8m and negative (£3.7) million respectively). The unrestricted operations fund of negative (£6.0) million include a long-term liability – the Cultural Recovery Fund loan of £20.9m (2023: £20.5m). This loan and its interest are repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equal instalments of £750k, the first instalment being due in March 2025, the final instalment in March 2041. The Trustees are comfortable that no further steps are necessary to eliminate this deficit.

The 2023/2024 period covers the 53 weeks ended 31 March 2024; the comparative 2022/2023 period cover the 52 weeks ended 26 March 2023.

Principal funding sources

The National Theatre maintains a balance between self-generated income – box office and exploitation of the National Theatre productions in the UK and internationally (c. 56% catering and front-of-house trading (c. 14%), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (c. 15%), public subsidy (core revenue grant and project related) from ACE (c. 14%) and other income of (c. 1%).

Arts Council England

ACE core revenue grant at £16.2m (2022/23: £17.0m), represents c.13% of the income received by the National Theatre (2022/23: c.19%).

With effect from 2023/24, the grant has been cut by £3.45m since 2010/11, a real-terms reduction of 52.5%. This includes the most recent cut of five per cent to £16.15m a year, in respect of the three-year period 2023/24 to 2025/26.

Fundraising

The Development department had another strong year raising £19.2m (£15.9m in 2022/23). £1.9m of revenue activity (£1.6m in 2022/23) in relation to commercial sponsorship is recorded within income from other trading activities.

Box office income

Box office income on the South Bank, as well as the national tour of *The Ocean at the End of the Lane*, the International tour of *The Lehman Trilogy* and West End transfers of *The Lehman Trilogy*, *The Crucible*, *Dear England* and *The Motive* and the Cue amounted to £54.6m (2022/23: £30.4m).

National Theatre Live and Digital

Total income for the year for National Theatre Live and Digital was £10.5m (£9.3m in 2022/23).

Tax credits

Theatre, film and TV tax credits are a significant contributor to the National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2023/24 amounted to £9.1m (2022/23: £7.6m) due, in part, to the extension of the higher rate tax relief.

Trading and other income

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are principally conducted through the National Theatre's wholly owned subsidiary Royal National Theatre Enterprises Limited. Food and drink services are delivered through an out-sourced catering provider, the model having previously been run in-house. The aim is to bring in external food and drink expertise to deliver a high-quality service, and to grow revenue and profit from these areas; by creating the National Theatre as a destination for food and drink, working in partnership with the provider and alongside two highly credible independent restaurateurs to run the two restaurants, and with a range of street food traders to expand the casual dining, café and grab- and-go offerings. The car park is operated under a franchise.

The total income generated by our trading operations in 2023/24 was £18.0m (2022/23: £14.5m), including commercial sponsorship income of £1.9m (2022/23: £1.6m). The total profit before the management charge payable to the National Theatre from the Royal National Theatre Enterprises Limited was £3.2m (2022/23: £3.1m).

Trading and other income also includes £1.4m (2022/23: £2.1m) comprising licensing fees generated by National Theatre Productions Limited and Royal National Theatre North America LLC, box office and other income generated by Three Brothers Broadway LLC's production of *The Lehman Trilogy* in the US and, in the prior year, a grant from the US Government for the transition of reopening theatres in the USA.

The National Theatre continues to benefit from its culturally exempt VAT status, which means that there is no VAT on ticket income at the National Theatre but that a proportion of VAT on expenditure is irrecoverable.

Expenditure

Production costs

Production expenditure at the National Theatre, in the West End and on tour totalled £73.8m (£45.6m in 2022/23) and represented 69% (2022/23: 61%) of total expenditure on charitable activities for the year.

National Theatre Live and Digital

Total expenditure for the year for National Theatre Live and Digital was £13.9m (£13.0m in 2022/23).

NT Learning and Public Engagement

Total expenditure for the year for the National Theatre Learning (education) and Public Engagement programme was £7.2m (£5.8m in 2022/23). £4.0m was covered by fundraising and £0.5m generated through ticket and fee income.

Research and development

Expenditure on research and development totalled £3.2m (£3.0m in 2022/23), including £1.5m expenditure in the New Work Department.

Trading activities

Expenditure on trading activities totalled £15.7m (£13.7m in 2022/23), principally comprising catering and hospitality costs of £12.6m (£9.2m in 2022/23).

Support costs

Support costs cover expenditure on front-of-house staff responsible for contact with the audience; box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, people and IT. These costs are allocated against the activities listed above. Total support costs were £24.0m (£20.5m in 2022/23), returning to pre-pandemic levels and reflecting that the building was open for the full year.

Staff costs

Staff costs, including social security, pension costs and redundancy costs, totalled £47.6m (£37.8m in 2022/23). Staff numbers increased on the previous year to 840 (778 in 2022/23), as the theatre continued its recovery after the impact of Covid.

Capital expenditure

Total capital expenditure for the year was £6.2m (£6.7m in 2022/23). £2.2m of this related to investment in our theatres' technical and production infrastructure; comprising lighting infrastructure and equipment of £0.5m; stage systems and equipment of £1m and sound and video systems and equipment of £0.7m. The transfer from the operations fund to the designated fund for capital was £3.4m (£3.1m in 2022/23).

Reserves

Unrestricted operations fund

The policy for budgeting annual income and expenditure is directed towards enabling the National Theatre to continue its current level and quality of activity. To avoid accumulating an on-going deficit, each year the National Theatre seeks to match income and expenditure, whilst taking into account the level of grant receivable from ACE.

The National Theatre's unrestricted reserves target is set, in recognition of its inherently risky business model, to ensure that it provides adequate resources to enable the continuity of the National Theatre's operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on trading and fundraising, and economic uncertainty.

Following a risk-assessed impact review of income and expenditure, we determined that a target, equivalent to approximately three months normalised core operating expenditure, is appropriate, of circa £15m. Excluding the long-term loan liability, our unrestricted cash and current asset investment reserves are in line with our reserves policy.

As at 31 March 2024, we held negative (£6.0m) in unrestricted reserves and of our designated reserves £27.8m is held in cash and current asset investments. Of the £27.8m, £16.6m is required to address urgent capital works, £8.0m is required to fund the current business model's risk and future investment, £0.5m to cover upgrade of our Digital technology, £1.5m to cover one year's repayment instalment of the Cultural Recovery Fund concessionary loan and £1.2m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

Buildings and equipment designated fund

The policy is to ensure that sufficient money is set aside in the reserve so that, over a three-year period, the National Theatre can maintain and renew the building in accordance with its rolling capital plan. Over time, these reserves will reduce to zero as the assets are fully depreciated.

NT Future designated fund

This represents NT Future assets funded by the National Theatre. NT Future was a major project largely completed by 2014 which included new building and refurbishment works, and technical infrastructure upgrades. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Restricted funds

These are funds which have been earmarked by donors for specific purposes. The funds are analysed between long-term and short-term – long-term being mostly for capital purposes, and short-term for project activity, as set out in Note 19 of the financial statements. Short-term funds will be spent in full in the next 18–24 months. The balance on the long-term capital funds represents funds received from donors to purchase fixed assets less the depreciation charged on an annual basis. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Financial policies

Reserves policy

The policy is to hold a minimum of the equivalent of three months of core, operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash and current asset investment reserves are in line with our reserves policy.

Investment policy

The policy is to hold investments in liquid funds, so that they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. Deposits and interest rates are reviewed each time the Finance and Audit Committee meets.

At 31 March 2024, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank and other interest earned for the year was £1.5m (£0.5m in 2022/23).

Creditor Payment policy

It is The Royal National Theatre's policy to pay creditors in accordance with terms of payment agreed at the start of business with each supplier.

Remuneration

The Royal National Theatre aims to pay salaries which are fair, competitive with the arts sector and proportionate to the complexity of each role. In determining the right level of pay The Royal National Theatre:

- Has a job evaluation process.
- Ensures all staff are paid the London Living Wage as a minimum.
- Currently pays a dispersion ratio of approximate 1:3.6 between the highest salary and the median salary.

The Trustee Board is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive team, comprising the Chief Executive and Executive Director. The Executive is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive Committee and the Senior Leadership Team and reporting annually to the Board.

Financial Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Price risk: Payments to employees or individuals (such as freelancers) represent a significant proportion (circa 47%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures.

The Royal National Theatre's receives income from the Arts Council (c£16.2 million); this has been reduced by 5% from £17 million a year, in the three year period 2023/24 to 2025/26.

The Royal National Theatre has freedom over its ticket pricing, and ticket income represents c55% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

Credit risk: Risk on amounts owed to The Royal National Theatre by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at point of purchase.

Liquidity risk: The Royal National Theatre operates cash flow management to ensure that sufficient levels of its unrestricted reserves are held in cash as operating capital on short term deposit. In March 2021, The Royal National Theatre took out a 20-year loan for £19.7m from the Government via its Cultural Recovery Fund to provide additional liquidity due to the impact of Covid. See Note 18 of the Financial Statements for further details.

Interest rate cash flow risks: The Royal National Theatre places surplus funds on short-term deposit split between 3 major clearing banks and CCLA. Interest rates available on longer term deposits are kept under review but longer-term deposits will only be made for specific major project funds where the term of the deposit matches the anticipated cash flow requirement.

Property Interests

The Royal National Theatre has a lease of its building on the South Bank site from Arts Council England for a term expiring in March 2138. The building is Grade 2* listed. The freehold of the Old Vic Annexe (the NT Studio), The Cut, London SE1 is owned by The Royal National Theatre and this building was listed in March 2006. See Note 11 of the Financial Statements for details of legal charges.

Subsidiaries and Related Undertakings

Details of the Group's subsidiaries and related undertakings are included in Note 25 of the Financial Statements.

Going Concern

The Trustees must satisfy themselves as to The Royal National Theatre's ability to continue as a going concern for a minimum period of 12 months from the date of approval of the financial statements.

The Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2026.

The Royal National Theatre, as a National Portfolio Organisation, places significant reliance on Arts Council England grant funding support, in order to seek to balance income and expenditure on an annual basis. The Trustees have taken into account ACE funding for the three-year period from April 2023 at a level of circa £16.15m per annum as communicated to the Group in October 2022.

The Trustees have also considered in their assessment of going concern the impact of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) on the Group's liquidity position. This comprises (a) reduced audience and visitor numbers, (b) reduction in NT Live & Digital and Trading income, (c) reduced levels of donations, (d) higher levels of inflation impacting payroll costs and materials and other costs and (e) delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2026, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2026 – maintaining a balance between supporting the activities that are crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

Further details of the above are set out in Note 3 of the Financial Statements.

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2026, being a period of at least 12 months from the date of approval of the financial statements. For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of the financial statements.

GOVERNANCE

Board Members up to the date of the report

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton
Dame Vikki Heywood DBE
Simon Minty
Vicki Mortimer
Dame Karen Pierce
Amanda Pritchard
Elizabeth Pryce
Melanie Richards CBE
Tim Score
Farrah Storr
Simon Warshaw

Executive

Rufus Norris, Artistic Director & Chief Executive

Kate Varah, Executive Director

Executive Committee

Liz Fosbury, Chief Operating Officer
Clint Dyer, Deputy Artistic Director
Alex Bayley, Chief Marketing Officer
Kathryn Marten, Chief Development Officer
Christine Gettins, Director of Producing
Paul Handley, Director of Production & Technical
Alice King-Farlow, Director of Learning & National Partnerships

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Governing Document

The Royal National Theatre is a company limited by guarantee (Company Number 749504) governed by its Memorandum and Articles of Association, which were last updated on 26 November 2012. It is a registered charity at the Charity Commission for England and Wales (Charity Number 224223).

Charitable Objects

The Royal National Theatre's charitable objects, as stated in its governing document, are to promote and assist the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, so far as of a charitable nature, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The achievement of our aims, as set out in the Strategic Report above, enable us to fulfil our charitable objects and legal purpose.

Public Benefit

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission for England and Wales's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, in the provision of lower price tickets for all performances. Geographical reach is achieved through touring and NT Live broadcasts to cinemas in the UK and overseas. The NT's Learning programme seeks to introduce children and young people to theatre and offers participation opportunities both on-site and across the country. Through a programme of talks, exhibitions, publishing and digital content The Royal National Theatre inspires and challenges audiences of all ages.

The Board

The Board is the non-executive and unpaid governing body of The Royal National Theatre. Board members are both directors of the company and charity trustees who, under company and charity law, are responsible for policy, administration and general control. The Board works with the Executive to ensure that The Royal National Theatre's remit is fulfilled, its work remains of the highest quality, and it is managed efficiently and cost-effectively. The Board has responsibility for setting the remuneration of the Executive. The Board delegates to the Artistic Director the selection and staging of all productions and does not interfere in repertoire decisions.

The Board met 6 times between April 2023 and March 2024, with the Executive and Executive Committee present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

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The Nominations Committee considers Board composition, skills, diversity and succession planning and addresses gaps with new Board appointments. The Board has taken active and effective measures over the past few years to increase the diversity of its composition

Trustee Induction and Training

New Trustees are briefed by the Executive on the activities of The Royal National Theatre and their obligations as Trustees, meet with the Executive Committee and Senior Leadership Team to understand each area of its operations, and are given the opportunity to tour The Royal National Theatre and see its activities.

The Executive

The Executive comprises the Artistic Director* and Chief Executive, Rufus Norris and the Executive Director, Kate Varah. Together, the Executive are responsible to the Board for devising and delivering the artistic programme, policies and management of The Royal National Theatre to the strategy agreed with the Board. The Board appoints the Executive, both of whom report to the Board.

Associate Directors* and NT Associates

Rufus Norris is supported in making repertoire decisions by The Royal National Theatre's Associate Directors.

**The term "Director" is a traditional title used at The Royal National Theatre. Neither the Directors, the Associate Directors nor other members of the Executive, are directors under the Companies Act 2006, or Trustees under the Charities Act 2011.*

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 47. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 104 and 105 of this Annual Report and details of the subsidiaries are set out in Note 25 of the Financial Statements.

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Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met five times during the year and met the external, Independent Auditors on five occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

The Nominations Committee is appointed by and from the Board and reviews the structure, size and composition of the Board and, in the light of that review, makes recommendations to the Board with regard to the appointment of new members and the re-appointment of any member and the Chair at the conclusion of his or her first term of office.

Development Board

The Development Board assists in fundraising for The Royal National Theatre. Its members, who are co-opted onto the Development Board, represent the three fundraising sectors – Individuals, Trusts and Corporates. The full Development Board meets at least twice a year, and each sector group also meets at least twice a year. The Development Board reports regularly to The Royal National Theatre Board through its Chair, who is a member of the main Board.

Connected Charities

Details of Connected Charities are set out in Note 24 of the Financial Statements.

Executive Management at The Royal National Theatre

The review of activities shows that The Royal National Theatre has many facets.

- The Chief Executive and Executive Director hold the overall responsibility for the day-to-day management of The Royal National Theatre with the assistance of the Executive Committee and the Senior Leadership Team.
- The Senior Leadership Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer, Chief Marketing Officer or Chief Development Officer, who report to the Executive Director.
- The Executive Committee meets weekly as a decision-making group supporting the Chief Executive and Executive Director. In addition to a fortnightly management team meeting of the Executive Committee, Senior Leadership Team and all Heads of Departments, plus a quarterly Senior Leadership Team meeting, efficient cross-departmental working is managed through a series of groups meeting on a regular basis.
- The key decision-making groups include Producing, Planning (repertoire), Financial Planning, Capital Projects, National Theatre Productions, Enterprises, Health and Safety, and IT and other project related Steering groups.

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Communication is key and The Royal National Theatre aims to engage all its employees and others working at The Royal National Theatre in its activities and achievements.

- All staff are invited to a bi-weekly company meeting led by Rufus Norris and Kate Varah.
- Information from the bi-weekly company meetings and other new developments and policies are available on The Royal National Theatre's intranet.
- Staff briefings, led by the Chief Executive and Executive Director, are held four times a year to brief staff, in more detail, on various aspects of policy and programming and to provide a forum for discussion.

All staff are required to cooperate with The Royal National Theatre's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why The Royal National Theatre's workforce is not better representative of the population of London; what barriers, if any, there might be and what measures might be taken to improve diversity.

The Royal National Theatre's disability policy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for, employees who have become disabled persons while employed; and (c) ensuring the same training, career development and progression opportunities are available to all staff regardless of any disability. The Royal National Theatre is a Disability Confident Employer.

The Health and Safety team is closely involved in the key risk areas of the organisation and advises and assists with health and safety aspects of productions, special events, accident investigations and training.

Trustees' Transactions

The Trustees are not remunerated for their work as Trustees of The Royal National Theatre. From time to time, members of the Trustee Board, or persons connected with them, enter into transactions with The Royal National Theatre in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms, and are in accordance with the specific provisions of clause 5 of the Memorandum of Association. It is the Board's policy that they should be disclosed to and approved by the Board and disclosed in the Financial Statements.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Royal National Theatre for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the company and group financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the

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financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” has 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company’s transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on Disclosure of Information to the Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company’s auditors are aware of that information.

Trustees’ Indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Royal National Theatre also purchased and maintained throughout the financial year Trustees’ and Officers’ liability insurance in respect of itself and its Trustees.

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Auditors

PricewaterhouseCoopers LLP continue in office as auditors of The Royal National Theatre.

Approval

The Trustees' Report, including the Strategic Report, set out on pages 3 to 53 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:

Sir Damon Buffini
Chair, The Royal National Theatre



Date: 19/9/24

Company registration number 749504.
Registered charity number 224223.

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Independent auditors' report to the members of The Royal National Theatre

Report on the audit of the financial statements

Opinion

In our opinion, The Royal National Theatre's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2024; the consolidated statement of financial activities (including an income & expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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's and the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

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However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Trustees' Report and the Strategic Report included within it, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the trustees are responsible for assessing the group's and the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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. 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.

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.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Charities Act 2011 and relevant regulations made or having an effect thereunder, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investments and cash balances at the period end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations or through collusion.

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A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 19/9/24

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account) for the year ended 31 March 2024

		53 weeks ended 31 March 2024					52 weeks ended 26 March 2023				
		Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
		Operations	Designated	Projects	Long Term		Operations	Designate	Projects	Long Term	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:	Note(s)										
Donations & legacies	5(a)/(b)	24.7	-	9.4	-	34.1	24.7	-	6.8	-	31.5
Charitable activities	5(c)	66.4	-	-	-	66.4	40.4	-	-	-	40.4
Interest income	5(c)	1.5	-	-	-	1.5	0.5	-	-	-	0.5
Other trading activities	5(d)	19.4	-	-	-	19.4	16.6	-	-	-	16.6
TOTAL Income & Endowments	20	112.0	-	9.4	-	121.4	82.2	-	6.8	-	89.0
Expenditure on:											
Raising donations & legacies		(3.3)	-	-	-	(3.3)	(2.6)	-	-	-	(2.6)
Charitable activities	6 (a)	(91.9)	(3.9)	(6.9)	(3.7)	(106.4)	(62.5)	(3.1)	(5.3)	(3.7)	(74.6)
Other trading activities	6 (b)	(15.7)	-	-	-	(15.7)	(13.7)	-	-	-	(13.7)
TOTAL Expenditure	19	(110.9)	(3.9)	(6.9)	(3.7)	(125.4)	(78.8)	(3.1)	(5.3)	(3.7)	(90.9)
Net Income / (Expenditure)		1.1	(3.9)	2.5	(3.7)	(4.0)	3.4	(3.1)	1.5	(3.7)	(1.9)
Transfers between Group Funds	19	(3.4)	5.2	(1.8)	-	-	(3.1)	5.6	0.4	(2.9)	-
Net Movement in Group Funds		(2.3)	1.3	0.7	(3.7)	(4.0)	0.3	2.5	1.9	(6.6)	(1.9)
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	(3.7)	49.8	2.9	36.8	85.8	(4.0)	47.3	1.0	43.4	87.7
TOTAL Group Funds carried forward	19/20	(6.0)	51.1	3.6	33.1	81.8	(3.7)	49.8	2.9	36.8	85.8

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 61 to 102 form part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS - as at 31 March 2024

		As at 31 March 2024		As at 26 March 2023	
	Note(s)	Group £m	Company £m	Group £m	Company £m
Tangible assets	11	56.2	53.8	57.1	54.2
Investments	12	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		56.4	54.0	57.3	54.4
Current Assets:					
Stocks	13	0.2	-	0.2	-
Cost of productions not yet opened	14	0.2	0.1	1.1	0.2
Debtors	15	30.5	28.6	29.1	28.5
Investments	16	13.3	13.3	12.8	12.8
Cash in bank and in hand	16	31.1	24.8	29.0	26.2
TOTAL Current Assets		75.3	66.8	72.2	67.7
Current Liabilities:					
Creditors: amounts falling due within one year	17	(29.8)	(21.4)	(23.2)	(18.7)
TOTAL Net Current Assets		45.5	45.4	49.0	49.0
Non-Current Liabilities:					
Creditors: amounts falling due after more than one year	18	(20.1)	(20.1)	(20.5)	(20.5)
TOTAL Net Assets		81.8	79.3	85.8	82.9
The Funds of the Group and Company:					
Operations Funds	19/20	(6.0)	(8.5)	(3.7)	(6.6)
Designated Funds	19/20	51.1	51.1	49.8	49.8
Restricted Funds	19/20	36.7	36.7	39.7	39.7
TOTAL Group and Company Funds	19/20	81.8	79.3	85.8	82.9

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expenditure for the Company for the year was £3.6m (PY: £2.9m net expenditure). The Notes on pages 61 to 102 form part of these financial statements. The financial statements on pages 58 to 102 were approved by the Board of Trustees and signed on its behalf by:

Sir Damon Buffini (Chair)

Da. M. hft

Date: 19/9/24

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 31 March 2024

	Note(s)	53 weeks ended 31 March 2024 £m	52 weeks ended 26 March 2023 £m
Cash flows from operating activities			
Net cash provided by / (used in) by operating activities	26	7.6	(6.5)
Cash flows from investing activities:			
Purchase of tangible fixed assets	11	(6.2)	(6.7)
Increase in current asset investments	16	(0.5)	(0.2)
Interest received		1.1	0.5
Net cash used in investing activities		(5.6)	(6.4)
Increase / (Decrease) in cash and cash equivalents in the reporting period		2.0	(12.9)
Cash and cash equivalents at the beginning of the reporting period	16	29.0	41.6
Exchange gains on cash and cash equivalents		0.1	0.3
Cash and cash equivalents at the end of the reporting period	16	31.1	29.0

The Group's net debt is a net credit of £10.2m (2023: £8.5m) comprising the Group's cash and cash equivalents of £31.1m (2023: £29.0m) (note 16) less the concessionary loan (including accrued interest) of £20.9m (2023: £20.5m) (notes 17 and 18). The movement in the period was solely due to the cash flows of the Group as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 61 to 102 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre ("the National", "the NT" or "the Company") is a private company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees' report on pages 8 and 9.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of "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" (the "Charities SORP").

The 2023/2024 period covers the 53 weeks ended 31 March 2024; the comparative 2022/2023 period covers the 52 weeks ended 26 March 2023. The financial year is calculated on a 52 week basis, and every 6th year there is a 53 week period.

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

B. GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2026, which is a period of at least 12 months from the date of approval of the financial statements.

This assessment period was selected as it aligns to the Group's financial year end, is consistent with its budgeting process and timelines and is a period of at least 12 months from the date of approval of the financial statements.

Based on the Group's cash flow projections, the Trustees have adopted the going concern basis of accounting in preparing these financial statements.

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- Audience numbers at the Southbank continue to return to pre-pandemic levels.
- West End commercial productions continue at current levels, whereas Touring is at a lower level than in previous years.
- Income from NT Live & Digital and Trading activity continues to grow.
- Arts Council England (ACE) annual grant funding, for the three-year period from April 2023, remains at levels communicated to the Group at £16.15m per annum.
- The ability to continue to attract sponsorship and obtain donations is retained, alongside support from The Royal National Theatre Foundation.
- Full management of the Group's fixed and variable cost structure.

SENSITIVITY ANALYSIS

The Trustees have considered the impact on forecast and projected activities, budgets, cash flows and liquidity of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) such that the key assumptions are not met, or able to be met, in whole or in part.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

This comprises:

- Reduced audience and visitor numbers.
- Reduction in NT Live & Digital and Trading income.
- Reduced levels of donations.
- Higher levels of inflation on payroll costs and materials and other costs.
- Delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2026, without needing to implement mitigating actions. Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2026.

CONCLUSIONS

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2026, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of these financial statements.

Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and the Group were unable to continue as a going concern.

C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the disclosure exemptions from preparing a statement of cash flows and reconciliation of net debt, on the basis that it is a qualifying entity.

D. BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The Royal National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 24). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions and balances outstanding between the entities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

E. FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the period have been translated at the prevailing rate of exchange at the date of the transaction. Non-monetary assets are recorded at the prevailing rate of exchange at the date of the original transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date.

Foreign exchange differences incurred in respect of overseas activities are recorded in the Statement of Financial Activities within the activity which the income and expenditure relates in the period in which they are incurred.

The functional currency of the Company and its UK based subsidiaries is pounds sterling, and the functional currency of its US subsidiaries, National Theatre North America LLC, Curious Incident Broadway LP and Three Brothers Broadway LLC is US dollars. The presentational currency of the Group is pounds sterling.

The income and expenditure of foreign subsidiaries consolidated within the Group financial statements are translated from their functional currency to the presentational currency at the average rate of exchange for the period. The balance sheet of each foreign subsidiary is translated to the presentational currency at the prevailing rate of exchange at the balance sheet date. Any exchange gains or losses are accounted for within other comprehensive income within the Statement of Financial Activities.

F. FUND ACCOUNTING

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes.

Restricted funds may only be used in accordance with the specific wishes of donors.

An expendable endowment fund is held in long term restricted funds. Under the terms of donation this will be converted at the trustees' discretion into expendable income at the end of the 20-year term (December 2028).

G. INCOME & ENDOWMENTS

All income and endowments are included in the Statement of Financial Activities when the Group has legal entitlement, there is reasonable probability over receipt and the amount of income can be quantified with reasonable accuracy.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

DONATIONS & LEGACIES

Donations and legacies comprise of income from sponsorships, donations, legacies, grants, and membership subscriptions. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – The Royal National Theatre Foundation and American Associates of the National Theatre - is recognised at the point at which the amount receivable is known.

Where donor-imposed conditions, such as grant terms, require that funds are expended in a future period or that the Group is entitled to funds only once specific conditions are met, then amounts are recorded as deferred at the balance sheet date. Income is then recognised once conditions have been met, income is recorded as deferred income at the balance sheet date.

Sponsorship income represents income received from commercial organisations in support of specific activities or projects. Income is recognised at the point where the goods/services in relation to the activities or projects are delivered.

Income from individual membership schemes eligible for Gift Aid is recognised in full on receipt. Corporate and other individual membership income is apportioned over the year of the subscription and the element relating to a future year is recorded as deferred income at the balance sheet date.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Goods and services received in kind, where significant (>£10k) are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the Group at the time of receipt.

Arts Council England's revenue grant is recognised in the period to which the funding relates. All other grant income from Arts Council England is recognised in line with expenditure of the project funded.

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

- income from performances at The Royal National Theatre;
- income from touring activities (UK and International) under the management of the Group (excluding grant income); and
- ticket sales for productions which have transferred to the West End under The Royal National Theatre direct management.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

All other income:

- income from NT Learning performances, NT Live ticket income, NT at Home subscriptions, events and workshops; and
- sundry income (recognised on a receivable basis).

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. NT at Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities and through third party arrangements;
- box office, royalty and profit share income generated by other NT subsidiaries (in the UK and USA) from the commercial exploitation of The Royal National Theatre's productions to the extent that the Group is entitled to such income.
- sponsorship income received from commercial organisations in support of specific activities or projects.

This income is recognised on a receivable basis.

INTEREST INCOME

Interest income is recognised using the effective interest rate method.

H. EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing sponsorship, donations and grants including the costs of providing membership benefits.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

CHARITABLE ACTIVITIES

Expenditure which relates directly to the Group's charitable objectives are analysed between:

- performances at The Royal National Theatre or elsewhere under direct management of the Group;
- performances on tour (UK and International);
- NT Live (streaming and broadcasting of The Royal National Theatre performances) and Digital;
- NT Learning (education and participation work) and Public Engagement (including Archive, NT Live, Inside Out, Platforms, Foyer Music); and
- research and development (including the NT Studio and commissioning costs).

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities, they have been apportioned as set out in Note 6(c). Staff canteen costs are shown net of contributions.

OTHER TRADING ACTIVITIES

Expenditure which forms part of the Group's trading activities and commercial exploitations that are separately disclosed as Other Trading Activities.

I. LEASE OF THE NATIONAL THEATRE BUILDING

The Royal National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The Royal National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The Royal National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 19).

J. FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £2,000 are capitalised.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Depreciation is provided on a straight-line basis to write off the cost of assets, less estimated residual values, over their anticipated useful economic lives and is charged to the relevant fund as follows:

Freehold land & buildings	50 years (excluding land, which is not depreciated)
Leasehold improvements	5 years, 10 years and 20 years
Equipment	3 years, 5 years and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When considering the existence of impairment indicators, The Royal National Theatre considers, amongst other things, the ability of assets to assist in the delivery of The Royal National Theatre's future activities.

Assets within work in progress are not depreciated until they are brought into use.

Assets are derecognised when they are disposed of or when no future economic benefits are expected from their use or disposal.

K. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

L. STOCKS

Stocks, principally held by The Royal National Theatre's trading subsidiary (RNTE), comprise of bookshop and programme supplies for resale. Other stocks comprise consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the latest purchase price for bookshop and programme stock, and on actual cost for production stock. Where it is identified that stocks will not be sold as a result of a prolonged closure, then the stocks are considered to have £nil value. All impairment losses are recognised within the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Financial Activities. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Financial Activities.

M. COSTS OF PRODUCTIONS NOT YET OPENED

The direct costs, including the cost of materials, associated creative fees and costs of rehearsals, of each new production are carried forward on the balance sheet prior to productions opening as Cost of productions not yet opened. Once a production opens, these costs and associated tax credit are recognised as performances take place, with expenses yet to be recognised held as prepayments. Where circumstances lead to the production being cancelled, the amounts recognised are impaired to £nil. Overheads, including the cost of workshop labour, are expensed as incurred.

N. CASH AND CURRENT ASSET INVESTMENTS

Cash and current asset investments include cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities. Deposits with original maturities of 3 months or more, or require a similar level of notice before withdrawal, are classified as current asset investments.

O. PROVISIONS

Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

P. REDUNDANCY/TERMINATION BENEFITS

Termination benefits paid to employees, such as redundancy costs, are recognised within expenditure as soon as the Group has a detailed formal plan for the termination of employment and has no realistic alternative possibility of withdrawal from the plan.

Q. OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

R. FINANCIAL INSTRUMENTS

The Group's financial instruments are basic financial instruments as defined by Section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the Group.

The carrying values of financial assets are reviewed for objective evidence of impairment at the end of each financial period. Where an impairment loss has been identified, the loss is immediately recognised within the Statement of Financial Activities.

Financial instruments are derecognised when the contractual obligation is discharged, settled, cancelled or expired.

During the year ended 28 March 2021, the Group entered into a public benefit entity concessionary loan arrangement. The Group has elected to apply the accounting treatment set out under Section 34 under FRS 102. As a result, the loan was initially measured and recognised in the balance sheet at the amount of the loan principle amount received. Subsequently, the Group adjusts the carrying amount of the loan in each accounting period to reflect repayments and accrue for interest payable.

S. PENSIONS

The Group offers a stakeholder defined contribution pension scheme to its employees and also contributes to defined contribution schemes for certain of its employees. These costs are expensed in the Statement of Financial Activities as they become payable.

T. TAXATION

The Royal National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the assets. The Royal National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Royal National Theatre Enterprises Limited and National Theatre Productions Limited pay their taxable profits to the Company, through a Deed of Covenant, under Gift Aid.

NOTES TO THE FINANCIAL STATEMENTS

Royal National Theatre North America LLC pays a profit distribution to the Company. The Company has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

The Group receives creative industry tax credits from HMRC on qualifying expenditure. These are shown as reductions to the related expenditure within the Statement of Financial Activities. Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates, in current and future periods, positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation or in light of correspondence with the relevant tax authority and amends tax amounts, where appropriate, on the basis of amounts expected to be received from or paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Other than the judgment in relation to Going Concern, discussed in Note 3, the key judgment made in preparing the financial statements is discussed below.

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 24). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following in respect of the following US entities:

- Curious Incident Broadway LP – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Three Brothers Broadway LLC – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is sole general partner of the partnership and the partnership's limited partners, who provided funding to finance the partnership initially, have no decision-making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LLC, and so its results are consolidated in these financial statements.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are no estimates for which there is a significant risk of a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

As noted on pages 8 and 9 of the National's Strategic Report, the Group has four key objectives, Objective 3 of which is to be sustainable: economically, environmentally, socially, with the right culture that takes care of the National's people and the world around it. The National recognise that climate change needs to be tackled urgently and has made commitments, as an organisation, to develop a pathway to address it. The key themes of the environmental strategy are: Productions, Operations and Buildings. The Group's specific plans are in the early stages of development and execution and, as a result, no indicators of either asset impairment or a need to changes asset useful economic lives have been identified. This will be kept under review as plans are further developed.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP)

a) Donations & Legacies – Analysis by Fund Type

	Year ended 31 March 2024					Year ended 26 March 2023				
	Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
	Operations	Designated	Projects	Long Term		Operations	Designated	Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):										
Revenue Grant	16.2	-	-	-	16.2	17.0	-	-	-	17.0
Capital and other Grants	-	-	0.6	-	0.6	-	-	0.2	-	0.2
TOTAL ACE	16.2	-	0.6	-	16.8	17.0	-	0.2	-	17.2
Other:										
Performances	-	-	0.9	-	0.9	-	-	0.8	-	0.8
NT Live & Digital	-	-	0.6	-	0.6	-	-	0.7	-	0.7
NT Learning & Public Engagement	-	-	4.0	-	4.0	-	-	3.5	-	3.5
NT Studio, Research & Development	-	-	0.5	-	0.5	-	-	0.3	-	0.3
Long Term Projects	-	-	2.4	-	2.4	-	-	0.9	-	0.9
Other Income	-	-	-	-	-	-	-	0.1	-	0.1
Donations supporting General Activity	8.5	-	0.4	-	8.9	7.7	-	0.3	-	8.0
TOTAL Other	8.5	-	8.8	-	17.3	7.7	-	6.6	-	14.3
TOTAL Donations & Legacies	24.7	-	9.4	-	34.1	24.7	-	6.8	-	31.5

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

b) Donations & Legacies – Analysis by Income Type

	Year ended 31 March 2024				Year ended 26 March 2023			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):								
Revenue Grant	-	-	16.2	16.2	-	-	17.0	17.0
Capital and Other Grants	-	-	0.6	0.6	-	-	0.2	0.2
Other:								
Performances	-	0.6	0.3	0.9	-	0.5	0.3	0.8
NT Live & Digital	0.4	0.2	-	0.6	0.4	0.2	0.1	0.7
NT Learning & Public Engagement	0.3	0.5	3.2	4.0	0.3	2.3	0.9	3.5
NT Studio, Research & Development	-	0.1	0.4	0.5	-	0.1	0.2	0.3
Long Term Projects	-	0.3	2.1	2.4	-	0.4	0.5	0.9
Other Income	-	-	-	-	0.1	-	-	0.1
Donations supporting General Activity	0.8	7.8	0.3	8.9	2.8	5.0	0.2	8.0
TOTAL Other	1.5	9.5	6.3	17.3	3.6	8.5	2.2	14.3
TOTAL Donations & Legacies (all UK)	1.5	9.5	23.1	34.1	3.6	8.5	19.4	31.5

Recognised within donations and legacies are Gifts in Kind of £0.8m during the year (2023: £0.8m).

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

c) Charitable Activities and Interest Income

	2024 Total £m	2023 Total £m
Performances:		
National Theatre	27.5	22.0
West End Commercial Transfers	22.4	5.6
UK Touring	2.9	2.8
International Touring (principally USA)	1.8	-
TOTAL Performances	54.6	30.4
Other Activities:		
NT Live & Digital	10.5	9.3
NT Learning & Public Engagement	0.5	0.6
Other Income	0.8	0.1
TOTAL Other Activities	11.8	10.0
SUBTOTAL Income from Charitable Activities (all UK, except USA)	66.4	40.4
Interest Income	1.5	0.5
TOTAL Income	67.9	40.9

Touring income includes co-production and touring fees where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

d) Other Trading Activities

	2024 Total £m	2023 Total £m
Rights, Royalties & Exploitations – USA	0.7	1.5
Grant – United States of America	-	0.6
Rights, Royalties & Exploitations – West End	0.7	-
Catering & Hospitality	13.1	10.3
Retail & Prop and Costume Hires	1.9	1.7
Car Park	0.7	0.7
Tours & Events	0.4	0.2
Sponsorship Income	1.9	1.6
TOTAL Income from Trading Activities (all UK, except USA)	19.4	16.6

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP)

a) Expenditure on Charitable Activities

	Year ended 31 March 2024						Year ended 26 March 2023					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Performances:												
National Theatre	26.6	9.9	-	1.1	-	37.6	22.0	11.2	-	0.6	-	33.8
West End Commercial Transfers	20.9	4.7	-	-	-	25.6	5.6	1.9	-	-	-	7.5
UK Touring	6.4	1.5	-	-	-	7.9	3.2	1.1	-	-	-	4.3
International Touring	2.2	0.5	-	-	-	2.7	-	-	-	-	-	-
TOTAL Performances	56.1	16.6	-	1.1	-	73.8	30.8	14.2	-	0.6	-	45.6
Other Activities:												
NT Live & Digital	9.6	3.7	-	0.6	-	13.9	8.2	4.1	-	0.7	-	13.0
NT Learning & Public Engagement	0.9	1.9	-	4.4	-	7.2	1.7	0.8	-	3.3	-	5.8
NT Major Projects	-	-	0.5	-	-	0.5	-	-	0.1	-	-	0.1
Research & Development	1.7	1.1	-	0.4	-	3.2	1.8	0.9	-	0.3	-	3.0
Other Expenses	0.3	-	-	0.4	-	0.7	-	-	-	0.4	-	0.4
TOTAL Other Activities	12.5	6.7	0.5	5.8	-	25.5	11.7	5.8	0.1	4.7	-	22.3
Other:												
Depreciation	-	-	3.4	-	3.7	7.1	-	-	3.0	-	3.7	6.7
TOTAL Other	-	-	3.4	-	3.7	7.1	-	-	3.0	-	3.7	6.7
TOTAL Expenditure on Charitable Activities	68.6	23.3	3.9	6.9	3.7	106.4	42.5	20.0	3.1	5.3	3.7	74.6

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

b) Other Trading Activities

	2024 Total £m	2023 Total £m
Rights, Royalties & Exploitations	-	2.1
Catering & Hospitality	12.6	9.2
Retail & Prop and Costume Hires	2.3	1.9
Car Park	0.2	0.2
Tours & Events	0.6	0.3
TOTAL Expenditure on Trading Activities	15.7	13.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

c) Analysis of Support Costs

	Year ended 31 March 2024				Year ended 26 March 2023			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.5	0.5	-	-	0.3	0.3
Charitable Activities:								
Performances:								
National Theatre	1.6	3.7	4.6	9.9	1.7	3.9	5.6	11.2
West End Commercial Transfers	1.2	-	3.5	4.7	0.4	-	1.5	1.9
UK Touring	0.4	-	1.1	1.5	0.2	-	0.9	1.1
International Touring	0.1	-	0.4	0.5	-	-	-	-
Other Activities:								
NT Live & Digital	0.6	1.4	1.7	3.7	0.6	1.4	2.1	4.1
NT Learning & Public Engagement	0.3	0.7	0.9	1.9	0.1	0.3	0.4	0.8
Research & Development	0.2	0.4	0.5	1.1	0.1	0.3	0.5	0.9
TOTAL Charitable Activities	4.4	6.2	12.7	23.3	3.1	5.9	11.0	20.0
Other Trading Activities	-	0.1	0.1	0.2	-	0.1	0.1	0.2
TOTAL Support Costs	4.4	6.3	13.3	24.0	3.1	6.0	11.4	20.5

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen. Support costs are allocated to the key activity areas driving support costs as above based on their proportionate costs to overall direct costs.

* Governance costs for the year were £0.3m (2023: £0.2m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £153k (2023: £110k). The Group audit fee includes £51k (2023: £29k) borne by the RNT on behalf of audit services provided to the subsidiaries. Fees for tax compliance services of £9k (2023: £8k) due to PricewaterhouseCoopers LLP were borne by RNT on behalf of tax services provided to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Wages and salaries	42.4	42.4	33.5	33.5
Social security costs	3.5	3.5	3.0	3.0
Other pension costs	1.5	1.5	1.2	1.2
Redundancy costs	0.2	0.2	0.1	0.1
	47.6	47.6	37.8	37.8

The average number of employees in the year are 933 permanent staff including management (2023: 901) and 130 casual and temporary staff (2023: 215). The Group considers business activities by full-time equivalent staff, further analysis is provided below based on average full-time equivalent staff employed in the year:*

	Group 2024 Number	Company 2024 Number	Group 2023 Number	Company 2023 Number
Artistic	130	130	144	144
Technical and production	368	368	321	321
Trading and front of house	92	92	85	85
Education, touring, New Work dept and other projects	57	57	58	58
Marketing and box office	47	47	43	43
Support services	83	83	69	69
Engineering	26	26	24	24
Fundraising	37	37	34	34
	840	840	778	778

* All staff excluding actors are employed by The Royal National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)

The Group's consolidated US entities incurred staff costs of £nil (2023: £0.5m, comprising wages and salaries in respect of 39 individuals who were employed on productions during the year). Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £4.2m (comprising £3.8m wages and salaries and £0.4m social security and other costs) (2023: £4.1m, comprising £3.7m wages and salaries and £0.4m social security and other costs) in respect of 231 individuals (2023: 199) who were employed by the third party during the year.

The number of employees with emoluments greater than £60,000 was as follows:

	2024	2023
	Number	Number
£60,000 - £70,000	33	17
£70,001 - £80,000	10	7
£80,001 - £90,000	6	5
£90,001 - £100,000	4	4
£100,001 - £110,000	3	4
£110,001 - £120,000	5	-
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£160,001 - £170,000	1	1
£170,001 - £180,000	1	1
	65	40

Pension contributions of £0.1m (2023: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.4m (2023: £1.5m), comprising the Executive (Chief Executive and Executive Director) and the Executive Committee.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment during the year or in the previous year were incurred while on the Company's business. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 31 March 2024 was £7k (2023: £10k). £11k (2023: £4k) was also paid in relation to royalties on NT at Home and NT Live screenings. The Company's governing documents permit such payments to Trustees and were approved by the Board.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.5m (2023: £1.2m) with £0.3m (2023: £0.2m) payable at the balance sheet date. The Group charge for the year was £1.5m (2023: £1.2m) with £0.3m (2023: £0.2m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in Notes 19 and 25.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £9.1m (2023: £7.6m).

Royal National Theatre North America LLC pays a profit distribution to The Royal National Theatre. The Royal National Theatre has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (GROUP)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2023	6.6	60.6	39.7	0.6	17.9	5.8	48.1	0.2	2.8	182.3
Additions	-	0.5	0.4	-	0.7	0.4	0.3	0.9	3.0	6.2
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
Transfers from work in progress	-	1.1	0.4	0.1	0.6	0.2	0.1	-	(2.5)	-
As at 31 March 2024	6.6	62.2	40.5	0.7	19.2	6.4	44.1	1.1	3.3	184.1
Accumulated Depreciation										
As at 26 March 2023	1.8	26.5	36.8	0.5	8.9	3.7	47.0	-	-	125.2
Charge for period	0.1	3.1	0.7	-	1.9	0.7	0.6	-	-	7.1
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
As at 31 March 2024	1.9	29.6	37.5	0.5	10.8	4.4	43.2	-	-	127.9
Net book value										
As at 31 March 2024	4.7	32.6	3.0	0.2	8.4	2.0	0.9	1.1	3.3	56.2
As at 26 March 2023	4.8	34.1	2.9	0.1	9.0	2.1	1.1	0.2	2.8	57.1

Freehold land and buildings include NT Studio land at a cost of £0.7m (2023: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2023: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

Fixed and floating charges over The Royal National Theatre's leasehold registered offices at Upper Ground, London SE1 9PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge was released on 30 July 2024.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (COMPANY) (continued)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2023	6.6	60.6	39.7	0.6	13.3	4.7	46.7	0.2	2.8	175.2
Additions	-	0.5	0.4	-	0.7	0.4	0.2	0.9	3.0	6.1
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
Transfers from work in progress	-	1.1	0.4	0.1	0.6	0.2	0.1	-	(2.5)	-
As at 31 March 2024	6.6	62.2	40.5	0.7	14.6	5.3	42.6	1.1	3.3	176.9
Accumulated Depreciation										
As at 26 March 2023	1.8	26.5	36.8	0.5	6.7	3.1	45.6	-	-	121.0
Charge for period	0.1	3.1	0.7	-	1.4	0.6	0.6	-	-	6.5
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
As at 31 March 2024	1.9	29.6	37.5	0.5	8.1	3.7	41.8	-	-	123.1
Net book value										
As at 31 March 2024	4.7	32.6	3.0	0.2	6.5	1.6	0.8	1.1	3.3	53.8
As at 26 March 2023	4.8	34.1	2.9	0.1	6.6	1.6	1.1	0.2	2.8	54.2

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	0.2	0.2	0.2	0.2

In 2008, the Company invested £200,000 into a 20-year gilt in accordance with the terms of a donation received from a long-term benefactor. At the end of the 20-year term, the capital sum (£166,000) will become available for use by the Company. Interest on the gilt accrues to the Company on a received basis. The initial premium on the gilt is amortised over the life of the gilt. The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

See Note 25 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Goods for resale	0.2	-	0.2	-
	0.2	-	0.2	-

Stock impairment losses charged to the statement of financial activities during the year for the Group were £nil (2023: £0.1m) and for the Company were £nil (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS

14. COST OF PRODUCTIONS NOT YET OPENED

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
National Theatre – Productions	0.1	0.1	0.2	0.2
National Theatre – NT Live screenings scheduled 2024-25	0.1	-	0.9	-
	0.2	0.1	1.1	0.2

These costs relate to productions which are planned to start in the financial period ending 30 March 2025 for which expenditure has been incurred in the period to 31 March 2024.

15. DEBTORS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Amounts falling due within one year:				
Trade debtors	3.5	2.8	3.6	2.2
Amounts owed by group undertakings	-	21.1	-	14.2
Other debtors	1.5	0.7	1.6	1.4
Tax recoverable	19.1	0.4	13.2	2.4
Prepayments and accrued income	6.4	3.6	10.7	8.3
	30.5	28.6	29.1	28.5

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

Included within tax recoverable is £18.7m (2023: £11.2m) relating to theatre tax relief (TTR) and film tax relief (FTC) claims for the years 2023/24 of £9.1m, and £9.6m relating to prior year claims.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENTS AND CASH AT BANK AND IN HAND

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Current asset investments:				
Bank deposits with maturity > 3 months	13.3	13.3	12.8	12.8
Cash at bank and in hand:				
Cash and bank balances	31.1	24.8	29.0	26.2

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Amounts falling due within one year:				
Trade creditors	1.3	0.7	3.0	2.6
Advance bookings	6.3	6.3	4.3	4.3
Taxation and social security	1.4	1.3	1.0	0.7
Other creditors and accruals	16.8	10.3	12.3	9.6
Deferred income (all utilised in year)	3.2	2.0	2.6	1.5
Concessionary loan (see note 18)	0.8	0.8	-	-
	29.8	21.4	23.2	18.7

NOTES TO THE FINANCIAL STATEMENTS

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Concessionary loan	20.1	20.1	20.5	20.5
	20.1	20.1	20.5	20.5

Consequent on the impact of Covid on the Group's finances, in December 2020, The Royal National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group could seek to return to financially sustainable operations by March 2022.

The finance agreement was signed in February 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16-year period from March 2025. The facility is unsecured, but has certain on-going non-financial covenants and conditions attached to it.

The interest charge for the year was £0.4m (2023: £0.4m).

The principal loan balance that falls due within one year is £nil, between two and five years is £3.7m, and after more than five years is £16.0m.

The total loan balance of £20.9m (£20.1m in note 18 and £0.8m in note 17) comprises the principal of £19.7m and accrued interest of £1.2m.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY

	Balance at 26 March 2023	Income	Expenditure	Transfers	Balance at 31 March 2024	Balance at 28 March 2022	Income	Expenditure	Transfers	Balance at 26 March 2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:										
Unrestricted operations fund*	(3.7)	112.0	(110.9)	(3.4)	(6.0)	(4.0)	82.2	(78.8)	(3.1)	(3.7)
Unrestricted designated										
NT Future Fund	4.5	-	(0.6)	-	3.9	6.2	-	(0.5)	(1.2)	4.5
Building & Equipment Fund	34.6	-	(3.2)	5.6	37.0	30.4	-	(2.6)	6.8	34.6
Security Fund	0.3	-	(0.1)	-	0.2	0.3	-	-	-	0.3
Loan Repayment Fund	1.5	-	-	-	1.5	1.5	-	-	-	1.5
Risk Fund	4.9	-	-	(0.9)	4.0	4.9	-	-	-	4.9
Investment Fund	1.0	-	-	-	1.0	1.0	-	-	-	1.0
Programme Development Fund	3.0	-	-	-	3.0	3.0	-	-	-	3.0
Digital Future Tech Fund	-	-	-	0.5	0.5	-	-	-	-	-
TOTAL unrestricted designated funds	49.8	-	(3.9)	5.2	51.1	47.3	-	(3.1)	5.6	49.8
TOTAL unrestricted funds	46.1	112.0	(114.8)	1.8	45.1	43.3	82.2	(81.9)	2.5	46.1
RESTRICTED : Project funds										
NT Performance	0.5	0.9	(1.1)	-	0.3	0.2	0.8	(0.5)	-	0.5
NT Live & Digital	-	0.6	(0.6)	-	-	-	0.7	(0.7)	-	-
NT Learning & Public Engagement	1.1	4.0	(3.8)	-	1.3	0.8	3.6	(3.3)	-	1.1
NT Studio Projects (R&D)	-	0.5	(0.4)	-	0.1	-	0.3	(0.3)	-	-
ACE UK Touring	-	0.6	(0.6)	-	-	-	0.2	(0.2)	-	-
General Activity	-	0.4	(0.4)	-	-	-	0.3	(0.3)	-	-
Capital	1.3	2.4	-	(1.8)	1.9	-	0.9	-	0.4	1.3
TOTAL restricted project funds	2.9	9.4	(6.9)	(1.8)	3.6	1.0	6.8	(5.3)	0.4	2.9
RESTRICTED : Long term funds										
NT Future Fund	20.5	-	(2.6)	-	17.9	23.1	-	(2.6)	-	20.5
ACE NT Future Fund	11.3	-	(1.0)	-	10.3	12.3	-	(1.0)	-	11.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	3.9	-	(0.1)	-	3.8	4.0	-	(0.1)	-	3.9
Drum Revolve Fund	-	-	-	-	-	0.2	-	-	(0.2)	-
Staging Technology Fund	-	-	-	-	-	1.4	-	-	(1.4)	-
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long-Term Funds	-	-	-	-	-	1.3	-	-	(1.3)	-
TOTAL long-term funds	36.8	-	(3.7)	-	33.1	43.4	-	(3.7)	(2.9)	36.8
TOTAL restricted funds	39.7	9.4	(10.6)	(1.8)	36.7	44.4	6.8	(9.0)	(2.5)	39.7
TOTAL Group funds	85.8	121.4	(125.4)	-	81.8	87.7	89.0	(90.9)	-	85.8

NOTES TO THE FINANCIAL STATEMENTS

19.THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

	At 31 March 2024 £m	At 26 March 2023 £m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Company unrestricted operations fund (as disclosed in the Company Balance Sheet)	(8.5)	(6.6)
Unrestricted retained surplus held by trading subsidiaries (note 25c)	2.5	2.9
Group unrestricted operations fund	(6.0)	(3.7)

DESIGNATED FUNDS

NT Future Fund

This represents NT Future assets which were funded by The Royal National Theatre. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs.

Building & Equipment Fund

The building and equipment fund is a designated fund set aside by the Trustees in order to enable monies to be made available for the renewal and maintenance of The Royal National Theatre's buildings and mechanical and electrical equipment in accordance with its lease and obligations under Lottery funding.

£3.8m (2023: £3.1m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Security Fund

The security fund is a designated fund set aside by the Trustees in order to enable monies to be made available to enhance the physical security infrastructure of The Royal National Theatre.

Loan Repayment Fund

The loan repayment fund is a designated fund set aside by the Trustees in order to support one year of the Culture Recovery Fund concessionary loan repayment in the event of difficulties in meeting this loan repayment obligation in any one year.

Risk Fund

The risk fund is a designated fund set aside by the Trustees to mitigate against the cost of living impacts on our audiences and customers, and inflationary pressures to our costs, particularly in relation to staff remuneration and energy costs.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

Investment Fund

The investment fund is a designated fund set aside by the Trustees to support investment in National Theatre productions that transfer to the West End and/or tour nationally.

Programme Development Fund

The programme development fund is a designated fund set aside by the Trustees in order to enable monies to ensure that The Royal National Theatre can continue the constant revitalisation of the great traditions of the British Stage and to expand the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives.

Future Digital Tech Fund

The future digital tech fund is a designated fund set aside by the Trustees to support investment in the NT at Home platform.

RESTRICTED FUNDS: PROJECT FUNDS

These represent funds made available for projects generally completed within two years or activities funded on an annual basis.

NT Performance Fund

The NT Performance Fund represents restricted funding and related expenditure, relating to The Royal National Theatre productions and performances.

NT Live & Digital Fund

The NT Live & Digital Fund represents restricted funding and related expenditure, in relation to The Royal National Theatre's broadcasting and digital initiatives.

NT Learning & Public Engagement Fund

The NT Learning & Public Engagement Fund represents restricted funding and related expenditure, for participation projects and training initiatives, along with funds received in support of activities in the external public spaces at The Royal National Theatre and various access, archive and digital initiatives.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

NT Studio Projects (Research & Development) Fund

The NT Studio Projects Fund represents restricted funding for activity at the NT Studio, including new writing and directing initiatives.

ACE UK Touring Fund

The ACE UK Touring Fund represents restricted funding for Theatre Nation partnership.

General Activity Fund

The General Activity Fund represents restricted funding for support related expenditure.

Capital Fund

The Capital Fund represents restricted funding for capital projects.

RESTRICTED FUNDS: LONG TERM FUNDS

Long-term funds represent funds used for capital purposes or where there is an expectation that the fund will be used over the longer term.

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.6m (2023: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2023: £1.0m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

This fund was created specifically in relation to a grant from Heritage Lottery, to support a major refurbishment of The Royal National Theatre. The balance reflects future depreciation on the assets acquired through this fund.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

Studio Refurbishment Fund

This fund was created to support a major refurbishment of the NT Studio, completed in 2008. The balance reflects future depreciation on the assets acquired through this fund.

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology. The transfer in the prior year is to the designated Building and Equipment Fund.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology. The transfer in the prior year is to the designated Building and Equipment Fund.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12.

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	As at 31 March 2024				As at 26 March 2023			
	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets
	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:								
Operations fund	-	13.9	(19.9)	(6.0)	-	10.1	(13.8)	(3.7)
Unrestricted designed								
NT Future Fund	2.7	1.2	-	3.9	2.7	1.8	-	4.5
Building & Equipment Fund	20.4	16.6	-	37.0	17.5	17.1	-	34.6
Security Fund	0.2	-	-	0.2	0.3	-	-	0.3
Loan Repayment Fund	-	1.5	-	1.5	-	1.5	-	1.5
Risk Fund	-	4.0	-	4.0	-	4.9	-	4.9
Investment Fund	-	1.0	-	1.0	-	1.0	-	1.0
Programme Development Fund	-	3.0	-	3.0	-	3.0	-	3.0
Digital Future Tech Fund	-	0.5	-	0.5	-	-	-	-
TOTAL unrestricted designated funds	23.3	27.8	-	51.1	20.5	29.3	-	49.8
TOTAL unrestricted funds	23.3	41.7	(19.9)	45.1	20.5	39.4	(13.8)	46.1
RESTRICTED : Project funds								
NT Performance	-	0.1	0.2	0.3	-	0.4	0.1	0.5
NT Learning & Public Engagement	-	1.2	0.1	1.3	-	0.7	0.4	1.1
NT Studio (Research & Development)	-	-	0.1	0.1	-	-	-	-
Capital	-	1.4	0.5	1.9	-	1.3	-	1.3
TOTAL restricted project funds	-	2.7	0.9	3.6	-	2.4	0.5	2.9
RESTRICTED : Long term funds								
NT Future Fund	17.9	-	-	17.9	20.5	-	-	20.5
ACE NT Future Fund	10.3	-	-	10.3	11.3	-	-	11.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	3.8	-	-	3.8	3.9	-	-	3.9
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
TOTAL long-term funds	32.9	-	0.2	33.1	36.6	-	0.2	36.8
TOTAL restricted funds	32.9	2.7	1.1	36.7	36.6	2.4	0.7	39.7
TOTAL Group funds	56.2	44.4	(18.8)	81.8	57.1	41.8	(13.1)	85.8

Note: Other net assets/(liabilities) includes the cultural recovery fund concessionary loan of £20.9m (2023: £20.5m). This loan and interest is repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equals instalments of £0.75m, the first instalment being due in March 2025, the final instalment in March 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS (GROUP & COMPANY)

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Commitments:				
Lighting upgrades	1.9	1.9	-	-
Storage unit fit-out	1.4	1.4	-	-
Costume workshops	1.4	1.4		
Other commitments (<£100k)	0.3	0.3	0.2	0.2
	5.0	5.0	0.2	0.2

The amount payable within one year is £5.0m (2023: £0.2m).

22. OPERATING LEASE COMMITMENTS

At the year-end, the Group was committed under non-cancellable operating leases to make the following payments:

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Within one year	1.1	0.5	0.3	-
In two to five years	5.3	3.2	0.5	-
In more than five years	4.5	3.6	0.3	-
	10.9	7.3	1.1	-

Expenditure within the period on operating leases was £0.6m (2023: £0.4m). The Company entered into a 15 year lease agreement from January 2024 on a commercial property in Bermondsey that will primarily be used for storage. Lease payments are renegotiated every 5 years to reflect market rates. The lease commitment of £7.3m up to the break clause at the end of year 10 has been included above.

23. CONTINGENT LIABILITY

With regards to the commercial lease detailed in note 22, there is a clause that requires the Company to reinstate the property to its original condition, at the end of the lease in January 2034, if the landlord requires. Alternatively, the landlord may not exercise that right. The view of the Trustees is that it is not currently possible to estimate the scope of such works, and therefore the likely cost of doing so. This will be reviewed annually and provided for when sufficient information allows.

NOTES TO THE FINANCIAL STATEMENTS

24. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation (the "Foundation") (charity number: 271706) has objects related to those of The Royal National Theatre and makes grants to The Royal National Theatre from time to time. The Foundation has nine trustees, two of whom have a direct connection to The Royal National Theatre.

The Royal National Theatre entered into a joint arrangement to create an endowment fund within The Royal National Theatre Foundation to further The Royal National Theatre's national remit in terms of education, new work and productions, and for capital and general purposes. A legacy campaign has been launched by The Royal National Theatre and all unrestricted legacies directed to The Royal National Theatre will go to The Royal National Theatre Foundation and the donations will be held in appropriately named sub-funds of the endowment fund.

During the period, The Royal National Theatre received legacy income of £0.2m (2023: £0.2m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £611k (2023: £623k) for The Royal National Theatre's work with: Capital grants £500k; Legacy Development costs £31k; Welfare £50k and Peter Hall Award £30k. In 2023, the £623k principally comprised grants for Capital grants £500k; Legacy Development costs £43k; Welfare £50k and Peter Hall Award £30k. The Foundation owed The Royal National Theatre £518k at the year-end (2023: £664k). The Foundation also made £77k (2023: £76k) benevolent grants to members and former members of the staff and Company.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of The Royal National Theatre (the "AANT") is an independent not-for-profit charity registered in New York, USA. During the period, \$3.0m (2023: \$3.15m) was raised by the AANT for The Royal National Theatre. The AANT owed The Royal National Theatre £0.9m at the year-end (2023: £1.7m).

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £417k (2023: £276k).

The Royal National Theatre has a limited power to enter into transactions with its Trustees. This power is in its governing document, the Memorandum of Association, and it is limited by conditions which protect the interests of The Royal National Theatre as a charity.

The Buffini Chao Foundation (the Chair of the National's Trustee Board, Damon Buffini, and his wife, are two of the five trustees of the Foundation) donated £250,000 (2023: £250,172) (as part of a £1m total commitment over a four-year period 2021-2024) towards the NT's engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

NOTES TO THE FINANCIAL STATEMENTS

24. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CONTINUED))**OTHER RELATED PARTY TRANSACTIONS (CONTINUED)**

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22 and 2022-23. As a writer of a new production at the National she received royalties of £1.6k (2023: £31k) based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions.

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £3.6m (2023: £2.6m). This represents the balance of operational transactions between the entities.

The Royal National Theatre (RNT) owes the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2023: £0.6m owed from). This represents the balance of operational transactions between the entities and includes the RNTE Management Fee £0.2m (2023: £0.2m) and the Gift Aid of profit £3.0m (2023: £2.9m) to its parent company.

The Royal National Theatre (RNT) is owed by the National Theatre Live Limited (NTLL) a net balance of £nil (2023: £1.1m). This represents the balance of the Commissioning Fee payable by RNT of £3.6m (2023: £4.2m) and operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £17.5m (2023: £9.8m). This represents the balance of the Commissioning Fee payable by RNT of £42.3m (2023: £28.5m) and operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTNA LLC) a net balance £0.6m (2023: £0.1m). This represents the balance of operational transactions between the entities.

See Note 25 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

25. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 31 March 2024, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Royal National Theatre Enterprises Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Trading activities	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Productions Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Staging Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Live Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
Royal National Theatre North America LLC	USA	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x \$1 Ord Shares	100%	Yes (Line-by-line)

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

b) PARTNERSHIPS ACCOUNTED FOR AS SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident Broadway LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes (Line-by-line)
Three Brothers Broadway LLC*	USA	311 West 43 rd Street 14 th Floor New York New York 10036	Commercial exploitation of productions	N/A	N/A	51% (Indirect holding)	Yes (Line-by-line)

*The Royal National Theatre is the sole Managing Member of Royal National Theatre North America LLC (NTNA LLC) which has the following interests:

- *Curious Incident Broadway LP* - One of two General Partners - Joint arrangement between NTNA LLC and Wombat Crossing 2 LLC. NTNA LLC holds the casting vote in any decisions made and so controls the LP. Therefore, in accordance with FRS 102, it has been consolidated as a subsidiary undertaking
- *Three Brothers Broadway LLC* – Sole General Partner

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

c) FINANCIAL INFORMATION

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		Royal National Theatre North America LLC		Three Brothers Broadway LLC	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Income	18.7	15.0	27.9	8.6	42.3	28.5	3.6	4.2	0.6	0.6	0.1	1.2
Expenditure+	(15.7)	(12.1)	(27.9)	(8.6)	(50.5)	(34.7)	(4.1)	(4.9)	(0.1)	(0.6)	(0.1)	(1.2)
Net Surplus/(Deficit)	3.0	2.9	-	-	(8.2)	(6.2)	(0.5)	(0.7)	0.5	-	-	-
Gift Aid/Profit distribution due to parent company	(3.0)	(2.9)	-	-	-	-	-	-	(0.5)	-	-	-
Tax Credit	-	-	-	-	7.7	6.9	0.5	0.7	-	-	-	-
Retained in the subsidiary	-	-	-	-	(0.5)	0.7	-	-	-	-	-	-
Assets	1.5	1.0	8.9	5.4	20.0	12.8	1.3	2.0	0.7	0.1	0.3	0.3
(Liabilities)	(1.5)	(1.0)	(8.9)	(5.4)	(17.5)	(9.8)	(1.3)	(2.0)	(0.7)	(0.1)	(0.3)	(0.3)
Net Assets	-	-	-	-	2.5	3.0	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

+Included in cost of trading activities are administration expenses charged by The Royal National Theatre as follows:

	Payable to the National	
	Year ended 31 March 2024 £m	Year ended 26 March 2023 £m
Royal National Theatre Enterprises Limited	0.2	0.2
National Theatre Productions Limited *	-	-
Royal National Theatre North America LLC #	-	-
	0.2	0.2

* The charge in 2024 and 2023 has been waived by The Royal National Theatre

The charge above in 2024 and 2023 in each case is less than £0.1m

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED (RNTE) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's trading activities. The Royal National Theatre's Board appoints the directors of RNTE which comprise Board members, external experts and senior members of staff responsible for the trading areas.

NATIONAL THEATRE PRODUCTIONS LIMITED (NTPL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for the commercial exploitation of The Royal National Theatre productions and the exploitation of rights in any production via digital, broadcast, or other media. The Royal National Theatre's Board appoints the directors of NTPL which comprise Board members, external experts and senior members of staff.

NATIONAL THEATRE STAGING LIMITED (NTSL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing The Royal National Theatre productions at the South Bank and on tour. The Royal National Theatre's Board appoints the directors of NTSL which comprise Board members and senior members of staff.

NOTES TO THE FINANCIAL STATEMENTS

25. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

NATIONAL THEATRE LIVE LIMITED (NTLL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing NT Live films in respect of The Royal National Theatre productions at the South Bank and on tour, and for third party theatres in the UK and internationally. The Royal National Theatre's Board appoints the directors of NTLL which comprise Board members, external experts and senior members of staff.

ROYAL NATIONAL THEATRE NORTH AMERICA LLC (NTNA LLC) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's activities in North America. The Royal National Theatre's Board appoints the directors of NTNA LLC which comprise Board members and senior members of staff.

26. NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES

	Group 2024 £m	Group 2023 £m
Net (loss) for period (as per Statement of Financial Activities)	(4.0)	(1.9)
Adjustments for:		
Depreciation	7.1	6.7
Loan interest	0.4	0.4
Interest income	(1.5)	(0.5)
Exchange gains on cash and cash equivalents	(0.1)	(0.3)
Working capital movements:		
Decrease in stocks	-	0.1
Decrease (Increase) in work in progress	0.9	(0.3)
Increase in debtors	(1.4)	(11.0)
Increase in creditors	6.2	0.3
Net cash flow provided by / (used in) by operating activities	7.6	(6.5)

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 27 MARCH 2023 to 31 MARCH 2024

The Royal National Theatre Board

Sir Damon Buffini (Chair)
 Sabine Chalmers
 Louise Charlton (née Durant)
 Dame Vikki Heywood DBE
 Simon Minty
 Vicki Mortimer
 Dame Karen Pierce
 Amanda Pritchard (from 2 October 2023)
 Elizabeth Pryce (née Offord)
 Melanie Richards CBE
 Tim Score
 Farrah Storr
 Simon Warshaw

Finance and Audit Committee

Tim Score (Chair)
 Sir Damon Buffini
 Sabine Chalmers
 Melanie Richards CBE

Nominations Committee

Elizabeth Pryce (née Offord) (Co Chair)
 Simon Warshaw (Co Chair)
 Sir Damon Buffini
 Farrah Storr
 Dame Karen Pierce

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
 Alex Bayley
 Louise Charlton (née Durant)
 Liz Fosbury
 Huw Gott
 Geoffrey Matthews
 Kate Varah (née Booth)

National Theatre Productions Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Linda James (resigned 11 August 2023)
 Tim Score
 Farrah Storr (resigned 31 August 2023)
 Kate Varah (née Booth)
 Michael Harrison
 Kathryn Bennett
 Alain Airth (appointed 16 November 2023)
 Rebecca Rae (appointed 16 November 2023)
 Victoria Hawkins (appointed 12 August 2024)

National Theatre Staging Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Rebecca Thompson
 Kate Varah (née Booth)

National Theatre Live Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Rebecca Thompson
 Kate Varah (née Booth)
 Farrah Storr (appointed 1 August 2023)
 Emma Keith (née Davies) (appointed 1 August 2023)

Royal National Theatre North America LLC

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (née Offord) (Chair)
Heather Acton
Nick Barnes
Sujata Bhatia
Sir Damon Buffini
Louise Charlton (née Durant)
Victoria Corcoran
James Garvey
Robin Geffen
Kate Groes
Andrea Harris
Priya Heal
Elizabeth Jack
Steven Larcombe
Hannah Lewis
Rafael Marquez
Emma Marsh
Shifali Mudumba
Sheryl Needham
Marc Polonsky
Elizabeth Rantzen
Francesca Robinson
Maria Sebastian
Phil Smith
Emma Turner
Charlotte Warshaw
Jacqueline Worswick
Anthony Zammit

Executive

Artistic Director and Chief Executive:
Rufus Norris
Executive Director and Chief Executive:
Kate Varah (née Booth) (appointed Co-Chief Executive 29 April 2024)

Artistic Director Designate:
Indhu Rubasingham (appointed 29 April 2024)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The annual report is available to download at
www.nationaltheatre.org.uk/annualreport

If you would like to receive it in large print, or you are visually impaired and would like a member of staff to talk through the publication with you, please contact the Board Secretary at the National Theatre

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.

Accounts

The Royal National Theatre

Annual Report

2022/2023

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In this document The Royal National Theatre is referred to as 'the NT', 'the National', and 'the National Theatre'.

INTRODUCTION

The Trustees have pleasure in presenting the Trustee's Report and the Strategic Report included within it for the 52 week period ended 26 March 2023 (2022/2023).

THE YEAR IN SUMMARY

In 2022/2023, the National Theatre emerged from the disruption of Covid to deliver on its mission to entertain and inspire.

- Over 22 million people engaged with our work in-person and digitally.
- Our three theatres on the South Bank were 84 per cent full.
- We produced 25 plays and musicals that were staged everywhere, from the South Bank to schools in Wolverhampton and theatres in the West End.
- The National Theatre Live cinema broadcast of the Olivier and Tony Award-winning *Prima Facie* became the highest grossing UK event cinema release of all time.
- *The Lehman Trilogy* won five Tony Awards on Broadway.
- The National Theatre Collection, our schools streaming service, is being used by schools from every local authority in the UK, and in 85 per cent of state secondary schools.
- Theatre Nation Partnerships, our collaborative national network helping arts organisations to strengthen their relationships with local audiences, schools and communities, expanded to include five new partners and is now working in 13 priority areas across the country.
- We ran creative learning activity directly in schools across the UK, of which 73 per cent were outside of London.
- Our Public Acts programme staged *The Doncastrian Chalk Circle* with Cast in Doncaster, featuring over 100 local performers.
- We launched a new five-year strategy with renewed Purpose, Mission, Vision, Values and key objectives.

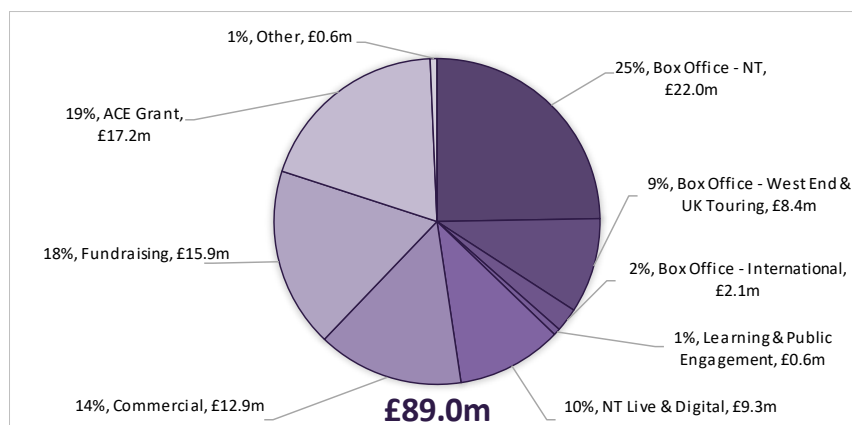
INTRODUCTION

FINANCIAL SUMMARY

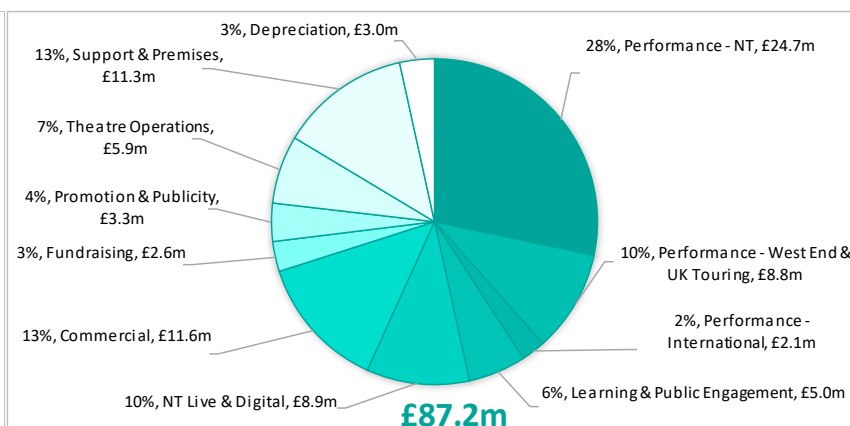
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise the National Theatre's building-related fundraising income and depreciation). The amounts and percentages are subject to rounding.

INCOME

2022-2023

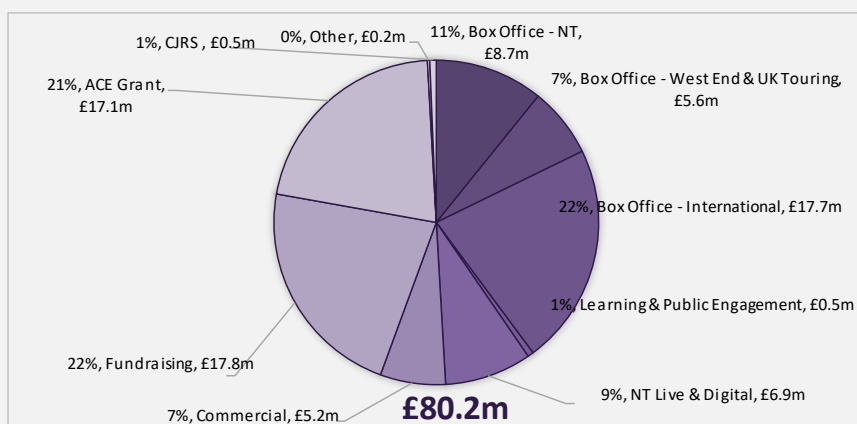


EXPENDITURE

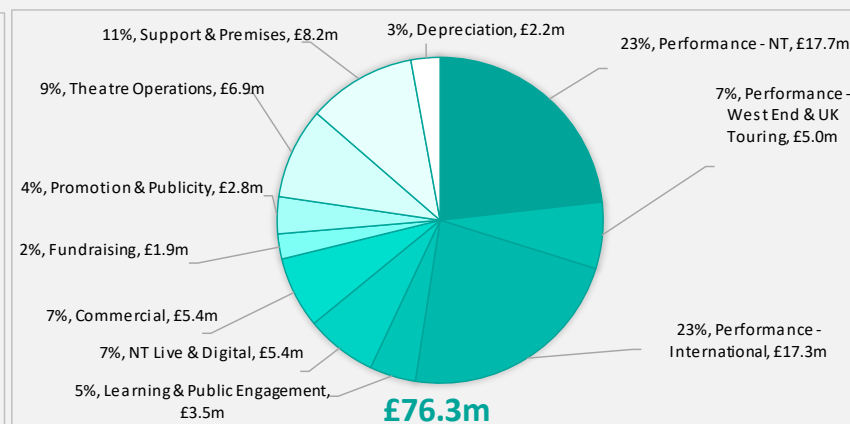


INCOME

2021-2022



EXPENDITURE



CHAIR'S STATEMENT

Reflecting on 2022/2023, it is clear that this was yet another year of change and reinvention for the National Theatre. Emerging from an unprecedented 15 months of intermittent closure and disruption brought about by the Covid pandemic, the organisation made huge strides to move beyond that turbulence, rebuild its audiences, and further its impact.

It was a year in which the National Theatre reasserted its core mission: to entertain and inspire using its creativity, expertise and unique reach. That promise was plain to see on stage in a wide variety of dynamic and resonant productions – from the searing new staging of *The Crucible* to Francesca Martinez's extraordinary *All of Us* – with thousands of freelance theatre-makers working at the top of their game on dozens of projects. It was also evident in the scale and breadth of the National Theatre's audience: the South Bank theatres steadily refilled over the course of the year, tours and transfers geared up, people in over 170 countries experienced productions in cinemas or at home, and over 5,000 UK schools and education institutions accessed work digitally.

Around the country, the National Theatre worked not only with breadth, but in depth. The Theatre Nation Partnerships network of theatres and community organisations grew to connect 13 priority areas and Speak Up, a major new multi-year creative programme for young people, was launched. The National Theatre is on the ground in all 48 counties in England, and 71 Levelling Up for Culture areas.

All of this is not to say that the road to post-Covid recovery has been smooth. Indeed, significant challenges remain. Hard work lies ahead to reach a balanced, future-facing business model, particularly in light of a reduction in funding from Arts Council England (ACE) and acute inflationary pressures. The National Theatre's Grade II* listed building, which welcomes thousands of audience members every day and employs hundreds of people in specialist creative roles, is also in urgent need of major investment over the next decade.

In parallel, the National Theatre is also committed to achieving environmental sustainability and is working to dramatically reduce its own carbon footprint this decade.

Strong leadership has always been instrumental to the National Theatre's success. Earlier this year, Rufus Norris announced that he will be stepping down as Director and CEO of the National Theatre in Spring 2025. Rufus' legacy is immense. He has led the National Theatre with extraordinary skill, foresight and resilience during a decade of huge change and uncertainty in the UK and globally. The National Theatre's artistic programme, as shaped by Rufus, has been exceptional in quality, prescience and popular appeal, reaching bigger audiences than at any time in the theatre's history.

WHO WE ARE AND WHAT WE DO

Since her appointment as Executive Director in Spring 2022, Kate Varah has worked closely and dynamically with Rufus and the Board. With recruitment for the role of Director underway, it is hugely heartening to see the organisation looking forward with clarity and ambition.

I would like to thank everyone at the National Theatre who has worked incredibly hard over the past year. At the 2023 Olivier Awards, the National Theatre was nominated for 16 awards, and this would not have been possible without the exceptional work of those both on and off stage. As we progress through the next year with our renewed vision, we have a clear set of objectives and a plan of action to fulfil our mission. I have no doubt that the National Theatre will continue to be a thriving hub of creativity, imagination and innovation both for the nation and for the world.

D. M. Buffini

Sir Damon Buffini
Chair, The Royal National Theatre

Date: 21 November 2023

ENTERTAIN AND INSPIRE: OUR STRATEGY

INTRODUCTION

'Entertain and Inspire', our new five-year strategy for 2023–2027, was produced in the wake of significant disruption for the National Theatre, including 15 months of closure due to the pandemic. In the year that our organisation turns 60, our new strategy is an ambitious response to the opportunities and challenges of the social, cultural and economic factors affecting the theatre industry and the country.

FINANCIAL CONTEXT

The National Theatre relies on box office income, government subsidy and the generosity of supporters to break even each year. As we emerged from the pandemic, there were some significant challenges, particularly to box office income, with late and unpredictable booking patterns leading to greater reliance on strong reviews and well-known performers and plays. There is increasing competition for share of interest and share of wallet – especially in the context of the cost-of-living crisis. The preference for working from home is also resulting in lower footfall on the South Bank and in the West End. The cumulative effect saw a reduction to our box office income and associated audience secondary spend by circa ten per cent. Most significantly, our entire cost base has been impacted by the significant rise to inflation, in particular to energy prices and materials, whilst the majority of our income streams have declined in real terms, placing significant pressure on our business model. In 2022/23 these financial challenges were offset by the crucial extension of the higher rate of Theatre Tax Relief, improving our financial position by £7.6m this year. The higher rate, originally expected to return to lower, pre-pandemic levels from April 2023, has been extended for the next two years until April 2025.

Looking forward, repayments on the Cultural Recovery Fund (CRF) loan, now totalling £20.5m with accrued interest, will commence in March 2025, with the first repayment of £750k and annual repayments of £1.5m thereafter. This significant financial challenge is compounded by the urgent need for major capital investment in our buildings' infrastructure. In this stretched environment, and despite sector-leading fundraising performance, the National Theatre finds itself doing more with less and, as we emerge from this unprecedented period, the financial sustainability of the National Theatre is one of our key considerations.

It is essential that we continue to interrogate our financial model. In the context of reduced ACE funding, we must examine how to grow the income that we generate and the funds we raise – in the UK, USA and further afield – to ensure that we are maximising every possible opportunity for sustained recovery and growth.

RE-POSITIONING

We have renewed our Purpose, Vision and Mission, and set four clear objectives for the next five years. These objectives describe the positive impacts we are striving to achieve for audiences, artists and participants. We only began this shift in our strategy during the 2022/23 financial year and will further embed new ways of working from 2023/24 onwards.

OUR PURPOSE – We believe great theatre sparks imagination and brings people together.

OUR VISION – A world where theatre is thriving and vital.

OUR MISSION – To make theatre that entertains and inspires using our creativity, expertise and unique reach.

OUR FOUR KEY OBJECTIVES

Innovate to expand our audience: offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact.

Inspire creativity and boost skills: work at scale and with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and access to training in theatre.

Be sustainable: economically, environmentally, socially, with the right culture that takes care of our people and the world around us.

Attract the best collaborators: offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions.

WHO WE WILL DO IT FOR

For audiences – to give more people greater access to world-class storytelling. Offering a unique National Theatre experience – in person, online, in schools, in cinemas. Nationally and internationally.

For society – to entertain, educate and stimulate creativity across the nation and worldwide, ensuring theatre is always relevant, exciting and essential.

For artists and theatre-makers – to support them to make their best work and enable it to have the widest possible audience and impact.

HOW WE WILL DO IT

Every team at the National Theatre, members of our freelance community, our Board and key supporters have contributed to shaping the new strategy.

The objectives set out in our strategy form the framework for how our programme will shift in response to the unprecedented need and the context in which we are operating. Set out in our 2023/24 Business Plan are the commitments that will help us to achieve our objectives. We are working collaboratively to develop and implement fresh innovations that optimise our model for the long term by capitalising on opportunities to grow income and by working more efficiently.

Principles of quality, sustainability, dynamism, inclusivity and nationwide partnerships, in line with ACE's Investment Principles, underpin this work and the outcomes complement those of the Let's Create Strategy: Creative People, Cultural Communities and a Creative and Cultural Country.

Our aim is that this strategy will see us delivering a sustainable financial model that breaks even as a minimum by 2026.

Achievements against our objectives

1. Innovate to expand our audience: offer unparalleled opportunities for work to be made, shared and celebrated live and digitally for the widest audience reach and impact

Our theatres on the South Bank

We presented 17 productions on the South Bank in 2022/23. With our theatres 84 per cent full, we are pleased that our audience numbers showed strong progression towards pre-pandemic levels.

World-class theatre-makers breathed new life into classics, with landmark productions of *Othello*, *The Crucible*, *Blues for an Alabama Sky*, *The Corn is Green* and *Much Ado About Nothing*. Simon Stone transformed the ancient story of *Phaedra*, *Hex* showed us the darker side of Sleeping Beauty, and Richard Bean and Oliver Chris transported *The Rivals* to World War II for *Jack Absolute Flies Again*. There were new plays from Gary Owen, April De Angelis, David Eldridge and Francesca Martinez. Stories are at the heart of what we do, and our stages reflected the wider world

– from the fight for India’s independence in Anupama Chandrasekhar’s epic *The Father and the Assassin*, to 60 years of an iconic Sheffield housing estate in the Olivier Award-winning *Standing at the Sky’s Edge*.

Our audience measurements continued to show strong engagement across audience groups, from those experiencing with our work for the first time to those who engage on a regular basis. Our post-show surveys showed that over 90 per cent of first-time visitors thought the production they had seen was either excellent or very good.

We were thrilled to bring back the River Stage for the first time since the pandemic. Our free outdoor summer festival featured five weekends of live music, dance, performance and workshops with takeovers by The Glory, Hackney Empire’s Young Producers, Hofesh Shechter Company and HOME Manchester. With over 52,000 audience members attending over the course of the month, the River Stage is London’s largest free outdoor arts festival.

Sharing work beyond the South Bank

In 2022/23, productions of *The Lehman Trilogy*, *The Ocean at the End of the Lane*, *Wuthering Heights*, *The Curious Incident of the Dog in the Night-Time*, *Sucker Punch*, *Hamlet* and *Shut Up, I’m Dreaming* delighted audiences everywhere from Leicester to Los Angeles.

The Lehman Trilogy was the most nominated play at the 2022 Tony Awards, winning five awards: Best Play, Best Performance by a Leading Actor in a Play for Simon Russell Beale, Best Direction of a Play for Sam Mendes, Best Scenic Design of a Play for Es Devlin, and Best Lighting Design of a Play for Jon Clark. The production played at the Ahmanson Theatre in LA before returning to London for a run at the West End’s Gillian Lynne Theatre.

Our Olivier Award-nominated adaptation of Neil Gaiman’s *The Ocean at the End of the Lane* began a 29-venue tour in December 2022. We anticipate that the tour will be seen by 250,000 people over 40 weeks, before heading back to London for another run in the West End.

Wuthering Heights, a co-production with Wise Children, embarked on a UK tour after its run in the Lyttelton theatre, visiting Truro, Norwich, Nottingham, Salford, Brighton and Edinburgh. The production then delighted audiences in New York, California and Chicago.

The Curious Incident of the Dog in the Night-Time completed its tenth anniversary national tour with performances in Birmingham, Glasgow, Leeds, Truro, Dublin, Norwich, Dartford and High Wycombe. The tour was seen by nearly 175,000 people, and *The Curious Incident of the Dog in the Night-Time* has now been seen by 3.7million people since it had its premiere on the South Bank in 2012.

Theatre Nation Partnerships

Theatre Nation Partnerships (TNP) is our collaborative network of arts organisations aiming to strengthen their relationships with local audiences, schools and communities. Convened by the National Theatre, it is a national network with local impacts.

In 2022/23, funding from ACE allowed us to expand and extend TNP, with the inclusion of five new partners: Curve in Leicester, Landmark Theatres in North Devon and Peterborough, Restoke in Stoke-on-Trent, Regent Theatre & Victoria Hall in Stoke-on-Trent and Trowbridge Town Hall. They joined our founding partners: Cast in Doncaster, The Lowry in Salford, Queen's Theatre Hornchurch, Sunderland Empire and Sunderland Culture, Theatre Royal Wakefield and Wolverhampton Grand Theatre.

We worked with our TNP partners on touring productions, community engagement, in-depth school programmes, digital platforms and audience development schemes. In 2022/23, we supported a production of *Sucker Punch* by Roy Williams, produced by Queen's Theatre Hornchurch, that toured to nine TNP venues – we are pleased that 93 per cent of audiences rated the production as excellent or good, with 62 per cent telling us they were more likely to see a show at their local venue after seeing the production.

Generate

Our Generate programme shares the space and resources of our New Work Studio with artists developing work that is destined for stages outside of London. This support includes costs like artist fees and travel expenses, as well as workshopping and writing space, dramaturgical support, and introductions to co-producing partners.

This year, once again, a third of our New Work Department research and development workshops were devoted to supporting theatres and companies from outside of London through our Generate programme, including Leeds Playhouse, Eastern Angles in Ipswich and The Lyric in Belfast.

National Theatre Live, National Theatre at Home and the National Theatre Collection

We broadcast 11 productions to cinemas in 65 countries via National Theatre Live, which were seen by nearly 720,000 people across 19,000 screenings. As well as productions from our stages, we broadcast work from other theatres, including *Straight Line Crazy* from the Bridge Theatre, *Henry V* from the Donmar, and *The Seagull* directed by Jamie Lloyd. Our broadcast of *Prima Facie*, which featured Jodie Comer in her award-winning West End debut, became the biggest-selling UK event cinema release of all time. It is the second time a National Theatre Live broadcast has broken this record, the first with Pheobe Waller-Bridge's *Fleabag* in 2019.

A further 26 titles were added to our streaming platform National Theatre at Home in 2022/23, taking the total number of productions available to 70. They included *The Wife of Willesden* from Kiln Theatre, which was the first time we have captured a production specifically for National Theatre at Home from another theatre. People from more than 170 countries streamed a production via National Theatre at Home this year. All productions are available with captions, 70 per cent have audio-description, and we piloted British Sign Language provision.

The National Theatre Collection, our free platform that provides schools and Further Education colleges with access to high-quality recordings of productions and supplementary learning materials, is now being used by schools from every local authority in the UK and in 85 per cent of state secondary schools. We continued our partnership with the New York City Department of Education to bring the Collection to 30,000 of the most economically and culturally underserved students from 180 schools across the city's five boroughs. We will be expanding the Collection with 20 new productions, providing access to a selection of plays for free in UK public libraries, and adding more productions to our bespoke Collection for primary schools, in partnership with the Unicorn Theatre.

2. Inspire creativity and boost skills: work at scale with schools and communities across the UK to fire imagination and inspire creativity, and in depth to develop skills, open career pathways and training in theatre

In 2022/23, we reached 42,000 children and young people nationwide. We trained over 1,200 teachers and youth leaders, working directly with 718 schools, of which 73 per cent were outside of London. As well as established programmes, including our nationwide youth theatre festival Connections and our playwriting programme New Views, we were thrilled that our community participation programme Public Acts produced its first full-scale, post-pandemic production, and that we were able to expand our Speak Up programme for secondary schools after its successful pilot year. We trained eight apprentices in backstage specialisms and helped nearly 1,000 young people gain skills in theatre-making disciplines, including lighting, sound, performing, writing and producing.

Connections

Connections is our annual, nationwide youth theatre festival. Over 8,500 young people and 350 teachers and group leaders from more than 250 schools and youth groups across the UK and Ireland took part this year. We worked with 35 venues to produce regional festivals that featured performances from all of the Connections groups, ten of which were selected to perform at our week-long Connections festival in the Dorfman theatre in the summer.

New Views

New Views is our annual in-school playwriting programme and competition for students aged 14 to 19. Over 1,500 secondary students from more than 100 schools across the country took part in 2022/23, and we received 434 submissions, of which nine were shortlisted. The winning play was *Barrier(s)* by Eloise Pennycott – it platformed d/Deaf communities, incorporating both British Sign Language and captioning, and had three performances in the Dorfman theatre that were seen by more than 700 people.

Speak Up

Speak Up is our new secondary school programme. It gives young people the opportunity to explore issues that matter to them as they work with local artists to produce creative work in any form that they choose. The programme expanded after its successful pilot year in 2021/22, reaching over 6,700 young people in nearly 50 schools in our TNP areas. As part of Speak Up, we appointed a youth council – the first youth council ever affiliated with the National Theatre – which gives the young people involved in the programme a chance to help shape its future.

Touring to schools

In 2022/23, nearly 16,000 students saw a National Theatre performance in their school or one local to them.

For the primary schools tour, we revived our 65-minute version of *Hamlet*, reimaged for young audiences by Jude Christian. The production – which also played in the Dorfman theatre – reached over 7,500 young people from more than 100 schools, 72 per cent of which were in the Government's priority education investment areas.

For the secondary schools tour, we worked with theatre company The PappyShow and teenagers across the country to devise a new piece of theatre that was based on the views, ideas and experiences of young people. *Shut Up, I'm Dreaming* dealt with themes of aspiration, identity at home and school, belonging and grief, and the tour reached over 8,000 students from 50 schools across TNP areas.

Public Acts

In 2022/23, Public Acts returned to a full-scale production with the delayed premiere of *The Doncastrian Chalk Circle*, written by Chris Bush and directed by James Blakey. We worked with over 700 participants from 34 community and arts organisations in Doncaster, and *The Doncastrian Chalk Circle*, performed at Cast in Doncaster over the August bank holiday, featured 100 of them together with local performance groups such as All That Jazz School of Dance and Acro, Carlton Main Frickley Colliery Band and Sheffield Philharmonic Chorus.

Apprenticeships and training programmes

Our on-site workshops create the majority of our productions' sets, costumes and props, and they provide unique opportunities for training. In 2022/23, eight apprentices trained in backstage roles including props, scenic metalwork and technical theatre.

We trained over 1,000 under-21-year-olds across a range of theatre-making disciplines, including technical theatre, backstage roles, performing, writing, producing and devising.

3. Be sustainable: economically, environmentally, socially, with the right culture that takes care of our people and the world around us

Making theatre sustainably

In June, we hosted our Making Theatre Green conference, which was attended by nearly 1,000 people and brought together partners from around the world to share strategies and encourage productive conversations. Our next sustainability-focused conference, Making Theatre in a Time of Climate Crisis, will be the largest ever meeting of theatre directors and artistic directors from across the British Isles.

We are committed to developing a pathway that will see the National Theatre achieve net zero by 2030. Using the Theatre Green Book as a framework, we are transforming our practice across three areas – productions, operations and buildings.

Productions

In 2022/23, we continued to encourage all artists, together with our production teams, to work to the Theatre Green Book baseline standard of ensuring that 50 per cent of all sets, costumes and props used in productions come from reused or recycled sources, and that 65 per cent then go on to future lives.

Middle, *Othello* and *The Father and the Assassin* all successfully achieved Theatre Green Book baseline standards, which gave us confidence that doing so is realistic without compromising on production values. We are working with TNP venues who have all committed to applying Theatre Green Book standards and are meeting regularly to share skills, training opportunities, and offer peer-to-peer support to achieve our shared sustainability goals.

We will continue to set up infrastructure that will help us accomplish our transition to net zero, including a new storage premises in central London that will house all our sets, props and costumes under one roof.

Operations

In 2022/23 we created a new Board Environmental Champion role that was taken on by designer Vicki Mortimer. Vicki Mortimer works closely with the Environmental Steering Group and provides direct Board oversight on how we are working towards our 2030 target.

To enable all staff and teams to embed sustainability in their operations, we have begun Carbon Literacy Training, and we continued to work with external partners, community groups and peers to share our experience and learn from others throughout 2022/23.

Buildings

In 2016, we set energy carbon reduction targets for the five-year period to 2021/22. Due to the interruption of the pandemic, we extended the target period by one year to 2022/23. We have exceeded all of the targets that were set:

	2016/17 Baseline	2022/23 Actual	% Reduction
Energy and Water	3859 tonnes	2086 tonnes	46%
Waste tonnage (non-production)	546 tonnes	458 tonnes	16%

Streamlined Energy and Carbon Reporting (SECR)

During 2022/23, we took a number of actions to reduce the use of gas and electricity in our South Bank building. These included:

- Reducing the building's energy demands through careful monitoring of the building management system.
- Turning off air handling units serving our larger spaces for two hours a day.
- Reducing temperatures in some areas by two degrees.

For the last five years, we have ensured that we use zero-carbon electricity by purchasing our electricity through the Renewable Energy Guarantee of Origin (REGO) certification scheme, which is limited to wind, solar and hydro sources.

In accordance with the requirements of the SECR guidelines introduced by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2022/23:

Scope 1: Emissions from combustion of Gas tCO ₂ e:	
	2023: 1,135 tCO ₂ e (Energy consumption: Gas 6,217,890 Kwh)
	2022: 1,267 tCO ₂ e (Energy consumption: Gas 6,915,929 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'	
Scope 2: Emissions from purchased electricity tCO ₂ e:	
	2023: 1,036 tCO ₂ e (Energy consumption: Electricity 4,909,225 Kwh)
	2022: 999 tCO ₂ e (Energy consumption: Electricity 4,322,865 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'	
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e :	
	2023: 1.8 tCO ₂ e
	2022: 1.93811 tCO ₂ e
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type	
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²):	
	2023: 0.036 TCO ₂ e/m ²
	2022: 0.038 TCO ₂ e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area	

Financial sustainability

In 2022/23, income of £89.0m and expenditure of £90.9m generated a negative movement in total group funds of £1.9m.

This movement reflects the incremental return of audiences, with box office income for productions at the South Bank at 84 per cent of that achieved pre-pandemic, and an 11 per cent increase to our support and operating costs impacted by inflationary pressures over the same period. The extension of the higher rate of Theatre Tax Relief offered substantial support amounting to £7.6m in total in 2022/23.

There was a positive movement in unrestricted funds of £0.3m. The unrestricted operational fund is a deficit of £3.7m; this comprises cash and current asset investments of £10.1m, offset by other net liabilities of £13.8m, which includes the long-term loan liability (the CRF loan of £20.5m

repayable at annual repayments of circa £1.5m p.a., including interest, over 20 years from 2025).

Our unrestricted reserves target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash reserves are in line with our reserves policy.

Our ACE core revenue grant, which in 2022/23 was £17m, is critical to support our creative aims. The National Theatre was advised in October 2022 that it would receive a five per cent cut to its annual grant, reducing it to £16.15m p.a in the three year period 2023 to 2026.

The current high rates of inflation and energy costs have had, and we anticipate will continue to have, a significant impact on our cost base. Forty-two per cent of our expenditure relates to people, and we are mindful of the impact of the cost-of-living crisis on our staff and freelancers, and our ability to attract and retain staff and freelancers. Our audiences have not yet returned to pre-pandemic levels, circa 15 per cent down. Audience and consumer confidence is being impacted by the cost-of-living crisis.

Future financial sustainability

The challenges to our operating environment post-pandemic have structurally changed the way that we do business, presenting significant challenges for income to keep pace with rising costs.

Financial modelling suggests that if we do not change or adapt our model, we will need to raise or save an additional significant sum each year to achieve a break-even position. This is due to three key factors:

1. An ongoing annual increased need of circa £6m to maintain our operations at the inflationary increased levels of running the business.
2. The cut to our annual ACE grant of £0.85m with effect from 2023/24.
3. Repayments on the CRF loan of £20.5m commencing in 2025 at £1.5m p.a.

We have some short-term reliefs to support this funding challenge for the next three years:

1. The extension of higher rate of Theatre Tax Relief in the 2023 Spring Budget (lasting two years).
2. The CRF loan not being repayable until 2024/25, and that first year at 50 per cent (£750k not £1.5m).
3. Drawing down on designated funds in the NT Risk and Programme Development Funds of £7.9m.

In addition, we have identified income growth and cost saving targets in each of the next three years to achieve our target break-even financial position by 2026/27, by which point these reliefs are scheduled to end or will be spent down. Therefore, our pressing priority is to assess how we can reset our model to achieve these targets.

The five-year Entertain and Inspire strategy and accompanying 2023/24 Business Plan provide a framework for the critical thinking needed to achieve this. Within this Business Plan we have identified 20 commitments for the coming year, a number of which are designed to help test and achieve financial sustainability through income growth or cost saving initiatives. While some commitments will immediately bear fruit, our overall financial position is shaped by many commitments requiring time and budget to be invested in 2023/24 to start delivering benefits in 2024/25 and be in full flight for 2026/27 and beyond.

Capital need

In addition to the need to bring the business in line with a break-even budget position by 2026/27, we have a concurrent urgent need to upgrade the infrastructure of our Grade II* listed building sitting over 5.5 acres on the South Bank.

The plan includes:

- Major infrastructure and fabric upgrades and maintenance on our estate.
- Technical and production infrastructure and equipment within our two largest theatres.
- On-site workshop facilities.
- Key areas within the estate to meet required environmental sustainability and accessibility targets, alongside tackling staff, artist and customer welfare concerns.

We are in discussions with government and funders around securing transformational funding through a large-scale campaign. We remain confident about our future, but these are very challenging times for us and our sector.

Our culture

We made significant changes in 2022/23 that positively impacted our sustainable culture. These include organisational structural changes as well as specific projects and initiatives.

We created a new Culture department and restructured the existing People department. We appointed a new Director of People and a new Director of Culture who both started in post in November 2022. Since appointment, both Directors have recruited key personnel into their teams to enable them to deliver the ambitious commitments for a sustainable culture laid out in our Entertain and Inspire strategy.

Projects and initiatives in 2022/23 to promote a sustainable culture include the creation of a set of Values, the development of a new Mission, Vision and Purpose, the development of the Entertain and Inspire strategy, and the creation of a 2023/24 Business Plan that will deliver the strategy.

We also formed an Inclusion Working Group, which is made up of 25 people including industry freelancers and staff from across the business, senior leaders and Board members. This working group is intended to be a sense-checker, primarily for the senior leadership team, when implementing new initiatives across the building like policies, training or change of language, all with a focus on diversity and inclusion.

There was also a revitalisation of the Staff Networks at the National Theatre (LGBTQ+, Amplify, Disability, Parents & Carers, Women) and the creation of the 'Everyone is welcome' message for audiences and roll out of staff training and support that accompanies it.

4. Attract the best collaborators: offer unparalleled resources and the best environment to attract leading theatre-makers to create and enable world-class productions

To produce the world's best theatre requires us to attract the world's best theatre-makers. Our ambition is to create an inclusive organisation in which all people feel valued, can be themselves and feel that their voices are heard. We are committed to making and sharing stories that reflect the nation and the world we live in. Fundamental to this is the belief that equity, diversity and inclusion makes the art better, leads to innovation, and in so doing expands our reach.

Our values

Our five Values grew from discussions we had with people from across the organisation, about what our culture looks like at its best and what is important to us. Our Values represent the expectations we have for ourselves and each other and guide our day-to-day decisions.

Make a positive impact – Striving to make the world a better place through theatre.

Bring your passion – Applying energy and expertise to achieve the highest standards.

Collaborate to create – Bringing ideas to life through teamwork and forging connection.

Empower each other – Working to build and uphold an inclusive and equitable culture.

Act with confidence – With the courage to make clear, intentional decisions that support our shared vision.

Diversity targets

To hold ourselves accountable for progress, we have set targets for the people that write, direct and perform in our productions, as well as those that work behind the scenes. We have set these in areas where there has been under-representation or where we want to build on progress made. As part of our Business Plan, we have set up a diversity targets working group to review and optimise our diversity targets and reporting systems.

Targets for ethnic diversity and gender on our stages	2021/22 Actual	2022/23* Actual
20% of on-stage work by living writers will be written or adapted by global majority writers	35%	19%
20% of directors working on the National Theatre's stages will be from the global majority	29%	33%
50% of directors working on the National Theatre's stages will be female	36%	47%
50% of living writers on NT stages will be female	50%	35%
A minimum of 35% of performers will be from the global majority	36%	35%

*The 2022/23 programme included a number of productions that, due to Covid, had not been performed in their originally planned slots. Our commitment to staging these productions at the earliest opportunity post-Covid disrupted our normal programming process and impacted our diversity statistics.

PRODUCTIONS PRESENTED IN 2022/23

Olivier theatre

- *Small Island*, adapted by Helen Edmundson, based on the novel by Andrea Levy, directed by Rufus Norris.
- *The Father and the Assassin* by Anupama Chandrasekhar, directed by Indhu Rubasingham.
- *Jack Absolute Flies Again* by Richard Bean and Oliver Chris, based on Richard Brinsley Sheridan's *The Rivals*, directed by Emily Burns.
- *The Crucible* by Arthur Miller, directed by Lyndsey Turner.
- *Hex*, book by Tanya Ronder, music by Jim Fortune, lyrics by Rufus Norris, directed by Rufus Norris.
- *Standing at the Sky's Edge*, music and lyrics by Richard Hawley, book by Chris Bush, directed by Robert Hastie. A National Theatre and Sheffield Theatres co-production in association with Various Productions.

Lyttelton theatre

- *The Corn is Green* by Emlyn Williams, directed by Dominic Cooke.
- *Much Ado About Nothing* by William Shakespeare, directed by Simon Godwin.
- *Blues for an Alabama Sky* by Pearl Cleage, directed by Lynette Linton.
- *Othello* by William Shakespeare, directed by Clint Dyer.
- *Phaedra* by Simon Stone after Euripides, Seneca and Racine, directed by Simon Stone.

Dorfman theatre

- *Our Generation* by Alecky Blythe, directed by Daniel Evans. A co-production with Chichester Festival Theatre.
- *Middle* by David Eldridge, directed by Polly Findlay.
- *All of Us* by Francesca Martinez, directed by Ian Rickson.
- *The Boy with Two Hearts* by Hamed and Hessam Amiri, adapted for the stage by Phil Porter, directed by Amit Sharma. A Wales Millennium Centre production.
- *Kerry Jackson* by April De Angelis, directed by Indhu Rubasingham.
- *Romeo and Julie* by Gary Owen, directed by Rachel O'Riordan. A co-production with Sherman Theatre.

Beyond the South Bank

- *Hamlet* by William Shakespeare, reimagined for young audiences by Jude Christian, originally directed by Tinuke Craig, directed by Ellie Hurt.
- *Shut Up, I'm Dreaming* directed by Kane Husbands. Created with The PappyShow.
- *Sucker Punch* by Roy Williams, directed by Nathan Powell. A Theatre Nation Partnerships production, produced by Queen's Theatre Hornchurch.
- *The Curious Incident of the Dog in the Night-Time* based on the novel by Mark Haddon, adapted by Simon Stephens, directed by Marianne Elliott.
- *The Doncastrian Chalk Circle* by Chris Bush, directed by James Blakey.
- *The Lehman Trilogy* by Stefano Massini, adapted by Ben Power, directed by Sam Mendes. A co-production with Neal Street Productions.
- *The Ocean at the End of the Lane* based on the novel by Neil Gaiman, adapted by Joel Horwood, directed by Katy Rudd.
- *Wuthering Heights* based on the novel by Emily Brontë, adapted and directed by Emma Rice. A National Theatre, Wise Children, Bristol Old Vic and York Theatre Royal co-production.

2022/23 saw National Theatre productions nominated for an incredible 16 Olivier Awards, the most of any producer. This was in addition to being nominated for eight Evening Standard Awards, with Lynette Linton winning the Milton Shulman award for best director for *Blues for an Alabama Sky*. *Blues for an Alabama Sky* also won two Critics Circle Awards with Giles Terera winning best actor and Lynette winning best director. The National Theatre Live screenings of *Prima Facie* won Event Cinema Campaign of the year at the Big Screen Awards.

2023/24 Objectives

Our areas of focus in 2023/24 are designed to help us achieve the four objectives that we set in our Entertain and Inspire Strategy that covers a five-year period starting in 2023/24, and to commence the work needed to meet the 20 commitments in our Business Plan for 2023/24. They include:

Objective one: Innovate to expand our audience

- To strive for excellence and diversity on our stages, to tell resonant and relevant stories that speak to the nation and to attract greater diversity in our audience.
- Digital audience growth: Expand our National Theatre at Home subscriber base and develop National Theatre digital platforms to be the online home of the 'Best of British theatre'.
- Undertake a strategic review of ticket sales, individual giving, digital and ancillary sales to drive revenue and maximise customer lifetime value.

Objective two: Inspire creativity and boost skills

- Continue to work towards our commitment to ensure that every young person in the country can access their National Theatre by the time they leave school, via live and digital engagements.
- Enable young people and communities across the UK to develop creative and foundational skills through theatre-making and drama, across all theatre-making disciplines.
- Recruit and offer skills training to young people and emerging practitioners and support onward progression in the creative industries, particularly for those under-represented in the industry.

Objective three: Be sustainable: economically, environmentally, socially

- Assess and develop the future life of all our shows to leverage their value, considering each show's commercial, digital and educational potential early in the production process.
- Review our producing model to identify opportunities to be more cost effective whilst not compromising on quality or our sustainability objectives.
- Grow our profile, funding reach and status through building relationships and presenting regular tours and transfers of work internationally.
- Ancillary income drive: Grow Enterprises income by providing an exceptional customer experience on the South Bank and expanding our offer with two new independent high-quality restaurants, a revitalised retail offer and re-imagined tours.

- Continue to work towards achieving Net Carbon Zero by 2030, delivering to the Theatre Green Book standards in Production, Building and Operations.
- Review and refresh our organisational design, communications, governance, compliance and culture to ensure we have the right people, skills and structures in place to achieve our commitments.

Objective four: Attract the best collaborators

- Transform our estate: plan and start fundraising to support the delivery of our ten-year capital plan.
- Develop a charter which includes new deals for remuneration, welfare and career pathways for freelancers.
- Support a broad range of artists and ideas for stages destined outside London via the Generate programme.

Our approach to fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as the National Theatre's corporate policies, such as Anti-Bribery. The National Theatre voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. No issues of non-compliance with this code occurred during the year (2021/22: one minor issue).

All our fundraising activity is delivered in-house by our Development team, and we ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We do not engage a professional fundraiser or commercial participant. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to the Trustees at regular board meetings. There are processes in place to manage and identify risks to protect the National Theatre's income, assets and reputation. Internal objectives are set by the Development team each year as part of the National Theatre's budgeting process – these funding goals have been largely met in 2022/23.

An internal audit review of fundraising was undertaken in 2018/19 with no substantive control issues raised. No complaints with regard to our fundraising practices were received during the year (2021/22: none).

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a safeguarding policy, procedures and processes in place to ensure that we are doing all we can to protect vulnerable people. This area was subject to an Internal Audit review in 2018/19 and no substantive issues were raised.

Self-evaluation

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to the National Theatre productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including National Theatre Live, our Learning activity and our membership schemes. The Associates group (a group of 13 freelancers attached to the National Theatre) meets regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy.

We conduct detailed press campaign reports for every production as well as a wide variety of audience feedback research. We are constantly seeking feedback from all stakeholders and audiences and use the learning to try and improve the quality of the work on our stages.

The diversity targets we have set for writers, directors, and performers on our stages help us approach programming with a greater degree of self-awareness. We look across current and future programming, assess our current performance against these targets and make appropriate adjustments to our programme decision-making.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. We currently collect and analyse over 25,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. In 2023/24 we will begin developing a refreshed framework for self-evaluation of our activity in line with ACE's Let's Create strategy

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In addition, we continued with a number of external research partnerships into the impacts of our programme, working with the Centre for Cultural Value on Speak Up and with Professor Helen Nicholson from Royal Holloway, University of London, and partner universities including Sunderland and Bath Spa on the next phase of Public Acts. The department is developing a Theory of Change approach to shape and measure the impact of its work with young people nationwide.

Section 172 (1) statement

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors/trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires the National Theatre, as a large company, to report on how directors/trustees have complied with Section 172 and other linked matters:

1. Section 172: Directors/Trustees must promote the charity towards its charitable objectives, considering:

a) The likely consequence of any decision in the long term

Trustees developed the National Theatre's strategic objectives (page 7 of this report) as part of its five-year Entertain and Inspire strategy to make theatre that entertains and inspires using our creativity, expertise and unique reach. The needs of our beneficiaries – our audiences, future audiences and especially young people – and those of our other key stakeholders – our employees, our freelancers, Arts Council England and donors – form the bedrock of our strategic plans.

Decisions regarding our 2022/23 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience diversity aim, *The Curious Incident of the Dog in the Night-Time* completed its tour of the UK, visiting towns and cities including Glasgow, Dublin, Leeds, Norwich before finishing in Dartford in May 2022. *The Ocean at the End of the Lane* began a 29-venue tour in December 2022.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 30 to 34 of this report.

b) The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's ongoing success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, we worked collaboratively with staff and freelancers through a series of workshops and consultations to determine the values that guide our behaviours in support of our Entertain and Inspire strategy. We recognise three trade unions, which we regularly consult with on key aspects of business planning. For example, our annual cost-of-living employee pay award is agreed in consultation with those unions.

Our employee strategy reflects concerns raised by employees as well as feedback from staff meetings. In response to concerns raised by staff, we added courses to support wellbeing, stress management and financial management to our e-learning platform, and our Employee Assistance Programme, available to all staff, includes six free counselling sessions on any subject.

c) The need to foster the charity's business relationships with suppliers, customers and others

Engagement with our customers, such as our audiences, participants in our learning programmes and teachers, is essential to ensure that we understand and meet their needs.

Executive Management regularly seeks and evaluates feedback from our audiences through a rolling programme of audience insight gathered through surveying. This takes place for every staged production and periodically for digital initiatives, including online streaming. We are thus able to build a detailed picture of how the theatre's output is received by different audience groups, including those traditionally under-represented, and to understand motivations for attendance and engagement. This insight programme continued this year. We communicate, on a personalised and regular basis, with our audiences and our membership base in accordance with their communication preferences.

We regularly seek and evaluate feedback from the young people and teachers who engage in our learning programmes; this feedback is fed into the development of these programmes and future activity plans. Regular consultation with teachers has informed the development of learning resources alongside the productions on the National Theatre Collection. More information on how we seek feedback from our beneficiaries can be found on pages 29 and 30 of this report.

We have developed strong relationships with certain key suppliers who support our stages technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our stages and those across the theatre sector. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d) The impact of the charity's operations on the community and the environment

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 14 to 16 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

e) The desirability of the charity maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviours. Areas covered include fundraising (our fundraising practices are discussed on pages 24 and 25 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

We use our organisational values in our recruitment and training for employees and our induction of freelancers to ensure that these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

f) The need to act fairly as between members of the charity

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, with inclusivity and accessibility paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Inclusion Working Group (IWG) exists as an advisory group to the National Theatre, being a catalyst for the change we want to see by actively contributing to the organisation's work on equity, diversity, inclusion and belonging. Facilitated by Melanie Richards, Diversity Champion for the National Theatre Board of Trustees, the IWG is made up of a group of colleagues with a mixture of skills, demographics and experience across the organisation in order to achieve the greatest breadth of thought and opinion. This includes both staff and freelancers. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and have informed the Equity, Diversity and Inclusion policy for 2022/23.

2. How directors/trustees have engaged with employees and taken account of their interests

Our staff are crucial to our success, and we regard ongoing, regular engagement with them as a top priority.

Trustees are updated at each Board meeting on any substantive matters of staff concern. Trustees are regularly updated on progress against our Employee Strategy, including equity, diversity and inclusion, and key issues arising from the annual staff survey. Trustees are advised of any health and safety issues at each Trustee Board meeting, and our Head of Safety attends the meeting on an annual basis to provide a full report on progress and issues.

Executive Management provide staff with information on matters of concern to them and encourage feedback through various channels of communication, including weekly all-staff briefings on current activity and upcoming events, quarterly all-staff briefings on progress against our strategic plans, regular departmental team meetings and our staff intranet. Executive Management consult with staff and measure employee engagement and satisfaction through regular surveys and address any issues raised as quickly as possible.

We have a number of Staff Networks, set up to bring together and represent specific groups of employees, with the aim of helping to establish a sense of community and support for these groups of people, as well as providing social networks. This includes groups representing protected characteristics and they are consulted on equity, diversity and inclusion matters.

3. How directors/trustees have engaged with other stakeholders, for example service users, beneficiaries, funders and the wider community

Our relationships with partners, suppliers and other key stakeholders are key to our effectiveness.

Trustees and Executive Management ensure, through regular engagement with key stakeholders, that we maintain an understanding of their needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on relevant stakeholders.

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with regional theatres under our Theatre Nation Partnerships initiative. More information on this can be found on page 11 of this report.

Our Associates group meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Director and Chief Executive in developing a forward-looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

Our donors are fundamental to our ability to achieve our aims and mission. We engage on a regular basis with all our donors and seek their feedback, in accordance with their communication preferences.

Our funding relationship with ACE is crucial to the delivery of our mission. We ensure our aims meet those of ACE, and report to them our progress against these aims and Key Performance Indicators (KPIs) on an annual basis. An ACE representative attends our Trustee Board meetings.

Risks

Internal Control and Risk Management

The Trustees are responsible for ensuring that the National Theatre has effective risk management and control systems and processes in place. Agreed processes are in place by which the Trustees identify, review and assess major risks and agree with management the controls that already are, or will be, put in place to manage those risks. The details form part of the Risk Register, which Trustees review on a regular basis. Executive Management has responsibility for managing resources, monitoring performance and establishing and maintaining effective internal control systems. The system of internal control and risk management is designed to:

- Identify and prioritise strategic and operational risks to the achievement of the National Theatre's aims and objectives.
- Evaluate the likelihood of those risks being realised and their potential impact.
- Manage these risks efficiently, effectively and economically.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place.

The key components of the National Theatre's risk management include:

- A five-year strategic plan and annual budget approved by the Trustees, against which progress is reported regularly, including monthly financial reporting of results.

- Regular consideration by the Trustees of financial results and variance from budgets.
- Delegation of authority and segregation of duties.
- Clear policies on health and safety, and safeguarding children, young people and adults at risk, to ensure compliance with statutory requirements.
- Trustees review of the National Theatre's Risk Register on a regular basis.
- Senior Management review of key strategic and operational risks on a regular basis. Consideration is given to progress on mitigating actions, new and emerging risks and opportunities.
- The Internal Auditor reviews risks and internal controls on a regular basis and reports findings to the Finance and Audit Committee.

The system is designed to manage rather than to eliminate the risks faced by the National Theatre and it must be recognised that such a system can provide only reasonable and not absolute assurance.

Principal risks and uncertainties

The National Theatre continues to monitor and take necessary actions to ensure that we come through this period with sufficient reserves to continue to operate on an ongoing basis, whilst ensuring we are able to support the needs of our staff, freelancers, donors, audience and other beneficiaries, including, in particular, students/young people and teachers, and the theatre sector.

The National Theatre faces the following principal risks and challenges as of November 2023:

Risk	Area of concern	Mitigation
Artistic	Presenting new writing on our two main stages can be challenging given: • The size and associated challenges of the Olivier and Lyttelton theatres • Our reliance on strong box office sales • Our aim to grow our audience reach • The draw of creatives to work in the more lucrative film and TV sectors.	We aim to mitigate this risk through: • Seeking and developing talent • Ongoing development work within our New Work Department • Effective customer relationship management and marketing • A refreshed programming process and programming group that is planning two years ahead.

Reputational, communication and advocacy risks	Our reputation can be impacted by: • Our London location failing to reflect our national remit and reach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention • Ineffective communications handling or response to incidents. All of which could impact one or more income streams and our ability to attract talent.	We aim to mitigate this risk by: • Weaving national reach into the 2023–2027 National Theatre Strategy and Business Plan • Creating a clear story of our national and international reach to funders, Government etc • Advocacy activity with Government, Mayor of London and ACE • Undertaking due diligence on donors and investors following our Donor and Investor Acceptance policies • Careful consideration of internal and external and pro-active and reactive messaging, alongside a Communications Crisis Plan • Setting out clear standards of behaviour for staff, freelancers and audiences.
Compliance	Compliance risks arise in four key areas: • The inherent health and safety risks involved in theatre production and presentation (eg, working at height, noise, manual handling) • A data protection breach (GDPR) • A cyber or ransomware attack	We mitigate these risks by: • Maintaining best practice in health and safety including a robust management structure for safety, a competency framework, staff training, investigation of near misses and incidents and Safe-Working Groups • GDPR policy and procedures that are monitored by a steering group and supported by a tested Data Breach Process

	Safeguarding risks in our work on our stages, on tour and in our Learning and Community programmes.	- Enhanced cyber security systems including dedicated staffing, staff training, system scans, enhanced passwords and access authentication - Robust safeguarding policy and procedures that are regularly reviewed and supported by our Safeguarding Steering Group, staff training and Finance and Audit Committee oversight.
Business planning and management risks	There are a number of areas where we face risks that will either prevent us from operating our business, or make it more difficult to operate our business: - Terrorism and the potential for a terrorist attack on London - Failure of key customer-facing business systems such as the website and ticket booking platform - A major incident arising from the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London - Failing to support our growing organisational and artistic ambitions due to capacity overstretch - Being unable to recruit and retain staff of the calibre required to support our standards of excellence and innovation across our artistic, operational and commercial teams.	We mitigate these risks through: - Maintaining best practice, technology and training for our security team - Building strong relationships with neighbours, neighbourhood groups and the police - Up to date and resilient systems for business systems including cloud-based ticketing system and a new website - A Major Incident Plan that is being updated and that is supported by plans for specific incident types - The 2023–2027 Strategy and Business plans that revise the scope of activities and ensure they are properly resourced. These plans will be delivered by a capable and experienced Executive Management and Senior Leadership Team. - Changes in the People team and the creation of a Culture team enabling us to recruit, retain and develop staff and freelancers.

Financial risks	Insufficient funds would arise if we fail to meet our income targets for Box Office, Fundraising, Digital and Enterprises, and/or to deliver our cost-saving initiatives This would lead to an inability to: • invest adequately in our repertoire and to support new styles of work • support annual capital enhancement/ replacement needs.	We are mitigating these risks with: • Carefully developed five-year business plan that shows a path to break even by 2026/2027, including a number of strategies (Commitments) aimed at growing income and reducing expenditure across the next three to five years. • Strong Development team and robust fundraising strategy • Ten-year capital plan • Risk and Programme Development fund of £7.9m to support our operating model through this transition period to break-even by 2026/2027 • Strong ACE relationship management and strategic alignment with ACE objectives • Annual operating contingency of £1m • Food and Drink partnership governance structure includes Strategic and Operational Boards, to which the director of NT Food and Drink reports.

Financial summary

Financial review – 2022/23

In 2022/23, income of £89.0 million and expenditure of £90.9 million resulted in a negative movement in total group funds of £1.9m. This compares to an increase of £0.7m in 2021/22. The net movement in group funds excluding long-term funds (which comprise fundraising income and depreciation in respect of our buildings) was an increase of £4.7m. This compares to an increase of £3.9m in 2021/22.

Income for productions at the South Bank continued to be somewhat impacted by Covid with the incremental return of audiences and box office income at 84 per cent of that achieved pre-pandemic. 871 performances were held across all theatres compared to 988 in 2018/19, generating an average financial capacity of 67.2 per cent versus 81.5 per cent in 2018/19.

At 26 March 2023, total group funds were £85.8m, of which negative (£3.7) million are unrestricted operations funds (27 March 2022: £87.7m and negative (£4.0) million respectively). The unrestricted operations fund of negative (£3.7) million include a long-term liability – the Cultural Recovery Fund loan of £20.5m (2022: £20.1m). This loan and its interest are repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equal instalments of £750k, the first instalment being due in March 2025, the final instalment in March 2041. The Trustees are comfortable that no further steps are necessary to eliminate this deficit.

Principal funding sources

The National Theatre maintains a balance between self-generated income – box office and exploitation of the National Theatre productions in the UK and internationally (c. 46 per cent), catering and front-of-house trading (c. 19 per cent), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (c. 16 per cent) and public subsidy from ACE (c. 19 per cent).

Arts Council England

ACE revenue funding at £17m (2021/22: £17m), represents c. 19 per cent of the income received by the National Theatre (2021/22: c. 21 per cent).

With effect from 2022/23, the grant has been cut by £2.6m since 2010/11, a real-terms reduction of 48 per cent. The grant has been cut by a further five per cent to £16.15m a year, in the three year period 2023 to 2026.

Fundraising

The Development department had another strong year raising £15.9m (£18.4m in 2021/22). £1.6m of revenue activity (£1.6m in 2021/22) in relation to commercial sponsorship is recorded within income from other trading activities.

Box office income

Box office income on the South Bank, as well as the national tours of *The Curious Incident of the Dog in the Night-Time* and *The Ocean at the End of the Lane*, and *The Lehman Trilogy* and *The Ocean at the End of the Lane* in the West End and National Theatre Live and Digital amounted to £40.4m (2021/22: £18.3m).

Tax credits

Theatre, film and TV tax credits are a significant contributor to the National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2022/23 amounted to £7.6m (2021/22: £3.2m) due, in part, to the extension of the higher rate.

Trading and other income

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are principally conducted through the National Theatre's wholly owned subsidiary Royal National Theatre Enterprises Limited. Food and drink services are delivered through an out-sourced catering provider, the model having previously been run in-house. The aim is to bring in external food and drink expertise to deliver a high-quality service, and to grow revenue and profit from these areas; by creating the National Theatre as a destination for food and drink, working in partnership with the provider and alongside two highly credible independent restaurateurs to run the two restaurants, and with a range of street food traders to expand the casual dining, café and grab- and-go offerings. The car park is operated under a franchise.

The total income generated by Royal National Theatre Enterprises in 2022/23 was £15m (2021/22: £6.9m), including commercial sponsorship income of £1.6m (2021/22: £1.6m). The total profit before the management charge payable to the National Theatre was £3.1m (2021/22: £1.5m).

Trading and other income also includes £1.8m (2021/22: £17.8m) comprising licensing fees generated by National Theatre Productions Limited and Royal National Theatre North America LLC, box office and other income generated by Three Brothers Broadway LLC's production of *The Lehman Trilogy* in the US, and a grant from the US Government for the transition of reopening theatres in the USA.

The National Theatre continues to benefit from its culturally exempt VAT status, which means that there is no VAT on ticket income at the National Theatre but that a proportion of VAT on expenditure is irrecoverable.

Expenditure

Production costs

Production expenditure at the National Theatre, in the West End and on tour totalled £45.6m (£28.0m in 2021/22) and represented 61 per cent (2021/22: 54 per cent) of total expenditure on charitable activities for the year.

National Theatre Live and Digital

Total expenditure for the year for National Theatre Live and Digital was £13.0m (£7.5m in 2021/22).

NT Learning and Public Engagement

Total expenditure for the year for the National Theatre Learning (education) and Public Engagement programme was £5.8m (£5.4m in 2021/22). £3.5m was covered by fundraising and £0.6m generated through ticket and fee income.

Research and development

Expenditure on research and development totalled £3.0m (£3.2m in 2021/22), including £1.8m expenditure in the New Work Department.

Trading activities

Expenditure on trading activities totalled £13.7m (£26.1m in 2021/22), principally comprising catering and hospitality costs of £9.2m (£4.3m in 2021/22).

Support costs

Support costs cover expenditure on front-of-house staff responsible for contact with the audience; box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, people and IT. These costs are allocated against the activities listed above. Total support costs were £20.5m (£16.0m in 2021/22), returning to pre-pandemic levels and reflecting that the building was open for the full year.

Staff costs

Staff costs, including social security, pension costs and redundancy costs, totalled £37.8m (£30.6m in 2021/22). Staff numbers increased on the previous year to 778 (669 in 2021/22), as the theatre continued its recovery after the impact of Covid.

Capital expenditure

Total capital expenditure for the year was £6.7m (£6.9m in 2021/22). £5.2m of this related to investment in our theatres' technical and production infrastructure; comprising lighting infrastructure and equipment of £1.3m; stage systems and equipment of £2.1m and sound and video systems and equipment of £1.8m. The transfer from the operations fund to the designated fund for capital was £3.1m (£17.7m in 2021/22).

Reserves

Unrestricted operations fund

The policy for budgeting annual income and expenditure is directed towards enabling the National Theatre to continue its current level and quality of activity. To avoid accumulating an on-going deficit, each year the National Theatre seeks to match income and expenditure, whilst taking into account the level of grant receivable from ACE.

The National Theatre's unrestricted reserves target is set, in recognition of its inherently risky business model, to ensure that it provides adequate resources to enable the continuity of the National Theatre's operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on trading and fundraising, and economic uncertainty.

Following a risk-assessed impact review of income and expenditure, we determined that a target equivalent to approximately three months normalised core operating expenditure is appropriate, of £15m.

As at 26 March 2023, we held negative (£3.7m) in unrestricted reserves and of our designated reserves £29.3m is held in cash and current asset investments. Of the £29.3m, £17.1m is required to address urgent capital works, £8.9m is required to fund the current business model's risk and future investment, £1.5m to cover one year's repayment instalment of the Cultural Recovery Fund concessionary loan and £1.8m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

Buildings and equipment designated fund

The policy is to ensure that sufficient money is set aside in the reserve so that, over a three-year period, the National Theatre can maintain and renew the building in accordance with its rolling capital plan. Over time, these reserves will reduce to zero as the assets are fully depreciated.

NT Future designated fund

This represents NT Future assets funded by the National Theatre. NT Future was a major project largely completed by 2014 which included new building and refurbishment works, and technical infrastructure upgrades. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Restricted funds

These are funds which have been earmarked by donors for specific purposes. The funds are analysed between long-term and short-term – long-term being mostly for capital purposes, and short-term for project activity, as set out in Note 19 of the financial statements. Short-term funds will be spent in full in the next 18–24 months. The balance on the long-term capital funds represents funds received from donors to purchase fixed assets less the depreciation charged on an annual basis. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Financial policies

Reserves policy

The policy is to hold a minimum of the equivalent of three months of core, operating expenditure in operational reserves, which is circa £15m.

Investment policy

The policy is to hold investments in liquid funds, so that they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017/18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 26 March 2023, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank interest earned for the year was £0.5m (£0.01m in 2021/22).

Creditor Payment policy

It is The Royal National Theatre's policy to pay creditors in accordance with terms of payment agreed at the start of business with each supplier.

Remuneration

The Royal National Theatre aims to pay salaries which are fair, competitive with the arts sector and proportionate to the complexity of each role. In determining the right level of pay The Royal National Theatre:

- Has a detailed job evaluation process.
- Ensures all staff are paid the London Living Wage as a minimum.
- Currently pays a dispersion ratio of approximate 1:3 between the highest salary and the median salary.

The Trustee Board is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive team, comprising the Chief Executive and Executive Director. The Executive is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive Committee and the Senior Leadership Team and reporting annually to the Board.

Financial Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Price risk: Payments to employees or individuals represent a significant proportion (circa 42%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures.

The Royal National Theatre's receives income from the Arts Council (c£17 million); this has been reduced by 5% to £16.15 million a year, in the three year period 2023 to 2026.

The Royal National Theatre has freedom over its ticket pricing, and ticket income pre-pandemic normal year represents c45% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

Credit risk: Risk on amounts owed to The Royal National Theatre by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at point of purchase.

Liquidity risk: The Royal National Theatre operates cash flow management to ensure that sufficient levels of its unrestricted reserves are held in cash as operating capital on short term deposit. In March 2021, The Royal National Theatre took out a 20-year loan for £19.7m from the Government via its Cultural Recovery Fund to provide additional liquidity due to the impact Covid. See Note 18 of the Financial Statements for further details.

Interest rate cash flow risks: The Royal National Theatre places surplus funds on short-term deposit split between 3 major clearing banks and CCLA. Interest rates available on longer term deposits are kept under review but longer-term deposits will only be made for specific major project funds where the term of the deposit matches the anticipated cash flow requirement.

Property Interests

The Royal National Theatre has a lease of its building on the South Bank site from Arts Council England for a term expiring in March 2138. The building is Grade 2* listed. The freehold of the Old Vic Annexe (the NT Studio), The Cut, London SE1 is owned by The Royal National Theatre and this building was listed in March 2006. See Note 11 of the Financial Statements for details of legal charges.

Subsidiaries and Related Undertakings

Details of the Group's subsidiaries and related undertakings are included in Note 24 of the Financial Statements.

Going Concern

The Trustees must satisfy themselves as to The Royal National Theatre's ability to continue as a going concern for a minimum period of 12 months from the date of approval of the financial statements.

The Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2025.

The Royal National Theatre, as a National Portfolio Organisation, places significant reliance on Arts Council England grant funding support, in order to seek to balance income and expenditure on an annual basis. The Trustees have taken into account ACE funding for the three-year period from April 2023 at a level of circa £16.15m per annum as communicated to the Group in October 2022.

The Trustees have also considered in their assessment of going concern the impact of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) on the Group's liquidity position. This comprises (a) reduced audience and visitor numbers, (b) higher levels of inflation impacting payroll costs and materials and other costs and (c) reduction or delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2025, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2025 – maintaining a balance between supporting the activities that are crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

Further details of the above are set out in Note 3 of the Financial Statements.

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2025, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of the financial statements.

Board Members up to the date of the report

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton
Sir Lenny Henry (until 31 January 2023)
Dame Vikki Heywood
Simon Minty
Vicki Mortimer
Dame Karen Pierce
Amanda Pritchard (from 2 October 2023)
Elizabeth Pryce
Melanie Richards CBE
Tim Score
Farrah Storr
Simon Warshaw

Senior Leadership Team

Adam Blackwell, Director of Customer Experience and Visitor Operations
Al Coomer, Head of Casting
Angela McDermott, Director of Finance
Chris Murphy, Director of Development
Emma Keith, Managing Director of Digital
Jennifer Crook, Director of Culture
Jo Hornsby, Head of Planning
Kash Bennett, Managing Director, NT Productions
Laura Friedner, Director of People
Lisa Jonas, Assistant Director, Business & Governance
Nicholas Triantafyllou, Director of Information & Technology

Executive

Rufus Norris, Artistic Director & Chief Executive

Kate Varah, Executive Director

Executive Committee

Liz Fosbury, Chief Operating Officer
Clint Dyer, Deputy Artistic Director
Alex Bayley, Chief Marketing Officer
Kathryn Marten, Chief Development Officer
Christine Gettins, Director of Producing
Paul Handley, Director of Production & Technical
Alice King-Farlow, Director of Learning
& National Partnerships

Nina Steiger, Head of Play Development
Rachel Twigg, Head of Studio
Rebecca Thompson, General Counsel
Ruth Greenwood, Director of Communications
Sara Bakhaty, Director of Marketing & Sales

Governing Document

The Royal National Theatre is a company limited by guarantee (Company Number 749504) governed by its Memorandum and Articles of Association, which were last updated on 26 November 2012. It is a registered charity at the Charity Commission (Charity Number 224223).

Charitable Objects

The Royal National Theatre's charitable objects, as stated in its governing document, are to promote and assist the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, so far as of a charitable nature, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The achievement of our aims, as set out in the Strategic Report above, enable us to fulfil our charitable objects and legal purpose.

Public Benefit

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, in the provision of lower price tickets for all performances. Geographical reach is achieved through touring and NT Live broadcasts to cinemas in the UK and overseas. The NT's Learning programme seeks to introduce children and young people to theatre and offers participation opportunities both on-site and across the country. Through a programme of talks, exhibitions, publishing and digital content The Royal National Theatre inspires and challenges audiences of all ages.

The Board

The Board is the non-executive and unpaid governing body of The Royal National Theatre. Board members are both directors of the company and charity trustees who, under company and charity law, are responsible for policy, administration and general control. The Board works with the Executive to ensure that The Royal National Theatre's remit is fulfilled, its work remains of the highest quality, and it is managed efficiently and cost-effectively. The Board has responsibility for setting the remuneration of the Executive. The Board delegates to the Artistic Director the selection and staging of all productions and does not interfere in repertoire decisions.

The Board met 6 times between April 2022 and March 2023, with the Executive and Chief Operating Officer present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

The Nominations Committee considers Board composition, skills, diversity and succession planning and addresses gaps with new Board appointments. The Board has taken active and effective measures over the past few years to increase the diversity of its composition

Trustee Induction and Training

New Trustees are briefed by the Executive on the activities of The Royal National Theatre and their obligations as Trustees, meet with the Senior Leadership Team to understand each area of its operations, and are given the opportunity to tour The Royal National Theatre and see its activities.

The Executive

The Executive comprises the Artistic Director* and Chief Executive, Rufus Norris and the Executive Director, Kate Varah. Together, the Executive are responsible to the Board for devising and delivering the artistic programme, policies and management of The Royal National Theatre to the strategy agreed with the Board. The Board appoints the Executive, both of whom report to the Board.

Associate Directors* and NT Associates

Rufus Norris is supported in making repertoire decisions by The Royal National Theatre's Associate Directors.

**The term "Director" is a traditional title used at The Royal National Theatre. Neither the Directors, the Associate Directors nor other members of the Executive, are directors under the Companies Act 2006, or Trustees under the Charities Act 2011.*

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 43. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 97 and 98 of this Annual Report and details of the subsidiaries are set out in Note 24 of the Financial Statements.

Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met four times during the year and met the external, Independent Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

The Nominations Committee is appointed by and from the Board and reviews the structure, size and composition of the Board and, in the light of that review, makes recommendations to the Board with regard to the appointment of new members and the re-appointment of any member and the Chair at the conclusion of his or her first term of office.

Development Board

The Development Board assists in fundraising for The Royal National Theatre. Its members, who are co-opted onto the Development Board, represent the three fundraising sectors – Individuals, Trusts and Corporates. The full Development Board meets at least twice a year, and each sector group also meets at least twice a year. The Development Board reports regularly to The Royal National Theatre Board through its Chair, who is a member of the main Board.

Connected Charities

Details of Connected Charities are set out in Note 23 of the Financial Statements.

Executive Management at The Royal National Theatre

The review of activities shows that The Royal National Theatre has many facets.

- The Chief Executive and Executive Director hold the overall responsibility for the day-to-day management of The Royal National Theatre with the assistance of the Executive Committee and the Senior Leadership Team.
- The Senior Leadership Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer who reports to the Executive Director.
- The Executive Committee meets weekly as a decision-making group supporting the Chief Executive and Executive Director. In addition to a monthly meeting of the Senior Leadership Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis.
- The key decision-making groups include Producing, Planning, Capital Projects, National Theatre Productions, Enterprises, Health and Safety, and IT Strategy and Steering groups.

Communication is key and The Royal National Theatre aims to engage all its employees and others working at The Royal National Theatre in its activities and achievements.

- All staff are invited to a weekly company meeting led by Rufus Norris and Kate Varah.
- Information from the weekly company meetings and other new developments and policies are available on The Royal National Theatre's intranet.
- Staff briefings, led by the Chief Executive and Executive Director, are held six times a year to brief staff, in more detail, on various aspects of policy and programming and to provide a forum for discussion.

All staff are required to cooperate with The Royal National Theatre's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why The Royal National Theatre's workforce is not better representative of the population of London; what barriers, if any, there might be and what measures might be taken to improve diversity.

The Royal National Theatre's disability policy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for, employees who have become disabled persons while employed; and (c) ensuring the same training, career development and progression opportunities are available to all staff regardless of any disability. The Royal National Theatre is a Disability Confident Employer.

The Health and Safety team is closely involved in the key risk areas of the organisation and advises and assists with health and safety aspects of productions, special events, accident investigations and training.

Trustees' Transactions

The Trustees are not remunerated for their work as Trustees of The Royal National Theatre. From time to time, members of the Trustee Board or persons connected with them enter into transactions with The Royal National Theatre in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms, and are in accordance with the specific provisions of clause 5 of the Memorandum of Association. It is the Board's policy that they should be disclosed to and approved by the Board and disclosed in the Financial Statements.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Royal National Theatre for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on Disclosure of Information to the Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

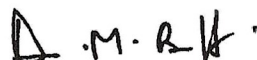
Trustees' Indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Royal National Theatre also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Auditors

PricewaterhouseCoopers LLP will continue in office as auditors of The Royal National Theatre for the next financial year.

The Trustees' Report, including the Strategic Report, set out on pages 1 to 48 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 21 November 2023

Company registration number 749504.
Registered charity number 224223.

Independent auditors' report to the members of The Royal National Theatre

Report on the audit of the financial statements

Opinion

In our opinion, The Royal National Theatre's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 26 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 26 March 2023; the consolidated statement of financial activities (including an income & expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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's and the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Trustees' Report and the Strategic Report included within it, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 26 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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. 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.

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.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Charities Act 2011 and relevant regulations made or having an effect thereunder, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investments and cash balances at the period end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 21/11/23

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account) **for the year ended 26 March 2023**

		52 weeks ended 26 March 2023					52 weeks ended 27 March 2022				
		Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
		Operations	Designated	Projects	Long Term		Operations	Designated	Projects	Long Term	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:	Note(s)										
Donations & legacies	5(a)/(b)	24.7	-	6.8	-	31.5	28.3	-	5.0	0.6	33.9
Charitable activities	5(c)	40.4	-	-	-	40.4	18.3	-	-	-	18.3
Coronavirus Job Retention Scheme	5(c)	-	-	-	-	-	0.5	-	-	-	0.5
Interest income	5(c)	0.5	-	-	-	0.5	-	-	-	-	-
Other trading activities	5(d)	16.6	-	-	-	16.6	28.1	-	-	-	28.1
TOTAL Income & Endowments	19	82.2	-	6.8	-	89.0	75.2	-	5.0	0.6	80.8
Expenditure on:											
Raising donations & legacies		(2.6)	-	-	-	(2.6)	(2.1)	-	-	-	(2.1)
Charitable activities	6 (a)	(62.5)	(3.1)	(5.3)	(3.7)	(74.6)	(38.9)	(2.3)	(6.9)	(3.8)	(51.9)
Other trading activities	6 (b)	(13.7)	-	-	-	(13.7)	(26.1)	-	-	-	(26.1)
TOTAL Expenditure	19	(78.8)	(3.1)	(5.3)	(3.7)	(90.9)	(67.1)	(2.3)	(6.9)	(3.8)	(80.1)
Net Income / (Expenditure)		3.4	(3.1)	1.5	(3.7)	(1.9)	8.1	(2.3)	(1.9)	(3.2)	0.7
Transfers between Group Funds	19	(3.1)	5.6	0.4	(2.9)	-	(28.1)	28.1	-	-	-
Net Movement in Group Funds		0.3	2.5	1.9	(6.6)	(1.9)	(20.0)	25.8	(1.9)	(3.2)	0.7
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	(4.0)	47.3	1.0	43.4	87.7	16.0	21.5	2.9	46.6	87.0
TOTAL Group Funds carried forward	19/20	(3.7)	49.8	2.9	36.8	85.8	(4.0)	47.3	1.0	43.4	87.7

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 56 to 96 form part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS - as at 26 March 2023

		As at 26 March 2023		As at 27 March 2022	
	Note(s)	Group £m	Company £m	Group £m	Company £m
Tangible assets	11	57.1	54.2	57.1	54.8
Investments	12	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		57.3	54.4	57.3	55.0
Current Assets:					
Stocks	13	0.2	-	0.3	0.1
Cost of productions not yet opened	14	1.1	0.2	0.8	0.7
Debtors	15	29.1	28.5	18.1	16.2
Investments	16	12.8	12.8	12.6	12.6
Cash in bank and in hand	16	29.0	26.2	41.6	37.7
TOTAL Current Assets		72.2	67.7	73.4	67.3
Current Liabilities:					
Creditors: amounts falling due within one year	17	(23.2)	(18.7)	(22.9)	(16.8)
TOTAL Net Current Assets		49.0	49.0	50.5	50.5
Non- Current Liabilities:					
Creditors: amounts falling due after more than one year	18	(20.5)	(20.5)	(20.1)	(20.1)
TOTAL Net Assets		85.8	82.9	87.7	85.4
The Funds of the Group and Company:					
Operations Funds	19/20	(3.7)	(6.6)	(4.0)	(6.3)
Designated Funds	19/20	49.8	49.8	47.3	47.3
Restricted Funds	19/20	39.7	39.7	44.4	44.4
TOTAL Group and Company Funds	19/20	85.8	82.9	87.7	85.4

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expenditure for the Company for the year was £2.9m (PY: £0.2m net expense). The Notes on pages 56 to 96 form part of these financial statements. The financial statements on pages 53 to 96 were approved by the Board of Trustees and signed on its behalf by:

Sir Damon Buffini (Chair)

Date: 21 November 2023

D. M. R. H.

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 26 March 2023

	Note(s)	52 weeks ended 26 March 2023 £m	52 weeks ended 27 March 2022 £m
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	25	(6.5)	14.8
Cash flows from investing activities:			
Purchase of tangible fixed assets	11	(6.7)	(6.9)
Increase in current asset investments	16	(0.2)	(0.1)
Interest income	5(c)	0.5	-
Net cash used in investing activities		(6.4)	(7.0)
Exchange gains on cash and cash equivalents		0.3	-
(Decrease) / increase in cash and cash equivalents in the reporting period		(12.6)	7.8
Cash and cash equivalents at the beginning of the reporting period	16	41.6	33.8
Cash and cash equivalents at the end of the reporting period	16	29.0	41.6

The Group's net debt is a net credit of £8.5m (2022: £21.5m) comprising the Group's cash and cash equivalents of £29.0m (2022: £41.6m) (note 16) less the concessionary loan of £20.5m (2022: £20.1m) (note 18). The movement in the period was solely due to the cash flows of the entity as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 56 to 96 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on page 8.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of “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” (the “Charities SORP”).

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

B. GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group’s forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2025, which is a period of at least 12 months from the date of approval of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

This assessment period was selected as it aligns to the Group's financial year end, is consistent with its budgeting process and timelines and is a period of at least 12 months from the date of approval of the financial statements.

Based on the Group's cash flow projections, the Trustees have adopted the going concern basis of accounting in preparing these financial statements.

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- There are no impositions of closures or lockdowns or social distancing measures that would affect the Group and its theatres.
- Audience numbers at the Southbank return to pre-pandemic levels.
- West End commercial productions continue at current levels, whereas Touring is at a lower level than in previous years.
- Income from NT Live and Digital activity continues to grow.
- Arts Council England (ACE) annual grant funding, for the three-year period from April 2023, remains at levels communicated to the Group at £6.15m per annum.
- The ability to continue to attract sponsorship and obtain donations is retained; alongside support from The Royal National Theatre Foundation.
- Full management of the Group's fixed and variable cost structure.

SENSITIVITY ANALYSIS

The Trustees have considered the impact on forecast and projected activities, budgets, cash flows and liquidity of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) such that the key assumptions are not met, or able to be met, in whole or in part.

This comprises:

- Reduced audience and visitor numbers.
- Higher levels of inflation on payroll costs and materials and other costs.
- Reduction or delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2025, without needing to implement mitigating actions. Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2025.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

CONCLUSIONS

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2025, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of these financial statements.

Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and the Group were unable to continue as a going concern.

C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the disclosure exemptions from preparing a statement of cash flows and reconciliation of net debt, on the basis that it is a qualifying entity.

D. BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The Royal National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 24). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions and balances outstanding between the entities are eliminated on consolidation.

E. FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the period have been translated at the prevailing rate of exchange at the date of the transaction. Non-monetary assets are recorded at the prevailing rate of exchange at the date of the original transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date.

Foreign exchange differences incurred in respect of overseas activities are recorded in the Statement of Financial Activities within the activity which the income and expenditure relates in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The functional currency of the Company and its UK based subsidiaries is pounds sterling, and the functional currency of its US subsidiaries, National Theatre North America LLC, Curious Incident Broadway LP and Three Brothers Broadway LLC is US dollars. The presentational currency of the Group is pounds sterling.

The income and expenditure of foreign subsidiaries consolidated within the Group financial statements are translated from their functional currency to the presentational currency at the average rate of exchange for the period. The balance sheet of each foreign subsidiary is translated to the presentational currency at the prevailing rate of exchange at the balance sheet date. Any exchange gains or losses are accounted for within other comprehensive income within the Statement of Financial Activities.

F. FUND ACCOUNTING

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes.

Restricted funds may only be used in accordance with the specific wishes of donors.

An expendable endowment fund is held in long term restricted funds. Under the terms of donation this will be converted at the trustees' discretion into expendable income at the end of the 20-year term (December 2028).

G. INCOME & ENDOWMENTS

All income and endowments are included in the Statement of Financial Activities when the Group has legal entitlement, there is reasonable probability over receipt and the amount of income can be quantified with reasonable accuracy.

DONATIONS & LEGACIES

Donations and legacies comprise of income from sponsorships, donations, legacies, grants, and membership subscriptions, except for government grants received under the Coronavirus Job Retention Scheme and government grants received from the US government under its Shuttered Venue Operations Grant scheme. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – The Royal National Theatre Foundation and American Associates of the National Theatre - is recognised at the point at which the amount receivable is known.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Where donor-imposed conditions, such as grant terms, require that funds are expended in a future period or that the Group is entitled to funds only once specific conditions are met, then amounts are recorded as deferred at the balance sheet date. Income is then recognised once conditions have been met, income is recorded as deferred income at the balance sheet date.

Sponsorship income represents income received from commercial organisations in support of specific activities or projects. Income is recognised at the point where the goods/services in relation to the activities or projects are delivered.

Income from individual membership schemes eligible for Gift Aid is recognised in full on receipt. Corporate and other individual membership income is apportioned over the year of the subscription and the element relating to a future year is recorded as deferred income at the balance sheet date.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Goods and services received in kind, where significant (>£10k) are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the Group at the time of receipt.

Arts Council England's revenue grant is recognised in the period to which the funding relates. All other grant income from Arts Council England is recognised in line with expenditure of the project funded.

CHARITABLE ACTIVITIES

Charitable activities comprise :

Performance income:

- income from performances at The Royal National Theatre;
- income from touring activities (UK and International) under the management of the Group (excluding grant income); and
- ticket sales for productions which have transferred to the West End under The Royal National Theatre direct management.

All other income:

- income from NT Learning performances, NT Live ticket income, NT at Home subscriptions, events and workshops; and
- sundry income (recognised on a receivable basis).

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. NT at Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities and through third party arrangements;
- government grant income received from the US government under its Shuttered Venue Operators Grant scheme; and
- box office, royalty and profit share income generated by other NT subsidiaries (in the UK and USA) from the commercial exploitation of The Royal National Theatre's productions to the extent that the Group is entitled to such income.
- sponsorship income received from commercial organisations in support of specific activities or projects.

Other than government grant income, this income is recognised on a receivable basis. Government grant income referred to above is recognised as qualifying expenditure is incurred.

H. EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing sponsorship, donations and grants including the costs of providing membership benefits.

CHARITABLE ACTIVITIES

Expenditure which relates directly to the Group's charitable objectives are analysed between:

- performances at The Royal National Theatre or elsewhere under direct management of the Group;
- performances on tour (UK and International);
- NT Live (streaming and broadcasting of The Royal National Theatre performances) and Digital;
- NT Learning (education and participation work) and Public Engagement (including Archive, NT Live, Inside Out, Platforms, Foyer Music); and
- research and development (including the NT Studio and commissioning costs).

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities, they have been apportioned as set out in Note 6(c). Staff canteen costs are shown net of contributions.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

OTHER TRADING ACTIVITIES

Expenditure which forms part of the Group's trading activities and commercial exploitations that are separately disclosed as Other Trading Activities.

I. LEASE OF THE NATIONAL

The Royal National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The Royal National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The Royal National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 19).

J. FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £2,000 are capitalised.

Depreciation is provided on a straight-line basis to write off the cost of assets, less estimated residual values, over their anticipated useful economic lives and is charged to the relevant fund as follows:

Freehold land & buildings	50 years (excluding land, which is not depreciated)
Leasehold improvements	5 years, 10 years and 20 years
Equipment	3 years, 5 years and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When considering the existence of impairment indicators, The Royal National Theatre considers, amongst other things, the ability of assets to assist in the delivery of The Royal National Theatre's future activities.

Assets within work in progress are not depreciated until they are brought into use.

Assets are derecognised when they are disposed of or when no future economic benefits are expected from their use or disposal.

K. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

L. STOCKS

Stocks, principally held by The Royal National Theatre's trading subsidiary (RNTE), comprise of bookshop and programme supplies for resale. Other stocks comprise consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the latest purchase price for bookshop and programme stock, and on actual cost for production stock. Where it is identified that stocks will not be sold as a result of a prolonged closure, then the stocks are considered to have £ nil value. All impairment losses are recognised within the Statement of Financial Activities.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Financial Activities. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Financial Activities.

M. COSTS OF PRODUCTIONS NOT YET OPENED

The direct costs, including the cost of materials, associated creative fees and costs of rehearsals, of each new production are carried forward on the balance sheet prior to productions opening as Cost of productions not yet opened. Once a production opens, these costs and associated tax credit are recognised as performances take place, with expenses yet to be recognised held as prepayments. Where circumstances lead to the production being cancelled, the amounts recognised are impaired to £nil. Overheads, including the cost of workshop labour, are expensed as incurred.

N. CASH AND CURRENT ASSET INVESTMENTS

Cash and current asset investments include cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities. Deposits with original maturities of 3 months or more, or require a similar level of notice before withdrawal, are classified as current asset investments.

O. PROVISIONS

Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

NOTES TO THE FINANCIAL STATEMENTS**3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****P. REDUNDANCY/TERMINATION BENEFITS**

Termination benefits paid to employees, such as redundancy costs, are recognised within expenditure as soon as the Group has a detailed formal plan for the termination of employment and has no realistic alternative possibility of withdrawal from the plan.

Q. OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

R. FINANCIAL INSTRUMENTS

The Group's financial instruments are basic financial instruments as defined by section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the Group.

The carrying values of financial assets are reviewed for objective evidence of impairment at the end of each financial period. Where an impairment loss has been identified, the loss is immediately recognised within the Statement of Financial Activities.

Financial instruments are derecognised when the contractual obligation is discharged, settled, cancelled or expired.

During the year ended 28 March 2021, the Group entered into a public benefit entity concessionary loan arrangement. The Group has elected to apply the accounting treatment set out under Section 34 under FRS 102. As a result, the loan was initially measured and recognised in the balance sheet at the amount of the loan principle amount received. Subsequently, the Group will adjust the carrying amount of the loan in each accounting period to reflect repayments and accrue for interest payable.

NOTES TO THE FINANCIAL STATEMENTS**3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****S. PENSIONS**

The Group offers a stakeholder defined contribution pension scheme to its employees and also contributes to defined contribution schemes for certain of its employees. These costs are expensed in the Statement of Financial Activities as they become payable.

T. TAXATION

The Royal National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the assets. The Royal National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Royal National Theatre Enterprises Limited and National Theatre Productions Limited pay their taxable profits to the Company, through a Deed of Covenant, under Gift Aid.

Royal National Theatre North America LLC pays a profit distribution to the Company. The Company has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

The Group receives creative industry tax credits from HMRC on qualifying expenditure. These are shown as reductions to the related expenditure within the Statement of Financial Activities. Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates, in current and future periods, positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation or in light of correspondence with the relevant tax authority.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Other than the judgment in relation to Going Concern, discussed in Note 3, the key judgment made in preparing the financial statements is discussed below.

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 24). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following in respect of the following US entities:

- Curious Incident Broadway LP – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Three Brothers Broadway LLC – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is sole general partner of the partnership and the partnership's limited partners, who provided funding to finance the partnership initially, have no decision-making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LLC, and so its results are consolidated in these financial statements.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are no estimates for which there is a significant risk of a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

As noted on page 8 of the National's Strategic Report, the Group has four key objectives, Objective 3 of which is to be sustainable: economically, environmentally, socially, with the right culture that takes care of the National's people and the world around it. The National recognise that climate change needs to be tackled urgently and has made commitments, as an organisation, to develop a pathway to address it. The key themes of the environmental strategy are: Productions, Operations and Buildings. The Group's specific plans are in the early stages of development and execution and, as a result, no indicators of either asset impairment or a need to changes asset useful economic lives have been identified. This will be kept under review as plans are further developed.

NOTES TO THE FINANCIAL STATEMENTS**5. INCOME & ENDOWMENTS (GROUP)****a) Donations & Legacies – Analysis by Fund Type**

	Year ended 26 March 2023					Year ended 27 March 2022				
	Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
	Operations £m	Designated £m	Projects £m	Long Term £m		Operations £m	Designated £m	Projects £m	Long Term £m	
Arts Council England (ACE):										
Revenue Grant	17.0	-	-	-	17.0	17.0	-	-	-	17.0
Capital and Other Grants	-	-	0.2	-	0.2	-	-	0.1	-	0.1
TOTAL ACE	17.0	-	0.2	-	17.2	17.0	-	0.1	-	17.1
Other:										
Performances	-	-	0.8	-	0.8	-	-	0.6	-	0.6
NT Live & Digital	-	-	0.7	-	0.7	-	-	0.8	-	0.8
NT Learning & Public Engagement	-	-	3.5	-	3.5	-	-	2.8	-	2.8
NT Studio, Research & Development	-	-	0.3	-	0.3	-	-	0.5	-	0.5
Long Term Projects	-	-	0.9	-	0.9	-	-	-	0.6	0.6
Other Income	-	-	0.1	-	0.1	-	-	0.2	-	0.2
Donations supporting General Activity	7.7	-	0.3	-	8.0	11.3	-	-	-	11.3
TOTAL Other	7.7	-	6.6	-	14.3	11.3	-	4.9	0.6	16.8
TOTAL Donations & Legacies	24.7	-	6.8	-	31.5	28.3	-	5.0	0.6	33.9

NOTES TO THE FINANCIAL STATEMENTS**5. INCOME & ENDOWMENTS (GROUP) (continued)****b) Donations & Legacies – Analysis by Income Type**

	Year ended 26 March 2023				Year ended 27 March 2022			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):								
Revenue Grant	-	-	17.0	17.0	-	-	17.0	17.0
Capital and Other Grants	-	-	0.2	0.2	-	-	0.1	0.1
Other:								
Performances	-	0.5	0.3	0.8	-	0.3	0.3	0.6
NT Live & Digital	0.4	0.2	0.1	0.7	0.6	0.1	0.1	0.8
NT Learning & Public Engagement	0.3	2.3	0.9	3.5	0.3	1.6	0.9	2.8
NT Studio, Research & Development	-	0.1	0.2	0.3	0.1	-	0.4	0.5
Long Term Projects	-	0.4	0.5	0.9	-	0.3	0.3	0.6
Other Income	0.1	-	-	0.1	-	-	0.2	0.2
Donations supporting General Activity	2.8	5.0	0.2	8.0	0.6	9.3	1.4	11.3
TOTAL Other	3.6	8.5	2.2	14.3	1.6	11.6	3.6	16.8
TOTAL Donations & Legacies (all UK)	3.6	8.5	19.4	31.5	1.6	11.6	20.7	33.9

Recognised within donations and legacies are Gifts in Kind of £0.8m during the year (2022: £0.7m).

NOTES TO THE FINANCIAL STATEMENTS**5. INCOME & ENDOWMENTS (GROUP) (continued)****c) Charitable Activities and Coronavirus Job Retention Scheme and Interest Income**

	2023 Total £m	2022 Total £m
Performances:		
National Theatre	22.0	8.7
West End Commercial Transfers	5.6	0.6
UK Touring	2.8	1.5
TOTAL Performances	30.4	10.8
Other Activities:		
NT Live & Digital	9.3	6.9
NT Learning & Public Engagement	0.6	0.5
Other Income	0.1	0.1
TOTAL Other Activities	10.0	7.5
SUBTOTAL Income from Charitable Activities (all UK)	40.4	18.3
Coronavirus Job Retention Scheme	-	0.5
Interest Income	0.5	-
TOTAL Income	40.9	18.8

Touring income includes co-production and touring fees where appropriate.

During 2022, the Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS) which permitted a large number of staff to be furloughed whose roles were dependent on the theatres being open. CJRS concluded in September 2021.

NOTES TO THE FINANCIAL STATEMENTS**5. INCOME & ENDOWMENTS (GROUP) (continued)****d) Other Trading Activities**

	2023	2022
	Total	Total
	£m	£m
West End & UK Touring Box Office Income	-	3.4
Rights, Royalties & Exploitations – United States of America	1.5	10.5
Grant – United States of America	0.6	7.3
Rights, Royalties & Exploitations – West End	-	0.1
Catering & Hospitality	10.3	3.6
Retail & Prop and Costume Hires	1.7	0.9
Car Park	0.7	0.6
Tours & Events	0.2	0.1
Sponsorship Income	1.6	1.6
TOTAL Income from Trading Activities (all UK, except USA)	16.6	28.1

NOTES TO THE FINANCIAL STATEMENTS**6. EXPENDITURE (GROUP)****a) Expenditure on Charitable Activities**

	Year ended 26 March 2023						Year ended 27 March 2022					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Performances:												
National Theatre	22.0	11.2	-	0.6	-	33.8	15.7	8.6	-	0.5	-	24.8
West End Commercial Transfers	5.6	1.9	-	-	-	7.5	0.1	-	-	-	-	0.1
UK Touring	3.2	1.1	-	-	-	4.3	2.3	0.7	-	-	-	3.0
International Touring	-	-	-	-	-	-	0.1	-	-	-	-	0.1
TOTAL Performances	30.8	14.2	-	0.6	-	45.6	18.2	9.3	-	0.5	-	28.0
Other Activities:												
NT Live & Digital	8.2	4.1	-	0.7	-	13.0	4.1	2.6	-	0.8	-	7.5
NT Learning & Public Engagement	1.7	0.8	-	3.3	-	5.8	0.2	1.9	-	3.3	-	5.4
NT Major Projects	-	-	0.1	-	-	0.1	-	-	0.1	-	-	0.1
Research & Development	1.8	0.9	-	0.3	-	3.0	0.9	1.7	-	0.6	-	3.2
Access & Inclusion	-	-	-	0.1	-	0.1	-	-	-	0.1	-	0.1
Other Expenses	-	-	-	0.3	-	0.3	-	-	-	1.6	-	1.6
TOTAL Other Activities	11.7	5.8	0.1	4.7	-	22.3	5.2	6.2	0.1	6.4	-	17.9
Other:												
Depreciation	-	-	3.0	-	3.7	6.7	-	-	2.2	-	3.8	6.0
TOTAL Other	-	-	3.0	-	3.7	6.7	-	-	2.2	-	3.8	6.0
TOTAL Expenditure on Charitable Activities	42.5	20.0	3.1	5.3	3.7	74.6	23.4	15.5	2.3	6.9	3.8	51.9

NOTES TO THE FINANCIAL STATEMENTS**6. EXPENDITURE (GROUP) (continued)****b) Other Trading Activities**

	2023 Total £m	2022 Total £m
West End & UK Touring	-	3.2
Rights, Royalties & Exploitations – USA	2.1	17.3
Catering & Hospitality	9.2	4.3
Retail & Prop and Costume Hires	1.9	1.1
Car Park	0.2	0.2
Tours & Events	0.3	-
TOTAL Expenditure on Trading Activities	13.7	26.1

NOTES TO THE FINANCIAL STATEMENTS**6. EXPENDITURE (GROUP) (continued)****c) Analysis of Support Costs**

	Year ended 26 March 2023				Year ended 27 March 2022			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.3	0.3	-	-	0.3	0.3
Charitable Activities:								
Performances:								
National Theatre	1.7	3.9	5.6	11.2	1.5	3.9	3.2	8.6
West End Commercial Transfers	0.4	-	1.5	1.9	-	-	-	-
UK Touring	0.2	-	0.9	1.1	0.2	-	0.5	0.7
Other Activities:								
NT Live & Digital	0.6	1.4	2.1	4.1	0.5	1.1	1.0	2.6
NT Learning & Public Engagement	0.1	0.3	0.4	0.8	0.3	0.9	0.7	1.9
Research & Development	0.1	0.3	0.5	0.9	0.3	0.8	0.6	1.7
TOTAL Charitable Activities	3.1	5.9	11.0	20.0	2.8	6.7	6.0	15.5
Other Trading Activities	-	0.1	0.1	0.2	-	0.1	0.1	0.2
TOTAL Support Costs	3.1	6.0	11.4	20.5	2.8	6.8	6.4	16.0

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen. Support costs are allocated to the key activity areas driving support costs as above based on their proportionate costs to overall direct costs.

* Governance costs for the year were £0.2m (2022: £0.1m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £110k (2022: £93k). Fees for tax compliance services of £8k (2022: £7k) due to PricewaterhouseCoopers LLP.

NOTES TO THE FINANCIAL STATEMENTS**7. STAFF COSTS & NUMBERS (GROUP & COMPANY)**

	Group 2023 £m	Company 2023 £m		Group 2022 £m	Company 2022 £m
Wages and salaries	33.5	33.5		27.0	27.0
Social security costs	3.0	3.0		2.3	2.3
Other pension costs	1.2	1.2		1.0	1.0
Redundancy costs	0.1	0.1		0.3	0.3
	37.8	37.8		30.6	30.6

The average number of employees in the year are 901 permanent staff including management (2022: 776) and 215 casual and temporary staff (2022: 189). The Group considers business activities by full-time equivalent staff, further analysis is provided below based on average full-time equivalent staff employed in the year:*

	Group 2023 Number	Company 2023 Number		Group 2022 Number	Company 2022 Number
Artistic	144	144		121	121
Technical and production	321	321		268	268
Trading and front of house	85	85		85	85
Education, touring, New Work dept and other projects	58	58		46	46
Marketing and box office	43	43		38	38
Support services	69	69		59	59
Engineering	24	24		21	21
Fundraising	34	34		31	31
	778	778		669	669

* All staff excluding actors are employed by The Royal National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant.

NOTES TO THE FINANCIAL STATEMENTS**7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)**

In addition to the above, the Group's consolidated US entities incurred staff costs of £0.5m (comprising wages and salaries of £0.5m and social security costs of £0.0m) (2022: £4.8m, comprising wages and salaries of £4.3m and social security costs of £0.5m) in respect of 39 individuals (2022: 185) who were employed on productions during the year. Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £4.1m (comprising £3.7m wages and salaries and £0.4m social security and other costs) (2022: £1.2m, comprising £1.1m wages and salaries and £0.1m social security and other costs) in respect of 199 individuals (2022: 124) who were employed by the third party during the year.

The number of employees with emoluments greater than £60,000 was as follows:

	2023	2022
	Number	Number
£60,000 - £70,000	17	21
£70,001 - £80,000	7	3
£80,001 - £90,000	5	7
£90,001 - £100,000	4	6
£100,001 - £110,000	4	1
£130,001 - £140,000	1	1
£160,001 - £170,000	1	2
£170,001 - £180,000	1	1
	40	42

Pension contributions of £0.1m (2022: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.4m (2022: £1.5m), comprising of the Executive (Director and Executive Director) and the Executive Committee.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment during the year or in the previous year were incurred while on Company's business. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 26 March 2023 was £10k (2022: £19k). £4k (2022: £nil) was also paid in relation to royalties on NT at Home and NT Live screenings. The Company's governing documents permit such payments to Trustees and were approved by the Board.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.2m (2022: £1.0m) with £0.2m (2022: £0.2m) payable at the balance sheet date. The Group charge for the year was £1.2m (2022: £1.0m) with £0.2m (2022: £0.2m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in Notes 19 and 24.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £7.6m (2022: £3.1m).

Royal National Theatre North America LLC pays a profit distribution to The Royal National Theatre. The Royal National Theatre has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

NOTES TO THE FINANCIAL STATEMENTS**11. TANGIBLE ASSETS (GROUP)**

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 28 March 2022	6.6	60.0	38.8	0.6	13.9	4.3	48.8	0.1	4.1	177.2
Additions	-	-	-	-	-	-	-	0.2	6.5	6.7
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
Transfers from work in progress	-	0.6	0.9	-	4.0	1.5	0.9	(0.1)	(7.8)	-
As at 26 March 2023	6.6	60.6	39.7	0.6	17.9	5.8	48.1	0.2	2.8	182.3
Accumulated Depreciation										
As at 28 March 2022	1.7	23.5	36.2	0.5	7.2	3.2	47.8	-	-	120.1
Charge for period	0.1	3.0	0.6	-	1.7	0.5	0.8	-	-	6.7
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
As at 26 March 2023	1.8	26.5	36.8	0.5	8.9	3.7	47.0	-	-	125.2
Net book value										
As at 26 March 2023	4.8	34.1	2.9	0.1	9.0	2.1	1.1	0.2	2.8	57.1
As at 27 March 2022	4.9	36.5	2.6	0.1	6.7	1.1	1.0	0.1	4.1	57.1

Freehold land and buildings include NT Studio land at a cost of £0.7m (2022: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2022: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

Fixed and floating charges over The Royal National Theatre's leasehold registered offices at Upper Ground, London SE1 9PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge will be released in due course.

NOTES TO THE FINANCIAL STATEMENTS**11. TANGIBLE ASSETS (COMPANY) (continued)**

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 28 March 2022	6.6	60.0	38.8	0.6	10.2	3.6	47.4	0.1	4.1	171.4
Additions	-	-	-	-	-	-	-	0.2	5.2	5.4
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
Transfers from work in progress	-	0.6	0.5	-	3.1	1.1	0.9	(0.1)	(6.1)	-
As at 26 March 2023	6.6	60.6	39.3	0.6	13.3	4.7	46.7	0.2	3.2	175.2
Accumulated Depreciation										
As at 28 March 2022	1.7	23.5	36.2	0.5	5.6	2.7	46.4	-	-	116.6
Charge for period	0.1	3.0	0.6	-	1.1	0.4	0.8	-	-	6.0
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
As at 26 March 2023	1.8	26.5	36.8	0.5	6.7	3.1	45.6	-	-	121.0
Net book value										
As at 26 March 2023	4.8	34.1	2.5	0.1	6.6	1.6	1.1	0.2	3.2	54.2
As at 27 March 2022	4.9	36.5	2.6	0.1	4.6	0.9	1.0	0.1	4.1	54.8

NOTES TO THE FINANCIAL STATEMENTS**12. INVESTMENTS**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	0.2	0.2	0.2	0.2

In 2008, the Company invested £200,000 into a 20-year gilt in accordance with the terms of a donation received from a long-term benefactor. At the end of the 20-year term, the capital sum (£166,000) will become available for use by the Company. Interest on the gilt accrues to the Company on a received basis. The initial premium on the gilt is amortised over the life of the gilt. The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

See Note 24 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Consumable Items	0.2	-	0.1	0.1
Goods for resale	-	-	0.2	-
	0.2	-	0.3	0.1

Stock impairment losses charged to the statement of financial activities during the year for the group were £0.1m (2022: £Nil) and for the Company were £Nil (2022: £Nil).

NOTES TO THE FINANCIAL STATEMENTS**14. COST OF PRODUCTIONS NOT YET OPENED**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
National Theatre – Productions	0.2	0.2	0.7	0.7
National Theatre – NT Live screenings scheduled 2023-24	0.9	-	0.1	-
	1.1	0.2	0.8	0.7

These costs relate to productions which are planned to start in the financial year ended 31 March 2024 for which expenditure has been incurred in the year to 26 March 2023.

15. DEBTORS

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Amounts falling due within one year:				
Trade debtors	3.6	2.2	2.1	1.2
Amounts owed by group undertakings	-	14.2	-	6.4
Other debtors	1.6	1.4	1.1	0.7
Tax recoverable	13.2	2.4	5.6	1.5
Prepayments and accrued income	10.7	8.3	9.3	6.4
	29.1	28.5	18.1	16.2

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS**16. INVESTMENTS AND CASH AT BANK AND IN HAND**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Current asset investments:				
Bank deposits with maturity > 3 months	12.8	12.8	12.6	12.6
Cash at bank and in hand:				
Cash and bank balances	29.0	26.2	41.6	37.7

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Amounts falling due within one year:				
Trade creditors	3.0	2.6	1.9	1.6
Amounts owed to group undertakings	-	-	-	0.7
Advance bookings	4.3	4.3	3.0	3.0
Taxation and social security	1.0	0.7	0.7	0.7
Other creditors and accruals	12.3	9.6	14.3	9.6
Deferred income (all utilised in year)	2.6	1.5	3.0	1.2
	23.2	18.7	22.9	16.8

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Concessionary loan	20.5	20.5	20.1	20.1
	20.5	20.5	20.1	20.1

Consequent on the impact of Covid on the Group's finances, in December 2020, The Royal National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group could seek to return to financially sustainable operations by March 2022.

The finance agreement was signed in February 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16-year period from March 2025. The facility is unsecured, but has certain on-going non-financial covenants and conditions attached to it.

The interest charge for the year was £0.4m (2022: £0.4m).

The principal loan balance falls due between one and five years of £2.4m and after more than five years of £17.3m.

NOTES TO THE FINANCIAL STATEMENTS**19. THE FUNDS OF THE GROUP & COMPANY**

	Balance at 28 March 2022	Income	Expenditure	Transfers	Balance at 26 March 2023	Balance at 29 March 2021	Income	Expenditure	Transfers	Balance at 27 March 2022
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:										
Unrestricted operations fund*	(4.0)	82.2	(78.8)	(3.1)	(3.7)	16.0	75.2	(67.1)	(28.1)	(4.0)
Unrestricted designated										
NT Future Fund	6.2	-	(0.5)	(1.2)	4.5	6.7	-	(0.5)	-	6.2
Building & Equipment Fund	30.4	-	(2.6)	6.8	34.6	14.4	-	(1.7)	17.7	30.4
Security Fund	0.3	-	-	-	0.3	0.4	-	(0.1)	-	0.3
Loan Repayment Fund	1.5	-	-	-	1.5	-	-	-	1.5	1.5
Risk Fund	4.9	-	-	-	4.9	-	-	-	4.9	4.9
Investment Fund	1.0	-	-	-	1.0	-	-	-	1.0	1.0
Programme Development Fund	3.0	-	-	-	3.0	-	-	-	3.0	3.0
TOTAL unrestricted designated funds	47.3	-	(3.1)	5.6	49.8	21.5	-	(2.3)	28.1	47.3
TOTAL unrestricted funds	43.3	82.2	(81.9)	2.5	46.1	37.5	75.2	(69.4)	-	43.3
RESTRICTED : Project funds										
NT Performance	0.2	0.8	(0.5)	-	0.5	0.1	0.6	(0.5)	-	0.2
NT Live & Digital	-	0.7	(0.7)	-	-	-	0.8	(0.8)	-	-
NT Learning & Public Engagement	0.8	3.5	(3.2)	-	1.1	1.2	2.9	(3.3)	-	0.8
NT Studio Projects (R&D)	-	0.3	(0.3)	-	-	0.1	0.5	(0.6)	-	-
NT Access & Inclusion	-	0.1	(0.1)	-	-	-	0.1	(0.1)	-	-
ACE UK Touring	-	0.2	(0.2)	-	-	-	-	-	-	-
General Activity	-	0.3	(0.3)	-	-	1.5	0.1	(1.6)	-	-
Capital	-	0.9	-	0.4	1.3	-	-	-	-	-
TOTAL restricted project funds	1.0	6.8	(5.3)	0.4	2.9	2.9	5.0	(6.9)	-	1.0
RESTRICTED : Long term funds										
NT Future Fund	23.1	-	(2.6)	-	20.5	25.6	-	(2.5)	-	23.1
ACE NT Future Fund	12.3	-	(1.0)	-	11.3	13.3	-	(1.0)	-	12.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.0	-	(0.1)	-	3.9	4.1	-	(0.1)	-	4.0
Drum Revolve Fund	0.2	-	-	(0.2)	-	0.3	-	(0.1)	-	0.2
Staging Technology Fund	1.4	-	-	(1.4)	-	1.0	0.5	(0.1)	-	1.4
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long-Term Funds	1.3	-	-	(1.3)	-	1.2	0.1	-	-	1.3
TOTAL long-term funds	43.4	-	(3.7)	(2.9)	36.8	46.6	0.6	(3.8)	-	43.4
TOTAL restricted funds	44.4	6.8	(9.0)	(2.5)	39.7	49.5	5.6	(10.7)	-	44.4
TOTAL Group funds	87.7	89.0	(90.9)	-	85.8	87.0	80.8	(80.1)	-	87.7

NOTES TO THE FINANCIAL STATEMENTS**19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)**

	At 26 March 2023 £m	At 27 March 2022 £m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Company unrestricted operations fund (as disclosed in the Company Balance Sheet)	(6.6)	(6.3)
Unrestricted retained surplus held by trading subsidiaries (note 24c)	2.9	2.3
Group unrestricted operations fund	(3.7)	(4.0)

DESIGNATED FUNDS**NT Future Fund**

This represents NT Future assets which were funded by The Royal National Theatre. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs

Building & Equipment Fund

The building and equipment fund is a designated fund set aside by the Trustees in order to enable monies to be made available for the renewal and maintenance of The Royal National Theatre's buildings and mechanical and electrical equipment in accordance with its lease and obligations under Lottery funding.

£3.1m (2022: £17.7m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Security Fund

The security fund is a designated fund set aside by the Trustees in order to enable monies to be made available to enhance the physical security infrastructure of The Royal National Theatre.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

Loan Repayment Fund

The loan repayment fund is a designated fund set aside by the Trustees in order to support one year of the Culture Recovery Fund concessionary loan repayment in the event of difficulties in meeting this loan repayment obligation in any one year.

Risk Fund

The risk fund is a designated fund set aside by the Trustees to mitigate against the on-going impact of Covid and cost of living impacts on our audiences and customers, and inflationary pressures to our costs, particularly in relation to staff remuneration and energy costs.

Investment Fund

The investment fund is a designated fund set aside by the Trustees to support investment in National Theatre productions that transfer to the West End and/or tour nationally.

Programme Development Fund

The programme development fund is a designated fund set aside by the Trustees in order to enable monies to ensure that The Royal National Theatre can continue the constant revitalisation of the great traditions of the British Stage and to expand the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives.

RESTRICTED FUNDS: PROJECT FUNDS

These represent funds made available for projects generally completed within two years or activities funded on an annual basis.

NT Performance Fund

The NT Performance Fund represents restricted funding and related expenditure, relating to The Royal National Theatre productions and performances.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)

NT Live & Digital Fund

The NT Live & Digital Fund represents restricted funding and related expenditure, in relation to The Royal National Theatre's broadcasting and digital initiatives.

NT Learning & Public Engagement Projects Fund

The NT Learning & Public Engagement Project Fund represents restricted funding and related expenditure, for participation projects and training initiatives, along with funds received in support of activities in the external public spaces at The Royal National Theatre and various access, archive and digital initiatives.

NT Studio Projects (Research & Development) Fund

The NT Studio Projects Fund represents restricted funding for activity at the NT Studio, including new writing and directing initiatives.

NT Access and Inclusion Fund

NT Access and Inclusion Fund represents restricted funding for smart capture glasses.

ACE UK Touring Fund

The ACE UK Touring Fund represents restricted funding for Theatre Nation partnership.

General Activity Fund

The General Activity Fund represents restricted funding for Covid related expenditure.

Capital Fund

The Capital Fund represents restricted funding for capital projects.

RESTRICTED FUNDS: LONG TERM FUNDS

Long-term funds represent funds used for capital purposes or where there is an expectation that the fund will be used over the longer term.

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.6m (2022: £2.5m) and represents depreciation on NT Future assets.

NOTES TO THE FINANCIAL STATEMENTS**19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)****ACE NT Future Fund**

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2022: £1.0m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

This fund was created specifically in relation to a grant from Heritage Lottery, to support a major refurbishment of The Royal National Theatre. The balance reflects future depreciation on the assets acquired through this fund.

Studio Refurbishment Fund

This fund was created to support a major refurbishment of the NT Studio, completed in 2008. The balance reflects future depreciation on the assets acquired through this fund.

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology. The transfer in the year is to the designated Building and Equipment Fund.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology. The transfer in the year is to the designated Building and Equipment Fund.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12.

NOTES TO THE FINANCIAL STATEMENTS**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)**

	As at 26 March 2023				As at 27 March 2022			
	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets
	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:								
Operations fund	-	10.1	(13.8)	(3.7)	-	19.8	(23.8)	(4.0)
Unrestricted designed								
NT Future Fund	2.7	1.8	-	4.5	3.4	2.8	-	6.2
Building & Equipment Fund	17.5	17.1	-	34.6	12.1	18.3	-	30.4
Security Fund	0.3	-	-	0.3	0.3	-	-	0.3
Loan Repayment Fund	-	1.5	-	1.5	-	1.5	-	1.5
Risk Fund	-	4.9	-	4.9	-	4.9	-	4.9
Investment Fund	-	1.0	-	1.0	-	1.0	-	1.0
Programme Development Fund	-	3.0	-	3.0	-	3.0	-	3.0
TOTAL unrestricted designated funds	20.5	29.3	-	49.8	15.8	31.5	-	47.3
TOTAL unrestricted funds	20.5	39.4	(13.8)	46.1	15.8	51.3	(23.8)	43.3
RESTRICTED : Project funds								
NT Performance	-	0.4	0.1	0.5	-	0.2	-	0.2
NT Learning & Public Engagement	-	0.7	0.4	1.1	-	0.9	(0.1)	0.8
NT Studio (Research & Development)	-	-	-	-	-	0.1	(0.1)	-
Capital	-	1.3	-	1.3	-	-	-	-
TOTAL restricted project funds	-	2.4	0.5	2.9	-	1.2	(0.2)	1.0
RESTRICTED : Long term funds								
NT Future Fund	20.5	-	-	20.5	23.1	-	-	23.1
ACE NT Future Fund	11.3	-	-	11.3	12.3	-	-	12.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	3.9	-	-	3.9	4.0	-	-	4.0
Drum Revolve Fund	-	-	-	-	0.2	-	-	0.2
Staging Technology Fund	-	-	-	-	0.6	0.6	0.2	1.4
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
Other Long-Term Funds	-	-	-	-	0.2	1.1	-	1.3
TOTAL long-term funds	36.6	-	0.2	36.8	41.3	1.7	0.4	43.4
TOTAL restricted funds	36.6	2.4	0.7	39.7	41.3	2.9	0.2	44.4
TOTAL Group funds	57.1	41.8	(13.1)	85.8	57.1	54.2	(23.6)	87.7

Note: Other net assets/(liabilities) includes the cultural recovery fund concessionary loan of £20.5m (2022: £20.1m). This loan and interest is repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equals instalments of £0.75m, the first instalment being due in March 2025, the final instalment in March 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS**21. CAPITAL COMMITMENTS (GROUP & COMPANY)**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Commitments:				
Theatre Sound Console	-	-	0.1	0.1
Other commitments (<£100k)	0.2	0.2	0.5	0.5
	0.2	0.2	0.6	0.6

The amount payable within one year is £0.2m (2022: £0.6m).

22. OPERATING LEASE COMMITMENTS

At the year-end, the Group was committed under non-cancellable operating leases to make the following payments:

	Group 2023 £m	Group 2022 £m
Within one year	0.3	0.2
In two to five years	0.5	0.2
In more than five years	0.3	-
	1.1	0.4

Expenditure within the period on operating leases was £0.4m (2022: £0.3m).

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation (the "Foundation") (charity number: 271706) has objects related to those of The Royal National Theatre and makes grants to The Royal National Theatre from time to time. The Foundation has seven trustees, two of whom have a direct connection to The Royal National Theatre.

The Royal National Theatre entered into a joint arrangement to create an endowment fund within The Royal National Theatre Foundation to further The Royal National Theatre's national remit in terms of education, new work and productions, and for capital and general purposes. A legacy campaign has been launched by The Royal National Theatre and all unrestricted legacies directed to The Royal National Theatre will go to The Royal National Theatre Foundation and the donations will be held in appropriately named sub-funds of the endowment fund.

During the period, The Royal National Theatre received legacy income of £0.2m (2022: £1.2m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £623k (2022: £117k) for The Royal National Theatre's work with: Capital £500k; Legacy Development costs £43k; Welfare £50k and Peter Hall Award £30k. In 2022, the £117k principally comprised grants for the Voice Project Research £15.8k, Welfare £63.2k and Peter Hall Award £38k. The Foundation owed The Royal National Theatre £664k at the year-end (2022: £11k). The Foundation also made £76k (2022: £22k) benevolent grants to members and former members of the staff and Company.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of The Royal National Theatre (the "AANT") is an independent not-for-profit charity registered in New York, USA. During the period, \$3.15m (2022: \$4.86m) was raised by the AANT for The Royal National Theatre. The AANT owed The Royal National Theatre £1.7m at the year-end (2022: £2.7m).

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £276k (2022: £867k).

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CONTINUED)

OTHER RELATED PARTY TRANSACTIONS (CONTINUED)

The Royal National Theatre has a limited power to enter into transactions with its Trustees. This power is in its governing document, the Memorandum of Association, and it is limited by conditions which protect the interests of The Royal National Theatre as a charity.

The Buffini Chao Foundation (the Chair of the National's Trustee Board, Damon Buffini, and his wife, are two of the four trustees of the Foundation) donated £250,172 (2022: £250,000) (as part of a £1m total commitment over a four-year period 2021-2024) towards the NT's engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22 and 2022-23. As a writer of a new production at the National she received royalties of £31k (2022: £18k) based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions.

Patrick Dillon Architect Ltd (Patrick Dillon, the partner of the National's Chief Executive, Lisa Burger (resigned April 2022), is the director and sole shareholder of this company) provided architectural services for the National Theatre. The amount paid in the year was £nil (2022: £8k).

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £2.6m (2022: £2.2m). This represents the balance of operational transactions and other operational transactions.

The Royal National Theatre (RNT) is owed by the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2022: £0.6m owed to). This represents the balance of operational transactions between The Royal National Theatre & RNTE, including a charge for catering provided for Events £nil (2022: £0.4m). This is offset by the RNTE Management Fee £0.2m (2022: £0.2m) and the Gift Aid of profit £2.9m (2022: £1.3m) to its parent company.

The Royal National Theatre (RNT) is owed by the National Theatre Live Limited (NTLL) a net balance of £1.1m (2022: £0.1m owed to). This represents the balance of the Commissioning Fee payable by RNT of £4.2m (2022: £1.8m) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £9.8m (2022: £3.3m). This represents the balance of the Commissioning Fee payable by RNT of £28.5m (2022: £22.6m) and the operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTNA LLC) a net balance £0.1m (2022: £0.9m). This represents the balance of operational transactions.

See Note 24 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 26 March 2023, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Royal National Theatre Enterprises Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Trading activities	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Productions Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Staging Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Live Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
Royal National Theatre North America LLC	USA	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x \$1 Ord Shares	100%	Yes (Line-by-line)

NOTES TO THE FINANCIAL STATEMENTS**24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)**

b) PARTNERSHIPS ACCOUNTED FOR AS SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident Broadway LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes (Line-by-line)
Three Brothers Broadway LLC*	USA	311 West 43 rd Street 14 th Floor New York New York 10036	Commercial exploitation of productions	N/A	N/A	51% (Indirect holding)	Yes (Line-by-line)

*The Royal National Theatre is the sole Managing Member of Royal National Theatre North America LLC (NTNA LLC) which has the following interests:

- *Curious Incident Broadway LP* - One of two General Partners - Joint arrangement between NTNA LLC and Wombat Crossing 2 LLC. NTNA LLC holds the casting vote in any decisions made and so controls the LP. Therefore, in accordance with FRS 102, it has been consolidated as a subsidiary undertaking
- *Three Brothers Broadway LLC* – Sole General Partner

NOTES TO THE FINANCIAL STATEMENTS**24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)**

c) FINANCIAL INFORMATION

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		Royal National Theatre North America LLC		Three Brothers Broadway LLC	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Income	15.0	6.9	8.6	5.2	28.5	22.6	4.2	1.8	0.6	0.5	1.2	17.3
Expenditure+	(12.1)	(5.6)	(8.6)	(5.2)	(34.7)	(24.4)	(4.9)	(2.1)	(0.6)	-	(1.2)	(17.3)
Net Surplus/(Deficit)	2.9	1.3	-	-	(6.2)	(1.8)	(0.7)	(0.3)	-	0.5	-	-
Gift Aid/Profit distribution due to parent company	(2.9)	(1.3)	-	-	-	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	6.9	2.8	0.7	0.3	-	-	-	-
Retained in the subsidiary	-	-	-	-	0.7	1.0	-	-	-	0.5	-	-
Assets	1.0	1.2	5.4	3.2	12.8	5.5	2.0	1.0	0.1	0.7	0.3	2.7
(Liabilities)	(1.0)	(1.2)	(5.4)	(3.2)	(9.8)	(3.2)	(2.0)	(1.0)	(0.1)	(0.7)	(0.3)	(2.7)
Net Assets	-	-	-	-	3.0	2.3	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

24.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

+Included in cost of trading activities are administration expenses charged by The Royal National Theatre as follows:

	Payable to the National Year ended 26 March 2023 £m	Year ended 27 March 2022 £m
Royal National Theatre Enterprises Limited	0.2	0.2
National Theatre Productions Limited *	-	-
Royal National Theatre North America LLC +	-	-
	0.2	0.2

* The charge in 2022 is less than £0.1m; the charge in 2023 has been waived by The Royal National Theatre

+ The charge above in 2022 and 2023 in each case is less than £0.1m

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED (RNTE) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's trading activities. The Royal National Theatre's Board appoints the directors of RNTE which comprise external experts and senior members of staff responsible for the trading areas.

NATIONAL THEATRE PRODUCTIONS LIMITED (NTPL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for the commercial exploitation of The Royal National Theatre productions and the exploitation of rights in any production via digital, broadcast, or other media. The Royal National Theatre's Board appoints the directors of NTPL which comprise Board members, external experts and senior members of staff.

NATIONAL THEATRE STAGING LIMITED (NTSL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing The Royal National Theatre productions at the South Bank and on tour. The Royal National Theatre's Board appoints the directors of NTSL which comprise the Board members and senior members of staff.

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

NATIONAL THEATRE LIVE LIMITED (NTLL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing NT Live films in respect of The Royal National Theatre productions at the South Bank and on tour, and for third party theatres in the UK and internationally. The Royal National Theatre's Board appoints the directors of NTLL which comprise Board members, external experts and senior members of staff.

ROYAL NATIONAL THEATRE NORTH AMERICA LLC (NTNA LLC) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's activities in North America. The Royal National Theatre's Board appoints the directors of NTNA LLC which comprise Board members and senior members of staff responsible for these areas.

25. NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES

	Group 2023 £m	Group 2022 £m
Net (loss)/income for period (as per Statement of Financial Activities)	(1.9)	0.7
Adjustments for:		
Depreciation	6.7	6.0
Loss on disposal of tangible fixed assets	-	0.2
Loan interest	0.4	0.4
Interest income	(0.5)	-
Exchange gains on cash and cash equivalents	(0.3)	-
Working capital movements:		
Decrease in stocks	0.1	0.1
Increase in work in progress	(0.3)	-
Increase in debtors	(11.0)	(0.3)
Increase in creditors	0.3	7.7
Net cash flow (used in) / provided by operating activities	(6.5)	14.8

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 27 MARCH 2022 to 26 MARCH 2023

The Royal National Theatre Board

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton (néé Durrant)
Sir Lenny Henry (resigned 31 January 2023)
Dame Vikki Heywood CBE
Simon Minty
Vicki Mortimer
Dame Karen Pierce
Amanda Pritchard (from 2 October 2023)
Elizabeth Pryce
Melanie Richards CBE
Tim Score
Farrah Storr
Simon Warshaw

Finance and Audit Committee

Tim Score (Chair)
Sir Damon Buffini
Sabine Chalmers
Melanie Richards CBE

Nominations Committee

Elizabeth Pryce (néé Offord) (Co Chair)
Simon Warshaw (Co Chair)
Sir Damon Buffini
Sir Lenny Henry (resigned 31 January 2023)

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
Alex Bayley
Louise Charlton (néé Durrant)
Liz Fosbury
Huw Gott
John Langley (resigned 31 January 2023)
Geoffrey Matthews
Kate Booth (néé Varah)
Lisa Burger (resigned 15 April 2022)

National Theatre Productions Limited Board

Dame Vikki Heywood CBE (Chair)
Liz Fosbury
Linda James (resigned 11 August 2023)
Tim Score
Farrah Storr
Kate Booth (néé Varah) (appointed 19 April 2022)
Michael Harrison (appointed 14 June 2022)
Kathryn Bennett
Lisa Burger (resigned 15 April 2022)

National Theatre Staging Limited Board

Dame Vikki Heywood CBE (Chair)
Liz Fosbury
Rebecca Thompson
Kate Booth (néé Varah) (appointed 19 April 2022)
Lisa Burger (resigned 15 April 2022)

National Theatre Live Limited Board

Dame Vikki Heywood CBE (Chair)
Liz Fosbury
Rebecca Thompson
Kate Booth (néé Varah) (appointed 19 April 2022)
Farrah Storr (appointed 1 August 2023)
Emma Keith (néé Davies) (appointed 1 August 2023)
Lisa Burger (resigned 15 April 2022)

Royal National Theatre North America LLC

Dame Vikki Heywood CBE (Chair)
Liz Fosbury
Lisa Burger (resigned 15 April 2022)

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (née Offord) (Chair)
Nick Barnes
Sujata Bhatia
Alan Bookbinder
Sir Damon Buffini
Louise Charlton (née Durrant)
James Garvey
Robin Geffen
Kate Groes
Kitty Harris
Steven Larcombe
Jonathan Lenson
Hannah Lewis
George Marcotte
Rafael Marquez
Sheryl Needham
Sinead Ní Mhuircheartaigh
John Owen
Elizabeth Rantzen
Maria Sebastian
Phil Smith
Charlotte Warshaw
Simon Warshaw
Coram Williams
Jacqueline Worswick

Executive

Artistic Director and Chief Executive:
Rufus Norris
Executive Director:
Kate Booth (née Varah) (appointed 15 April 2022)
Executive Director and Joint Chief Executive:
Lisa Burger (resigned 15 April 2022)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The annual report is available to download at

www.nationaltheatre.org.uk/annualreport

If you would like to receive it in large print, or you are visually impaired and would like a member of staff to talk through the publication with you, please contact the Board Secretary at the National Theatre

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.

Accounts

The Royal National Theatre

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In this document The Royal National Theatre is referred to as 'the NT', 'the National', and 'the National Theatre'.

THE YEAR IN SUMMARY

Audiences returned to our theatres enthusiastically despite ongoing risk and disruption, helping us achieve 76% capacity across the year.

- New NT Live titles returned to cinemas around the world, including 1,822 UK screenings of *Leopoldstadt* and *The Book of Dust*.
- Our National Theatre at Home streaming platform continued to grow, with specially filmed titles added for the first time including *East is East* and *Under Milk Wood*.
- Our learning and engagement work with young people achieved over 500,000 engagements across online and in person activity.
- Over 15,000 young people in priority areas across England saw either *Jekyll & Hyde* or *Hamlet* performed in their school hall.
- 125,000 people in 16 towns and cities attended *The Curious Incident of the Dog in the Time*, our return to large scale touring in the UK.
- Our new youth co-creation programme, Speak Up, completed its pilot year, supporting young people severely affected by the pandemic in Sunderland, Doncaster, Greater Manchester, Wakefield, Wolverhampton and Hornchurch.

Impact of Covid-19

While there has been much to celebrate in 2021-22, it is crucial to note the major ongoing impact of the Covid-19 pandemic on the National Theatre.

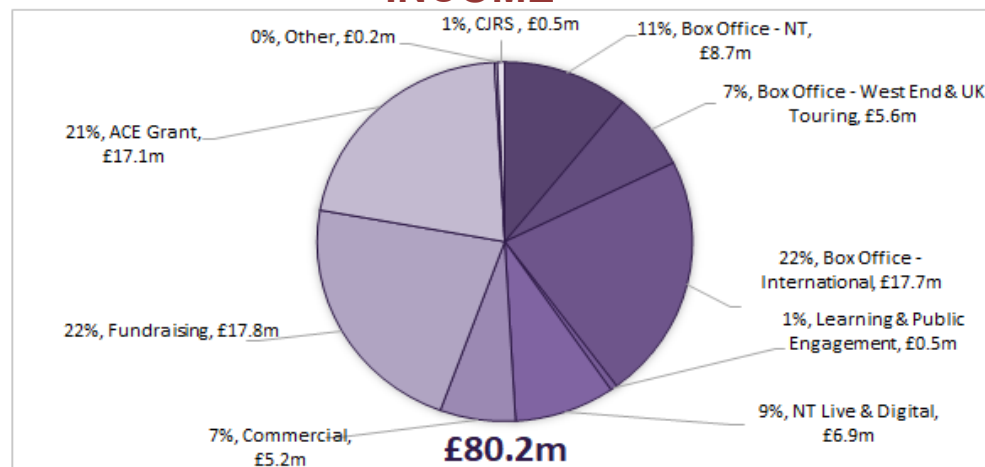
At the start of the financial year, April 2021, the National Theatre building and theatres were closed. We were able to mount our first productions of the year in the Olivier and Dorfman, with social distancing measures, in June 2021. With its limiting aisle structure, the Lyttelton did not open with its first production until September 2021 after social distancing measures had eased. Despite rigorous safety measures and testing, illness and the impact of isolating was a significant factor throughout much of the year, with many performances being cancelled, press nights moved, and understudies of understudies stepping into the breach to keep productions running. Much of our learning, engagement and community work began the year online, with slow returns to in-person working as conditions allowed. New NT Live broadcasts were not seen in cinemas until January 2021, and these productions were filmed for delayed release rather than live by satellite due to the ongoing risk of cast illness.

FINANCIAL SUMMARY

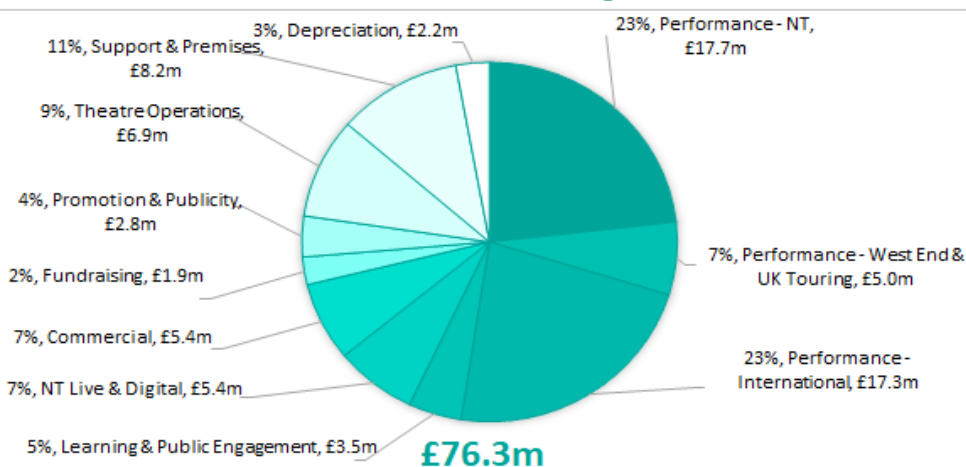
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise the NT's building-related fundraising income and depreciation). The amounts and percentages are subject to rounding.

INCOME

2021-2022

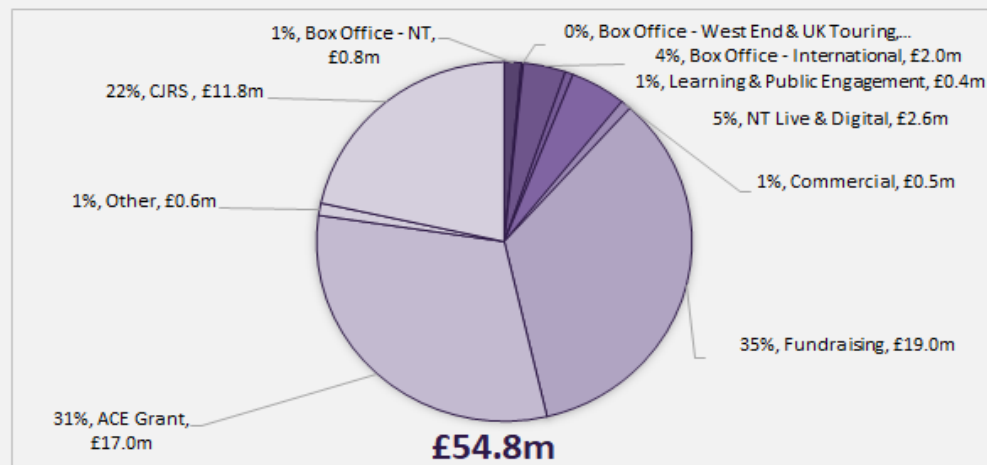


EXPENDITURE

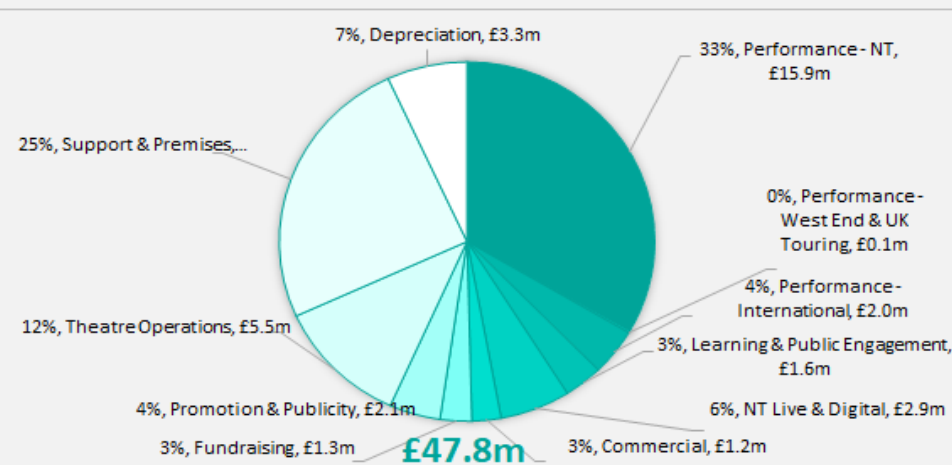


INCOME

2020-2021



EXPENDITURE



CHAIR'S STATEMENT

Looking back on 2021-22, one of the most challenging years of operation in the National Theatre's history, I am struck by the scale of what was achieved. It was a year that asked every member of the company for dedication and determination, coming back from an unprecedented 15 months of intermittent closure. Every area of the work faced disruption – endlessly reworked schedules and budgets, interrupted rehearsals, cancelled performances, and cast and crew stepping into unexpected public roles with real professionalism. I am hugely grateful to everyone who put their shoulder to this monumental wheel with perseverance and imagination. This was the work that needed to be done to survive, and it has secured the National Theatre for the future.

The National Theatre building reopened with new creative work that adapted to the circumstances. Productions were distanced, in the round, or made entirely as films for digital distribution; protocols backstage and front of house allowed audiences and creatives to return with confidence. Much of the work, in one way or another, spoke to themes around community, recovery, hope, and our responsibilities to one another. Across the year, 1,200 freelance theatre-makers came back to the theatre as actors, directors, designers and facilitators. On top of this, the new streaming platform National Theatre at Home continued to support freelance creatives with over £1m paid to theatre-makers in fees and royalties.

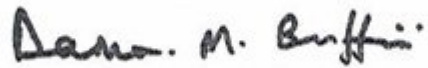
This was a year in which the National Theatre went straight back to work with making an impact around the country for audiences, communities, and colleagues across the sector. The NT collaborated with 100 theatres on projects ranging from jointly commissioning new work to festivals for shows made by young people. There were 500,000 engagements with learning and participation programmes - amazingly, it was calculated that 71 of 109 of the Government's priority Levelling Up for Culture areas had National Theatre participatory activity taking place. The streaming service for schools, National Theatre Collection, is now used by 80% of UK state secondary schools. And, beyond our shores, the National Theatre produced one of the first full productions to return to Broadway: *The Lehman Trilogy*, which was later awarded five Tony Awards.

Culture is central to our national recovery - essential to how we come together in community, present ourselves to the rest of the world, and of course to our national economy. The £2 billion Culture Recovery Fund was a crucial government support that prevented the permanent closure of many of the precious cultural businesses and spaces that have long defined and reflected our national identity. The National Theatre was the recipient of a £20m repayable loan from the Fund and I would like to express our gratitude for this support.

Lisa Burger, the outgoing Chief Executive of the National Theatre, was a key advocate for the Culture Recovery Fund's creation, using her deep knowledge of the sector to paint a detailed picture of what it would take for theatres and theatre-makers across the country to survive. It was an extraordinary final flourish in a career at the National Theatre that started in 2001 as Finance Director - I was delighted to see her leadership recognised with a CBE for services to the arts and a Special Olivier Award. Throughout her tenure at the National Theatre, Lisa tirelessly furthered its mission to make theatre for everyone - empowering artists, investing in new talent and skills, and reaching audiences right across the UK and around the world. Lisa was instrumental in expanding the NT's outreach, from establishing NT Live in 2009, to the creation of National Theatre at Home in 2020. This wide view of what the National Theatre should be speaks clearly to the same strengths that make the Creative Industries an essential sector for the UK economy.

WHO WE ARE AND WHAT WE DO

Following a full open, and competitive recruitment process, we were delighted to alight upon and appoint an exceptional candidate, Kate Varah, to succeed Lisa Burger as Executive Director of the NT. Kate worked closely with Lisa on a thorough and extensive handover, before taking up the post of Executive Director in April 2022.

A handwritten signature in dark ink, reading "Damon M. Buffini". The signature is written in a cursive, slightly slanted style.

Sir Damon Buffini
Chair, The Royal National Theatre

Date: 31 January 2023

WHO WE ARE AND WHAT WE DO

MISSION & STRATEGY

MISSION

At the National, we make world-class theatre that is entertaining, challenging and inspiring. And we make it for everyone.

VISION

Theatre can lead to extraordinary moments of shared imagination. It enables us to stand in another's shoes to better understand ourselves and the world around us. It shows us who we are, who we have been, who we could be. The NT delivers on this promise through a world-class programme of performance, reinvigorating existing work and exploring progressive new voices and forms.

We make theatre with as wide a range of artists as possible, seeking always to find fresh perspectives on the stories that we tell. On our stages in London, and through tours, partnerships, digital and broadcast, we share this work with a large, diverse and evolving audience, throughout the UK and around the world.

We aim to provide leadership and advocacy for theatre across the country. Our work is shaped by the world around us, and we seek to be constantly engaged with the wider national conversation. Through the work we make and our world-leading learning programme, we want to engage all audiences with the power and potential of theatre.

We are a theatre for the whole nation, a theatre for everyone.

OUR STRATEGY

A four-year business plan for the period 2018-2022 marked the opportunity to set new strategic objectives for the National Theatre with effect from 2018-2019. The hallmark of this is a continuing commitment to excellence and ambition in our artistic work, but sitting alongside this a growing social purpose for the National.

Our plan came at a time when we saw declining opportunities for children and young people to participate in drama at school, a falling off in audiences for drama at many venues around the country, a decline in local authority funding and uncertainty around other public funding. However, it is striking that individual creativity and ambition for what theatre can achieve remains strong. Digital presents new ways of making work as well as a channel for wide distribution, and internationally there is a growing audience for our work as well as a strong appetite to collaborate and make work at the NT.

Against this backdrop of challenge and opportunity we saw a leading role for the NT as the largest producer of theatre in the UK, and with the real possibility of changing lives through our work. This is a role which we relish and has driven our business planning.

We set ourselves five key aims:

- 1. To make theatre that resonates with contemporary audiences, by developing new voices and forms and reinvigorating existing work**
- 2. To increase opportunities for all to experience the transformative power of theatre**
- 3. To use the National's leadership position to advocate for the importance of the arts in society and support the health of the sector**
- 4. To expand the National's international reach and impact**
- 5. To deliver in a financial and socially sustainable way**

Clearly, since the on-set of lockdown in March 2020, we have had to reassess our aims and what we can and cannot deliver. We believe, however, that these aims remain largely appropriate in any post-Covid environment; although clearly they need to be flexed as differing circumstances prevail.

In 2022-2023 we embarked on a review of our strategy to clarify our purpose, vision and mission and re-focus our activities, in order to deliver the maximum impact to our beneficiaries within our reduced financial resources. The financial context for this is set out at the Future Financial Sustainability section of this report on page 33. This strategy will be reviewed by our Board in March 2023 and will inform our activity plans for the following four years.

Aim 1. To make theatre that resonates with contemporary audiences, by developing new voices and forms and reinvigorating existing work

1.1 DEVELOPING A BROAD RANGE OF AMBITIOUS WORK

Returning to the stage

After Life, a new play adapted for the stage by award-winning writer Jack Thorne, reopened the Dorfman theatre to critical acclaim, after 15 months of closure. Adapted from the 1998 film of the same name by Japanese filmmaker Hirokazu Kore-eda, the play takes place somewhere between life and death and asks the people passing through it to pick one special memory that they will live in for eternity. Following this ***Rockets and Blue Lights*** by Winsome Pinnock, played in the Dorfman theatre from August to October 2021. Winsome developed the play on attachment at the Studio, and it was first staged at the Royal Exchange Theatre in Manchester; the play explores the legacy of slavery in Britain through a painting by JMW Turner.

The Olivier Theatre was reconfigured in-the-round to enable socially distanced performances, ***Under Milk Wood*** by Dylan Thomas, a poetic masterpiece featuring Michael Sheen, Karl Johnson and Siân Phillips opened the Olivier theatre after 15 months of closure. This was followed by ***Paradise***, a new version of *Philoctetes* by Sophocles, written by Kae Tempest, which played in the Olivier theatre after a year of delays due to the pandemic. It was received wonderfully by critics and audiences alike; Kae Tempest themselves told the Guardian that they have loved working on the production.

The final production to be in-the-round in the Olivier was ***The Normal Heart***, Larry Kramer's largely autobiographical play about the AIDS crisis in 1980s New York. Dominic Cooke directed this ground-breaking play, resulting in 4 Olivier Award nominations, including Best Revival, Best Actor and Best Actor in a Supporting Role and a win for Liz Carr in the Best Actress in a Supporting Role category.

Lyttelton film releases

As part of our adaption to the challenges of the pandemic, the Lyttelton Theatre was brought into operation as a filming space for two new films and an interview series, allowing us to continue to produce work for our audiences regardless of changes in the choppy opening environment. The Lyttelton Theatre was the last of our theatres to reopen and remained in use as a film studio for the first four months of this financial year.

Presented by Sky Arts, PBS Great Performances and No Guarantees, ***Romeo & Juliet*** was produced by the National Theatre, in association with Sabel Productions and Cuba Pictures. *Romeo & Juliet* was captured in just 17 days in December 2020 – an extremely quick turn-around for the average film.

The film premiered on Easter Sunday in the UK on Sky Arts and 23 April 2021 on PBS in the USA, before moving to catch up and NOW TV services. In the months since, the film has been released in UK cinemas, and subsequently on our streaming platform, National Theatre at Home. *Romeo & Juliet* has now been seen by over 300,000 people and won The Stage Award for Best Digital Project.

The ***Life in Stages*** interview series featured interviews between two or three actors/creatives, speaking candidly about their theatrical careers. These long-form conversations were made for YouTube and covered a range of topics including memorable career moments and advice for people entering the industry. There were 6.6m views of clips across the NT's social media channels, and 500,000 full episode views. The series has also subsequently been added to the National Theatre at Home streaming platform.

The film of ***Death of England: Face to Face*** filmed throughout Spring 2021, premiered at an exclusive screening on 26 October in London and was broadcast on Sky Arts on 25 November. Following its broadcast, the film has enjoyed great critical acclaim. It received four and five-star reviews in major British newspapers such as The Guardian, The Telegraph and The i and was shortlisted for the 2021 Visionary Honours theatre play of the year and a BAFTA nomination. The Visionary Honours awards celebrate culture, media and entertainment that have inspired social change and debate – from inclusion, diversity, equality and mental health to climate change and political injustices around the world.

Back in full operation

All three theatres at our South Bank home were open, in their regular configurations, as of October 2021. Since then, productions have included:

- ***East is East***, Ayub Khan Din's much-loved comedy drama, adapted into a BAFTA Award-winning film, reopened the Lyttelton theatre as part of a 25th anniversary tour, directed by Iqbal Khan.
- ***Wuthering Heights***, A co-production with Wise Children, Bristol Old Vic and York Theatre Royal, adapted by Emma Rice who transforms Emily Brontë's masterpiece into a passionate, powerful and uniquely theatrical experience.
- ***Trouble in Mind***, Alice Childress' exploration of the fight for racial equality in 1950s America played out in rehearsals for a new Broadway play.
- ***Manor*** by Moira Buffini, featuring Nancy Carroll and Shaun Evans is a darkly comic new play.
- ***Small Island***, the acclaimed, five-star production of Andrea Levy's prize-winning novel, *Small Island*, returned. *Small Island* follows the interconnected stories of British and Jamaican characters through the Second World War until the arrival of HMT Empire Windrush at Tilbury, where hopes for the future soon meet the stubborn reality of post-war Britain. Adapted by Helen Edmundson and directed by Rufus Norris.
- Unfortunately, our new musical, ***Hex***, by Tanya Ronder, Jim Fortune and Rufus Norris lost three weeks of performances due to an outbreak of the new Covid omicron variant throughout December 2021 and into January 2022. We have decided to remount *Hex* later this year, to give it the chance to have a full run, and so will have a press night then.

- ***Our Generation***, the new play from writer of *London Road*, Alecky Blythe, opened in the Dorfman theatre in February 2022. *Our Generation* is a verbatim play that tells the stories of a generation. Created from five years of interviews with 12 young people from across the UK, *Our Generation* is a captivating portrait of their journey into adulthood.

Number of productions performed in the Year (Number of productions produced in the Year)	2021-22		2020-21		2019-20		2018-19		2017-18	
Olivier	4	(4)	2	(0)	7	(6)	8	(6)	7	(5)
Lyttelton	3	(3)	0	(0)	8	(6)	9	(7)	7	(5)
Dorfman	5	(5)	0	(0)	9	(8)	11	(9)	8	(7)
TOTAL	12	(12)	2	(0)	24	(20)	28	(22)	22	(17)

Excellence and innovation

Many of our productions are now rapidly available on National Theatre at Home after their runs. This significant shift into online distribution has meant that the titles we capture have far greater diversity and variety than what we were able to capture for distribution via NT Live. Attracting tens of thousands of subscribers in the first year, with 52 titles (all captioned, 23 audio-described, 1 BSL), we returned over £1m to theatre-makers in fees & royalties.

All our staged South Bank productions have also been part of the scope of our first year working with the Theatre Green Book - a new guideline for making sustainable theatre - and working towards achieving the baseline standard. Reusing and recycling are at the heart of this commitment, with 50% of materials needing to have had a previous life, and 65% needing to be repurposed or recycled at the end. We're calculating the carbon footprint of every new item or material, including deliveries, and reducing the use of harmful chemicals. This ambitious work requires sustainable thinking to be woven into the conceptualisation of productions from the start.

The National Theatre's Immersive Storytelling Studio explores how virtual reality, 360° film, augmented reality and other cutting-edge technologies can be used to pioneer dramatic storytelling. All Kinds of Limbo is an immersive musical performance that was developed in the studio alongside our 2019 production of Andrea Levy's award-winning novel Small Island. Written by Nubiya Brandon, All Kinds of Limbo was inspired by the influence of Caribbean culture on the UK's music scene and sees Nubiya tell her own story of a life in limbo across the genres of reggae, grime, classical and calypso. In January 2022, for the very first time, audiences were able to experience a performance of this ground-breaking work wherever they were in the world. Audiences could watch a performance in a virtual reality headset, on their phone or tablet as augmented reality, or in video game mode on a computer.

1.2 SUPPORTING THE CREATIVE CASE FOR DIVERSITY

We believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount. This begins with the work on our stages and our responsibility to tell stories that represent the whole country, that resonate with the wider national conversation and from a broad and diverse range of voices.

We set targets in 2015 to see the National Theatre through a period of evolution towards better representation of women and people from the global majority as writers, directors and performers on our stages, with the aim that lasting change could be achieved by 2021. Our planned 2020-21 season would have exceeded our five-year targets, the first year in which all of these targets would have been met simultaneously. This programme of work was, in the event, not delivered due to impact of the Covid global pandemic. In our 2020-21 report, we emphasised the difficulty of immediately achieving these targets simultaneously again over the following two years due to artist availability and practical reconsiderations around reopening. Nonetheless, we have largely achieved these targets for 2021-22.

Targets for core programme	2020-21 targets and 2021-22 targets	2020-21 (as programmed)	2021-22 (achieved)
% female living writers	50%	60%	50%
% female directors	50%	50%	36%
% female performers	50%	n/a	50%
% writers global majority	20%	22%	35%

% directors global majority	20%	30%	29%
% performers global majority	>25%	n/a	36%

1.3 **DEVELOPING NEW VOICES FOR OUR STAGES**

Pre-pandemic, our New Work department was already a major creative hub for writers, directors and storytellers, with over 100 projects on the development slate at any one time. The pandemic proved the world's hunger for stories and the need for new voices and fresh perspectives is more prescient than ever before.

Since reopening our South bank theatres in June 2021, 60% of our programme has been new plays or adaptations. 2022 will see a number of new plays also featured in our programming, demonstrating our continued commitment to developing new work and telling a range of stories on our stages.

Generate

The NT's New Work Department has significantly increased its partnerships with artists, venues and producers throughout Britain through a new programme called Generate.

Generate has seen a third of the department's annual resource focused on developing ideas for productions to be produced outside of London. The programme will unlock subsidy for artist fees, studio hire, travel, and accommodation, as well as access to the NT's costume and props stores, the costs of which can often hamper creativity and the development process of new productions. Generate will offer theatre practitioners the chance to learn and share best theatre-making practice and empower artists to create world-leading work. It will also open the NT's doors to new artists and voices from all backgrounds to ensure that theatre is a viable career choice, no matter where they're from.

This new initiative will support the talent pipeline for the next generation of theatre leaders and visionaries. In years to come, productions that were supported through the Generate programme will enjoy premieres across the country.

Directors Course

Our two-week annual directors course ran at the end of 2021 and brought together a selection of the best and brightest emerging directors. Being a director can be an isolating experience and the course is an incredible opportunity for a generation of directors to meet each other and forge relationships that we hope will last for years to come.

This year ten directors participated, all of whom represent a wide range of directing practices, backgrounds and who are making work in different areas of the country. Some of them have already made main stage regional shows; others are making their work at a high standard in London's fringe and studio venues.

The line-up for the course included sessions with directors, Lyndsey Turner, Katie Mitchell, Ned Bennett and Sacha Wares. Abdul Shayek, the new Artistic Director of Tara Theatre, talked to the group about leading buildings, instigating change and how to get through the Artistic Director application process. Clint Dyer, our Deputy Artistic Director led the group in a session that explained some of the joys, and complexities of programming the three stages of the National Theatre. There were also theatre visits, sessions with our wonderful voice team and Q&As with our Casting Department.

Aim 2. To increase opportunities for all to experience the transformative power of theatre

2.1 REACHING AUDIENCES NATIONWIDE THROUGH TOURING AND PARTICIPATION

Returning to touring

2021-22 marked a return to touring after the long hiatus of the pandemic and the period of instability that made touring work risky. *The Curious Incident of the Dog in the Night-Time* toured to 16 venues across the UK from January 2022, through year end, up to May 2022. 127,600 people saw this production, many returning for the first time since the pandemic.

In addition, three other productions on our stages played at other venues across the country through co-production arrangements. *East is East* ran in partnership with the Birmingham Rep, *Our Generation* with the Chichester Festival Theatre, and *Wuthering Heights* in partnership with Wise Children, Theatre Royal York and Bristol Old Vic.

Theatre Nation Partnership (TNP) relationships

TNP is our network of theatres & venues located in 6 areas of England with low levels of cultural engagement. Through touring, digital, learning & community programming we engage under-served audiences, build relationships with local communities, young people & schools, develop theatres as vibrant community hubs & extend local reach, & test approaches to audience development. Theatre Nation Partnerships has become a crucial programme to the mission of the National Theatre, which influences our wider approach to working in priority areas across the UK with strategic partner theatres, cinemas, schools, and community organisations.

After much disruption due to Covid, the Public Acts team began working towards a new production at Cast for August 2021 - an immersive community cabaret inspired by a forgotten Doncastrian myth called *The Tale of Wild Heather*. Written by Jasmin Mandi-Ghomi and designed by Hannah Sibai, the story was co-created by the community company and features performances from local artists. *The Magic of Wild Heather* at Cast marked the resumption of live activity through the TNP network. The National Theatre production of *Beginning* by David Eldridge ran at the Queen's Theatre Hornchurch for three weeks. The pilot phase of Speak Up in schools in Wakefield, Sunderland and Greater Manchester is demonstrating the potential for a programme co-created with young people to build connection and confidence. Evan Placey's radical re-imagining of *Jekyll & Hyde*, directed by Kirsty Hously, toured to state secondary schools in the TNP network.

Following confirmation of a new round of Arts Council England investment, Theatre Nation Partnerships will extend to 5 new areas in 2023-26, which include levelling up places. The development of this new bid and new potential partnerships has been a key activity of the last year.

Targeted activity: *Romeo & Juliet*

The National Theatre also created variety of learning resources around the *Romeo & Juliet* film, enabling teachers to deliver a number of dynamic and engaging lessons around *Romeo & Juliet* to support the Drama curriculum.

- 50 schools received the free stream, digital resources, and an R&J crate (including replica props, scripts, art materials and resource books)
- 30 schools received the free stream and digital resources
- An average of 223 students per school watched the film (based on the sample of schools who responded to the survey)
- Total of 17,840 young people engaged in the R&J project overall

Creating these resources for schools was a way for the National Theatre to have a presence in schools when we could not physically visit due to Covid and enabled schools to feel connected to our work remotely, and by delivering this project we've discovered there is a growing appetite for "behind-the-scenes" and fun, engaging digital content, to show how National Theatre productions are made and what life is like offstage.

Targeted activity: touring into schools with *Jekyll & Hyde* and *Hamlet*

In Spring 2022, we had two schools' productions of *Jekyll & Hyde* and *Hamlet* tour the country. These tours are used as a way to engage young people whilst providing them with a professional theatre production. Our schools' tours are used to educate school pupils in a creative and accessible way.

Jekyll and Hyde

This production is designed to support pupils' creative learning following disruption caused by the pandemic. With support from our partner theatres, the 8-week tour reached over 10,500 secondary school pupils nationwide. The tour visited Outer East London, Wakefield, Doncaster, Sunderland, Wolverhampton and Greater Manchester. We performed a total of 41 shows across the six locations and reached 7,008 audience members.

Hamlet

Our *Hamlet* schools tour is an inspiring programme for state primary schools which offers children in years 4 to 6 a thrilling experience of Shakespeare in performance, underpinned by a creative literacy programme. The tour went to Liverpool, Wolverhampton, South Essex and Sunderland where we engaged 3,556 pupils. Whilst on tour, we delivered a total of 40 workshops which provided the pupils with a different way of learning.

The show also came to our Dorfman Theatre and 1,542 children from 20 London primary schools saw the production, they also had a workshop and participated in the full Primary Theatre programme. 574 children from high-priority schools in London saw *Hamlet* at a reduced ticket price of £3 with a bursary offer. 2,448 members of the public saw *Hamlet* independently with an estimated two thirds being children of the target age group (approx. 1,632). We also delivered 40 workshops in the Dorfman bringing the total number of workshops to 80. In total 8,120 audience members saw *Hamlet*.

2.2 DEVELOPING PUBLIC ACTS, OUR THEATRE AND COMMUNITY PROGRAMME

Public Acts is the National Theatre's nationwide initiative to create extraordinary acts of theatre and community. The programme creates ambitious new works of participatory theatre and is built on sustained partnerships with theatres and community organisations across the UK who share our vision of theatre as a force for change. Over the last three years, we have been working with five community groups in Doncaster to create Public Acts' third production in partnership with local communities including LGBT+ youth, adults with mental health issues, isolated or older people, and refugees and asylum seekers.

We had planned to work with them to create a new adaptation of Bertolt Brecht's *The Caucasian Chalk Circle*, to be staged at Cast in Doncaster in August 2020. It became clear that the pandemic and the restrictions imposed would prevent us from carrying out our plans meaning that the production in August could not go ahead as planned. As an alternative, we designed two new years of engagement and participation activity that 'bridged' activity with and for our social change partners – this primarily included the Doncaster community, but the first year also involved the Public Acts communities in London and Hornchurch. This programme of work has engaged 296 participants from Doncaster and Hornchurch, and 27 freelance creatives.

In 2021-22, we ran creative workshops online (for example, in singing, dancing, puppetry and creative writing), organised regular Zoom socials and watch-alongs of filmed productions, and sent hard copy creative activity packs to combat digital exclusion.

In August 2021, the Doncaster Public Acts community came together to create *The Magic of Wild Heather*, a smaller-scale live community production, rebuilding confidence and connection among the community. Following an open call-out, *The Magic of Wild Heather* was written by Yorkshire-based playwright Jasmin Mandi-Ghomi. The production featured storytelling, audience interaction and music, and everyone was invited onto the stage to share food together. *The Magic of Wild Heather* was Cast's re-opening production, and 240 audience members attended *Wild Heather* in person, with many more audience members from Doncaster and beyond engaging with the work in a digital format if they couldn't attend. *Doncaster Free Press* said the production was "warm, wholesome and magical... I can't wait to see what Public Acts brings to Doncaster next time".

Moving into 2022, the Doncaster groups began working towards the much-delayed production of *The Doncastrian Chalk Circle*. This production went ahead at Cast in August 2022.

Public Acts is inclusive, empowering and celebratory, using theatre as a force for change. Research by Royal Holloway University found that:

- 100% of partner organisations observed positive changes in participants, including decreased social isolation and increased confidence.
- 90% participants said that Public Acts made them more positive about their future.

2.3 INCREASING PARTICIPATION IN DRAMA AND THEATRE-MAKING IN UK SCHOOLS

National participation programmes

Let's Play & Story Seekers

Let's Play aims to transform drama and theatre-making in primary schools by providing teachers with a toolkit to stage plays that inspire learning across the curriculum. It provides a portfolio of new plays and music for children to explore through both performing and backstage roles. The programme promotes creative learning projects, resources and teacher Continuing Professional Development opportunities for UK primary schools, helping them place drama and creativity at the heart of the curriculum and teaching practice.

- The creative learning approach allows pupils with a range of learning styles and abilities an opportunity to succeed and to enjoy learning
- Pupils gain confidence, self-esteem and core skills such as empathy, teamwork and leadership
- Pupils learn to be creative problem solvers
- Pupils have an opportunity to gain an Arts Award

In the autumn and spring terms of 2021-22, we had a total of 133 Primary School groups working with us on the programme. All 133 of the Primary Schools are state schools and 72% of them are in disadvantaged areas.

Story Seekers is a free six-week creative literacy project in partnership with the Unicorn Theatre, the UK's leading theatre for children and young people. It includes filmed theatre performances directed by Justin Audibert to guide pupils through a quest, alongside workshops and performances by professional storytellers and training and resources to support teachers to lead the project. Story Seekers, available to state schools in the UK, focuses on supporting children to develop their communication and language skills post-pandemic, promoting self-expression and well-being. The project also supports teachers to reconnect children with learning and their school community in a fun and creative way.

"As a teacher I was a little nervous due to the fact we have some behaviourally challenging children this year. However, all the children have thrived in these lessons which gives me confidence to do more projects like this as I think they get so much out of it" - Year 5 teacher.

New Views

New Views supports 14 to 18 year-olds to write short plays with support from professional writers. In 2021, we saw more first drafts of scripts submitted to the competition than ever before and the programme received 400 entries from across 74 schools and colleges.

The winner was 17-year-old Mackenzie Welfare from Hampshire with his play *Perspective*. The play was inspired by Mackenzie's own experiences of autism and is told through conversations between two teenage boys Leo and his best friend Shaun. The characters big imagination fills the stage as he considers his place in the world. Mackenzie's play was performed in July 2021 in the Dorfman Theatre by professional actors. The play was streamed to participating schools across the UK, alongside rehearsed readings of seven shortlisted plays as part of the digital festival of new writing. Following the production, Mackenzie also took part in a live streamed Q&A about his play alongside the director.

In March 2022, we teamed up with Audible to bring four new plays that were originally written for the NT's New Views scheme alive. Three of the plays were selected from the 2021 New Views shortlist (Mia Galanti, Jamila Salim and Ellie Jayne Sharman) alongside the winner of the 2018 New Views Programme (Alice Schofield). These are now available to listen to and showcase the work of talented young playwrights who have taken part in our New Views playwriting programme ensuring the voices of the next generation are heard far and wide.

99 schools from across the country have been involved in New Views in 2022 and we hosted the festival, in person, at the beginning of July 2022 for the first time since the pandemic began.

Connections

Connections is the National Theatre's annual nationwide youth theatre festival. Each year we commission ten new plays for young people to perform, bringing together some of the UK's most exciting writers with the theatre makers of tomorrow. The 2021 Connections cycle launched in Autumn 2021, with a flexible on and offline approach, to adapt to the constantly changing environment of the 2020-21 school year. A digital Directors Weekend gave directors the opportunity to work with the writer of their chosen play before starting rehearsals. Zoom sessions also connected Connections playwrights with the young people performing their play.

Despite the challenges and disruption young people and theatres have faced due to the pandemic, this year 3,200 young people have taken part in Connections, performing plays that explored issues including climate change, mental health, racism and identity. Youth theatre companies and school groups bring these playscripts to life on stage, performing the new plays in live and digital festivals at 29 regional theatres across the UK.

The young people who took part in Connections reported increased feelings of confidence in their abilities and pride in sharing their performances. With most young people out of school and reporting increased feelings of isolation, these digital connections have helped to maintain the community and support that is so intrinsic to theatre making. Indeed, a teacher in West Sussex fed back that *'in such terrible times for the arts, Connections was truly a lifeline, a candle in the dark for schools and kids that without it might have missed a whole year of performing.'*

Speak Up

We are currently in the pilot phase of Speak Up in schools which has demonstrated the potential for this programme. Speak Up projects are co-created with young people in the most deprived areas of the country and will enable positive change in their lives, their schools and their local communities. This project is unique in deliberately having open artistic outcomes. The confidence, influencing and communication skills developed during the creative process, along with the networks built, will have a legacy in participants' professional and personal futures.

Pilot phase 1 took place between September and December 2021 with three of our partners - Greater Manchester with The Lowry, Wakefield with Theatre Royal Wakefield and Sunderland with Sunderland Empire and Sunderland Culture. The project engaged 175 participants from 7 different schools.

Pilot phase 2 ran from January 2022 to July 2022. In this phase we worked with three more of our partners; Doncaster, with Cast, Wolverhampton with Wolverhampton Grand Theatre and Outer East London with Queen's Theatre Hornchurch – and expanded the reach of our current partners. We are now in conversations with over 35 schools to continue the process of rolling out the programme.

2.4 REACHING MORE PEOPLE THROUGH DIGITAL DISTRIBUTION

National Theatre Live

National Theatre Live is our UK and International broadcast programme which shares the best of British Theatre through cinemas and community screens of all shapes and sizes. 2021-22 saw NT Live return to cinemas, at first with existing titles as a means of supporting our cinema partners, and later with two new productions: *Leopoldstadt* by Tom Stoppard from the West End, and *Book of Dust: La Belle Sauvage* adapted by Bryony Lavery for the Bridge Theatre. Across the year 5 titles screened 2,941 times in the UK to audiences of 98,256; internationally 22 titles were screened 640 times to 51,563 people.

National Theatre at Home

National Theatre at Home offers an exclusive collection of unforgettable British theatre – available to watch anytime, anywhere - with more fantastic plays added every month. This new digital strand of our distribution work has enabled a major shift in how we are able to share the productions which run on

our South Bank stages in London: in the last year, we have been able to add nearly all of our staged productions for audiences worldwide very soon after their runs in London. This wasn't possible when the distribution method was broadcast via NT Live, due to the cost per production – which in turn had an impact on the variety of work being shared for a wider audience. By contrast, under the streaming model, we've been able to return over £1m to theatre-makers in fees and royalties from the 52 titles available on NT at Home this year. The accessibility of productions is also improved, as all are captioned and at least half are available with audio-description.

National Theatre Collection

Launched in September 2019, the National Theatre Collection provides schools with access to high-quality recordings of 30 world-class productions, alongside supplementary learning materials. The productions draw from 10 years of NT Live broadcasts, including productions from a range of renowned British theatres, and never before released recordings from the National Theatre's Archive. NT Collection content is accessible via two distribution partners – Bloomsbury Publishing's Drama Online (a standalone platform) and ProQuest (an integrated solution for universities and libraries). The Collection is free for UK state-funded schools and Further Education colleges; private schools and international education institutions can access the commercial collection via a one-time payment or an annual subscription.

As of December 2021, 4,300 (74%) UK state schools were signed up alongside 4% of state primary schools (the titles were suitable mainly for secondary schools, pending the launch of a collection of primary titles in Autumn 2022). At a time of stretched school budgets and pressures on the curriculum this free resource is a very relevant and accessible classroom aid.

In April 2021, we launched the pilot year of NT Collection in New York City public schools with 30 schools; the start of a three-year programme. Working in collaboration with the New York Department of Education and Bloomsbury Publishing, NT Collection is now available free of charge for students in approximately 90 New York City public middle and high schools across the five boroughs of NYC.

Social Media

The National Theatre's social media estate continued to grow enormously. This trend was supported by the emphasis on film and digital work in this year, which made our productions much more accessible to audiences around the country and around the world. There were around 4million substantive engagements across the estate, and we gained an additional 2.2 million followers, a 9% growth on 2020. Videos of key, standalone speeches from rehearsals travelled widely; clips of filmed productions performed particularly well on TikTok, where our newest and youngest audience is. Sharing the song 'Hello' from *Hex* was an unexpected success for a production without famous cast members with over 1.3 million views on Facebook.

2.5 INCREASING ATTENDANCE BY UNDER-REPRESENTED GROUPS ON THE SOUTH BANK

South Bank audience diversity

24% of bookers were aged 16 to 35, with audience surveys suggesting that 44% of attendees were 35 or younger. This increase of under 35 bookers is a jump up from our pre-pandemic 5-year average of 19%; it reflects a wider trend in older audiences and NT members being slower to return to the theatre following the pandemic, resulting in greater ticket availability for younger audiences. Similarly, 37% of bookers were visiting for the first time.

Based on audience surveys, 17% of audience members said they were from non-white or global majority backgrounds. We saw particular success in welcoming ethnically diverse audiences for a number of productions which centred stories and artists from Global Majority backgrounds: 31% for *Trouble in Mind* and *East is East*, and 35% for *Rockets and Blue Lights*.

Aim 3. To use the National's leadership position to advocate for the importance of the arts in society and support the health of the sector

3.1 ADVOCATING FOR THE IMPORTANCE OF THE ARTS AND STORYTELLING ECONOMY

2021-22 was a second year of enhanced demands on our policymaking and funding objectives. Where 2020-21 dealt with the existential threat of the pandemic and the development of industry knowledge in government that would lead to the Cultural Recovery Fund, the 2021-22 work has been to deepen this understanding so that policymakers can recognise that there are continued financial, skills and operational challenges facing the theatre sector. Alongside the development of our 2023-2027 business plan, we revisited our messaging and evidencing around the national reach of the NT's work; we are now more prepared both to demonstrate and develop activity in priority and levelling up areas. In expectation of a cut to Arts Council England investment for large and London-based organisations like the NT, we also began a campaign of work with individual MPs and ministers demonstrating how the NT's business model leverages investment in London to spend a larger amount around the country on nationwide work.

We developed relationships with the then Secretary of State for DCMS, Nadine Dorries, and the then Arts & Heritage Minister, Lord Parkinson, through correspondence, meetings, and invitations to see our work around the country. We developed and shared a showcase of digital work for the G7 intergovernmental political forum meeting in April 2021 - an opportunity to demonstrate both the soft power benefits of theatre, and the wide economic and social impact of the industry's work. Rishi Sunak visited the NT as part of the Culture Recovery Fund celebration, deepening his engagement with and knowledge of the sector. We also hosted the first in-person event by the newly merged Creative UK sector support body, attended by the Secretary of State for DCMS and the Mayor of London.

Outgoing Executive Director, Lisa Burger, was recognised for her significant contributions to the creation of the Cultural Recovery Fund and wider advocacy for the sector through an MBE in the 2022 New Year's Honours, and a Special Recognition Olivier Award.

3.2 ADVOCATING FOR AND SUPPORTING THEATRE, DRAMA, AND CREATIVE EDUCATION IN SCHOOLS

Advocacy for Creative Education

The Times Education Commission was set up to examine the future of education in light of the Covid crisis, declining social mobility, new technology and the changing nature of work. The National Theatre was asked to contribute to one of the evidence gathering sessions which culminated in the release of an interim report in 2022. Following the NT's verbal evidence submission, Rufus Norris penned a supporting opinion column in The Times advocating for creative skills to be valued as part of a well-rounded education.

The schools tours of *Hamlet* and *Jekyll & Hyde* both achieved substantial press coverage, locally and nationally (80 pieces between them). National features with interviews with cast, pupils, teachers and NT spokespeople landed key messaging: Rachel Sylvester of The Times wrote a piece titled 'This is Levelling Up in Action'. MPs were also invited to attend performances taking place in their constituencies; Dame Rosie Winterton, Labour MP for Doncaster Central, attended and engaged with NT spokespeople around the breadth of our national work.

Supporting Creative Education in Schools

NT Collection

Unprecedented demand from learning institutions across the globe saw the launch of a new wave of titles on our National Theatre Collection education streaming platform, brought forward from 2023-24 to the 2021-22 academic year. In both September 2021 and February 2022, we expanded the Collection with an additional 10 titles each time, taking the total up to 50: including contemporary titles, 20th century American dramas and Shakespeare with supporting resources.

In the UK, it has become clear that we need to provide more productions and bespoke learning resources for young audiences and expand our reach in primary schools. This year we will partner with literacy specialists on a new platform to support primary-aged children's creative learning and literacy. We launched the Primary Collection in September 2022 with eight titles, with plans to add additional titles from current NT shows within the next year, as well as relevant productions and resources from other organisations who specialise in children's theatre too: for example, The Unicorn and Polka Theatre. Our aim is for this platform to reach 10% of all state primaries after three years, a total of 2,083 schools.

Schools touring

Touring directly into schools is a strategic intervention by the National Theatre in priority areas such as our TNP partner areas, and our local and priority London boroughs. Schools touring is often the first experience of theatre for young people – these tours reenergize relationships between school leadership and local theatres.

- **Primary tour** - the primary production is a 90-minute version of Shakespeare's *Hamlet*, specially adapted for children aged 8 to 12. In the spring term of 2022, *Hamlet* visited schools in five areas of low arts engagement and social economic challenge across the country in a mix of rural and built-up areas. In total 90 schools saw *Hamlet* either on tour or in the Dorfman, meaning over 5,000 young people saw the production.
- **Secondary tour** – a new 90-minute re-imagining of *Jekyll & Hyde* by Evan Placey, specially adapted for schools. In a mash-up of Victorian England and the modern day, the story explored how the repression of female voices was as prevalent in the 19th century as it is today. Despite delays and challenges from the Omicron variant outbreak, the production reached 6,692 students and 457 teachers in 46 schools.

Participation programmes

All of our participation programmes are increasingly targeted to high-priority areas and schools, aiming to increase accessibility through inclusive practice and bursaries, and building up crucial skills among teachers and young people.

- **Connections** – of the 243 companies participating in Connections, 31% of companies are new to Connections, and 31% are high priority state schools. We were focused on extending our reach into more areas of low arts access or high deprivation and targeted recruitment in areas such as Inverclyde, Cheshire East, Dorset, and the surrounding areas. In the Autumn term of 2021, we welcomed 304 group leaders and teachers to the NT for the Directors' Weekend, which equips our directors to deliver high quality theatre-based learning in their home towns to the thousands of young people taking part in Connections 2022. More than 1,500 young people from across the UK were able to attend a workshop with the writer of their play and share their reactions to and thoughts about the scripts and rehearsal process. This year we have piloted additional support for certain companies, including online welcome meetings, a peer-to-peer support sessions, workshops and mentoring for individual groups.
- **New Views** – for the 2020-21 New Views cycle, 74 schools took part across England, 40% of which were high priority state schools. This equates to almost 1,000 young people and nearly 100 teachers. Over 450 students submitted first drafts in February – the highest number of first draft submissions ever received – and throughout March, mentor playwrights delivered 1:1 feedback remotely to students to help refine their scripts and develop their skills. In April, over 400 students entered final submissions. For the current New Views cycle (2021-22), we received 497 submissions from young people aged between 12 to 19 years old.
- **Let's Play** – the offering focuses on the use of drama as a pedagogy across the primary curriculum and addresses different learning styles and abilities. The programme is specifically designed that way so that schools see Let's Play as supporting the curriculum rather than an additional element to fit in. Our approach is very popular with high priority schools as often they have a cohort of children who have a wider range of learning styles and needs. Reports from teachers from high priority schools indicate that our projects serve these children better than the 'academic' approach to the curriculum. Over the Autumn term, Let's Play continued its partnerships with the Liverpool Empire and Creative Connections around the Commonwealth Games in Birmingham, where we ran our first in-person CPD sessions since March 2020 with teachers from local schools and home learning networks. Teachers then took this learning into their schools and worked on creating performances of the Let's Play portfolio plays between February and April 2022. In addition, part of the Let's Play offering, Story Seekers, supports teachers to address specific communication, language and teamwork skills that have affected young pupils due to the isolation of the pandemic.
- **Speak Up** – this new programme is aimed at young people most affected by the pandemic in schools in our strategic partnership areas. Schools are selected by our partner theatres on the basis of local need, considering factors such as socio-economic dynamics in the area, proportion of students with free school meals, and specific provisions including SEND. Within the schools, we worked with teachers to ensure that the

programme was taken up primarily by young people who wouldn't normally pursue creative opportunities and are facing challenges in the school environment – for instance, some schools have identified these students with a 'nurture group'. The pilot has reached nearly 1,000 students so far. As the pilot phase is wrapping up, some groups have progressed to produce work together: such as a mural created with visual artist Emma Hardaker in Wakefield which will be painted within the school. In Sunderland students have been working with a range of artists such as comedians, animators, typographers, creative writers and a graffiti painter. In Greater Manchester, students in Rochdale are creating a piece of theatre based upon stereotypes put onto young people. Speak Up has now launched fully across 40 schools in 8 areas of the country, working with 6 partners: Wigan, Rochdale and Salford, with The Lowry in Greater Manchester; Havering with Queens Theatre Hornchurch, Doncaster with Cast; Wolverhampton with the Grand Theatre; Wakefield with the Theatre Royal and Sunderland with the Empire and Sunderland Culture. From January the programme extends to a further 15 schools in three new areas: Stoke-on-Trent, Leicester and North Devon.

- **Drama Teacher Conference** - we welcomed teachers to our annual Drama Teachers Conference. Teachers were able to work with some of the artists, makers, and companies in theatre, and explore new ways of sharing theatre with young people across the country. Artists provided masterclasses and workshops covering an exciting range of topics. By offering extensive bursaries and only charging £5 per session, we made sure that the conference was accessible to as many teachers as possible.

3.3 SHARING LEARNING AND EXPERTISE WITH THE SECTOR

The growing shift towards partnership working across many of our new work, broadcast, touring and participation programmes is making sharing learning and expertise with the sector a foundational element of our work. We are also learning from our partner colleagues about their practice and how they utilise their deep local connections to help shape decision making at all levels.

New Work

In the New Work Department, a wide commissioning and development programme, and the Directors training programme, means the NT directly works with a range of mobile talent who go on to work elsewhere. These normal processes also include some co-commissioning and co-producing with theatres and companies around the country, as well as a proportion of our developed work ultimately going on to be staged at other UK theatres.

Additionally, the Generate programme is a tangible opportunity for theatres and companies of all scales working around the UK to access development time and resources at the NT Studio. Part of our support is the option for dramaturgical support from the New Work team, and support testing ideas that rest on a particular technical element that might be difficult to explore in less well-resourced environments.

Theatre Nation Partnerships

In 2021-22, we developed our plans and Arts Council England bid for a second phase of investment in Theatre Nation Partnerships, our strategic audience development network which facilitates targeted relationships and programmes of work and skills sharing and collaboration between partners. This bid was successful, and the new phase of Theatre Nation Partnerships for 2023-26 includes ten partnership areas (building on the existing six), all of which are priority or levelling up areas.

Sustainable production

Sharing our work and learnings with the sector on embedding the principles of the Theatre Green Book into our production processes is an important strand of our strategy. Following a year of significant work trialling new methods, materials and carbon budgeting processes, the NT will begin more actively sharing these strategies and promoting productive conversation within the sector. This started with a major sector conference held in June 2022 at the NT; attended by 532 in-person attendees and 333 online attendees. Attendees feedback was extremely positive, it was regarded as useful, informative, insightful and educational.

"The real lesson of the day was the realisation that theatre, so often viewed as an archaic medium, is actually in the vanguard when it comes to collectively pursuing a radical green agenda." - Michael Billington, Guardian.

Aim 4. To expand the National's international reach and impact

4.1 DEEPENING OUR PRESENCE IN KEY INTERNATIONAL TERRITORIES AND INCREASING INTERNATIONAL AUDIENCES

International broadcast and streaming

National Theatre Collection

Working in collaboration with the New York Department of Education, we aim to make the National Theatre Collection freely available in New York City public schools, where around 75% of New York's public schools are in low socio-economic areas. We will reach approximately 30,000 students in 80 to 100 schools across five New York City boroughs. In April 2020, we began piloting the Collection and its resources with 20 teachers from a broad range of schools, such as SEND schools and schools for students with criminal records, who use theatre to aid rehabilitation. Our pilot group of teachers were integral to the development of our resources and lesson plans for the New York City curriculum ahead of the full project roll out that took place in Autumn 2021.

Romeo & Juliet

As well as being broadcast for free via PBS in the US, we wanted to ensure that young people have the chance to experience this unique piece of theatre as part of their education. The *Romeo & Juliet* company made a video diary of the film-making process and developed extensive pre- and post-show resources including workshops, live Q&As with the creative team, and classroom education packs for studying the text. Students across the globe can access the film and accompanying digital learning resources via our online educational platform, NT Collection.

NT Live returns

The National Theatre Live programme of broadcasts to cinemas around the world returned in 2021-22 after the pandemic hiatus. Many international cinemas had the appetite to reopen with older titles from our back-catalogue – as a result, a range of 22 titles were screened 640 times. The total international audience for the programme in 2021-22 was 51,563 people.

International performing

Directed by Academy Award, Tony Award and Golden Globe winner Sam Mendes, *The Lehman Trilogy* transferred to Broadway in 2021, starred Simon Russell Beale, Adam Godley and Adrian Lester as the Lehman brothers, their sons, and grandsons. *The Lehman Trilogy* is this year's most Tony-nominated play acknowledging the entire creative team with 8 nominations and 5 wins:

- Best Play – *The Lehman Trilogy* by Stefano Massini and Ben Power (winner)
- Best Performance by a Leading Actor in a Play – Simon Russell Beale (winner)

- Best Performance by a Leading Actor in a Play – Adam Godley
- Best Performance by a Leading Actor in a Play – Adrian Lester
- Best Scenic Design of a Play – Es Devlin (winner)
- Best Lighting Design of a Play – Jon Clark (winner)
- Best Sound Design of a Play - Nick Powell and Dominic Bilkey
- Best Direction of a Play – Sam Mendes (winner)

The production also appeared at the Ahmanson Theatre in Los Angeles in a limited engagement from 3 March 2022 through 10 April 2022, with Godley, Beale, and Howard W. Overshown (Miles' understudy from the Broadway production). In August 2019, it was announced that Hadestown would begin a national tour in 2020. Due to the Covid pandemic, the tour was postponed to 2021. The tour launched at the John F. Kennedy Center for the Performing Arts in Washington, D.C., and ran for three weeks starting in mid-October 2021. Prior to the tour launch, the production had a try-out at the Peace Center in Greenville, South Carolina, from 5 to 10 October 2021.

Aim 5. To deliver in a financial and socially sustainable way

5.1 ORGANISATIONAL RESILIENCE AND CAPACITY

Governance & Risk Management

During the year, the Board continued to meet regularly and followed the Board rolling annual agenda, with in depth-discussions on all key areas of strategy, mission, and key operational and governance matters. Subsidiary Boards and Board Committees also met on a regular basis.

To enhance the Boards oversight of some areas of risk a Board champion was appointed for Health & Safety and another for Safeguarding. Their role is to have close oversight of both of these areas so that they can interrogate Health & Safety and Safeguarding Board reports in detail.

Compliance

We continued to update our Health & Safety policy and procedures with a focus on Fire Policy and Evacuation Plans, contractor management and the management of the control of substances hazardous to health (COSHH). We have reviewed and updated our Safe Working Groups processes to enable regular consultation with staff and freelancers on health and safety. The Safeguarding Group has been monitoring compliance and reporting issues to the Finance and Audit Committee. A new mandatory Safeguarding training module was launched on our e-learning software and the majority of staff have completed it to ensure that safeguarding is considered at the planning stage of all our activities. Covid safety was a continued focus in 2021-22 as we continued to provide a Covid safe environment for all staff, freelancers and audiences in accordance with government and sector regulations and guidelines.

IT Strategy

We have embedded our new IT governance arrangements with the IT Strategy Group and three new steering groups: Audiences & Digital; Production & Planning and Operations & Security meeting regularly. We completed the project to update the purchase pathway for ticket sales via our web site, increasing our resilience and ability to cope with large on sales. We also completed a project to migrate data storage into the Cloud and have begun the process of upgrading our HR and payroll software to Cloud based solutions. To support our cybersecurity arrangements all staff have completed cybersecurity training which will be refreshed annually.

Security

Our Security environment has continued to be strengthened through continued development of our Security Systems and CCTV Control Room capability ensuring monitoring, incident follow up, and intelligence sharing with neighbours and police remains at the forefront of our Security operations to aid in managing Security risks. We have restructured the Security Contract to provide additional focus and resources in our Front of House Security operations and entrance management controls to enhance our ability to provide a safe, secure and welcoming environment for all.

5.2 STAFF RESILIENCE AND CAPACITY

Staff Resilience

We continued to supplement the work of our in-house Welfare Counselling service with our external Employee Assistance Programme for all workers, giving access to 24/7, 365-day support. Courses to support wellbeing, stress management and financial management were added to our e-learning platform.

We updated the processes that support our Health Surveillance programme for teams that work with potential hazards or who are required to wear PPE. This has increased participation from staff significantly.

As we reopened after the various Covid lockdowns, we introduced a formal hybrid working policy to reflect changing working practice for our desk-based staff.

Staff Training

All staff were encouraged to take training courses via our e-learning platform. We have continued to develop internally created courses alongside hosting external content and now have 200 different courses available to staff. Several mandatory compliance training courses were rolled out via this platform, including payment card industry (PCI) compliance, cybersecurity and safeguarding, and were accessed by at least 75% of the target staff groups.

We have also delivered in-person training on a range of subjects to support staff welfare and Equity, Diversity and Inclusion that include understanding Neurodiversity, “it’s About Race” training and “Trauma-Informed Approach to Training”. In addition, we devised and delivered a programme called “60 Minute Skills”, delivered to 60 staff members and focusing on skills to negotiate returning to the office and working in a hybrid workplace.

Those staff undertaking People Management Apprentices all passed their End Point Assessments, and one staff member completed their Chartered Management Degree Apprenticeship while one staff member commenced on a Senior Leadership Level 7 apprenticeship.

We supported all 2019-2020 apprentices through their Covid interrupted programmes. All the entry level apprentices successfully completed by March 2022. We re-launched our entry level apprenticeship recruitment in February 2022 and, in addition, contributed a portion of our apprenticeship levy to fund a Technical Theatre apprenticeship at the New Victoria Theatre, Stoke. We also took on 4 Kickstart placements, 2 of whom have remained at the NT and 2 of whom have gone onto education or other work.

Technical skills and compliance

An ongoing training and refreshment programme is in place in order to ensure that our circa 250 technical staff are kept up to date in key competencies, including core compliance and safety training, and specific training licences.

5.3 EMBEDDING ENVIRONMENTAL SUSTAINABILITY AT THE HEART OF OUR PRACTICE

In October 2019, the NT declared a climate emergency, saying that we recognise that climate change needs to be tackled urgently and making commitments as an organisation to address it. The key themes of our Environmental strategy are: People, Place and Production.

People

Covid continued to disrupt our work and many staff and freelancers continued to work from home disrupting our progress in this area. Previous and on-going progress includes:

- An Environmental Handbook for staff, that is designed to help drive change in our working areas and at home.
- Providing regular environmental updates at Company Meetings and via the Intranet giving opportunities for people leading on sustainability across the NT to update us on their work.

Place

We continued to operate with full building closures due to Covid during the financial year. As with the 2019-20 financial year, this been positive in terms of our direct environmental impact. Previous progress in this area includes:

- We recycled 54% of non-production waste, 30% of production waste and reduced total waste tonnage by 68%
- We exceeded our 2021-22 target to reduce energy and water carbon emissions by 20% achieving a 42% reduction as a result of a number of projects including:
 - A project to fit LED lighting in the Olivier and Lyttelton theatres and front of house areas
 - Improvements to the management of our Building Management System.
 - Upgrading pump and fan controls for our heating and ventilation systems.
 - We have begun to review our Scope 3 impact in order to look to implement Scope 3 reductions in 2022/2023
 - We have committed to Lambeth Councils climate action plan and applied for membership of the Lambeth Climate Action Group

Production

- We started working towards the Theatre Green Book baseline standards for productions across all productions on the South bank.
- Our production teams have developed and started to trial a production-based carbon calculator
- Creative teams are encouraged to work in a sustainable way, creating productions with consideration to environmental sustainability.
- We continue to use our off-site storage capacity to reduce scenery waste and improve re-cycling.

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2020-21 and 2021-22.

Scope 1: Emissions from combustion of Gas tCO ₂ e:	
	2022: 1,194 tCO ₂ e (Energy consumption: Gas 4,507,407 Kwh)
	2021: 659 tCO ₂ e (Energy consumption: Gas 3,585,113 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'	
Scope 2: Emissions from purchased electricity tCO ₂ e:	
	2022: 950 tCO ₂ e (Energy consumption: Electricity 6,731,367 Kwh)
	2021: 1,370 tCO ₂ e (Energy consumption: Electricity 2,968,333 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'	
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e :	
	2022: 1.93811 tCO ₂ e
	2021: 1.0 tCO ₂ e
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type	
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²):	
	2022: 0.038 TCO ₂ e/m ²
	2021: 0.024 tCO ₂ e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area	

FINANCIAL SUSTAINABILITY

In 2021-2022, income of £80.8m and expenditure of £80.1m generated a positive movement in total group funds of £0.7m. This reflects the return of audiences post pandemic and box office income for NT productions at the South Bank and the successful achievement of our 2-year Covid recovery Major Funding Campaign.

There was a positive movement in unrestricted operational funds of £8.1m (before transfers), reflecting funding received in respect of our Major Funding Campaign relating to urgent technical production capital need, to be spent in the following 12-24 months. Our unrestricted operational fund is a deficit of £4.0m; this comprises cash and current asset investments of £19.8m, offset by other net liabilities of £23.8m - which includes the long-term loan liability (the Culture Recovery Fund loan of £20.1m repayable at annual repayments of circa £1.5m pa (including interest) over 20 years from 2025). Our unrestricted reserves target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash reserves are in line with our reserves policy.

The NT's Arts Council England core revenue grant funding, which in 2021-22 was £17.0m, is critical to support the risk inherent within, and the breadth of, our artistic aims. As part of the government's levelling up agenda, it required Arts Council England to re-direct 10% of its London based funding to National Portfolio Organisations outside of London. The NT was advised, in October 2022, that it will receive a 5% cut to its annual grant funding with effect from 2023-24, reducing it to £16.15m pa.

The Royal National Theatre has also become increasingly dependent in recent years on Theatre, Film and TV tax credits, which in 2021-22 amounted to £3.2m.

Following the Government closure of our theatres on 16 March 2020 in response to the Covid pandemic, in 2020-21 we identified an additional funding requirement of £80m across 2020-21 and 2021-22 to support our long-term survival and to enable us to meet the needs of our beneficiaries by continuing with activity where we could: by extending our digital offering to audiences, presenting live socially-distanced performances when Covid restrictions allowed, and converting our Learning programmes into digital offerings to support both students/ young people and teachers.

In the summer of 2020 we implemented an £80m Recovery Plan to address this funding shortfall, comprising three planks:

- Self-help (excluding philanthropy) - £20m – 25%
- Philanthropy - £40m – 50%
- Government Loan - £19.7m – 25%.

The self-help measures and Government support were secured as at March 2021. The Major Fundraising Campaign achieved its target within the 2021-22 financial year, with £7m of income recorded in the 2021-22 financial statements.

Future financial sustainability

In support of our Government loan application process, in September 2020 we were required to produce a five-year financial plan demonstrating how, among other things, we could return to financial sustainability by March 2022 and also support loan repayments of circa £1.5m per annum by 2024-2025. This plan was predicated on continued staff cost and efficiency savings, the growth of new digital income streams, growth in trading net income, and continued strong philanthropic support.

In May 2022, as part of our Arts Council England funding agreement application process for the three year period 2023-2024 to 2025-2026, we updated our Business Plan. This included NT planned activity across this period in support of Arts Council England Let's Create Strategy (Creative People, Cultural Communities and a Creative and Cultural Country) and its Investment Principles (Ambition and Quality, Inclusivity and Relevance, Environmental Responsibility and Dynamism). This demonstrated that the NT would return to a break-even model by 2025-2026 and support its Cultural Recovery Fund loan repayment commitments, with sufficient funding in its designated risk reserves to support the planned deficits arising during this period.

Since then, the current high rates of inflation and increasing energy costs is having, and we anticipate will continue to have, a significant impact on our cost base. 38% of our expenditure relates to people, and we are mindful of the impact of the 'cost of living crisis' on our staff and freelancers, and our ability to attract and retain staff and freelancers. Our Arts Council England grant has been cut by £0.85m pa with effect from 2023-2024. Our audiences have not yet returned to pre-pandemic levels; being circa c12% down. Audience and consumer confidence is likely to be impacted by the 'cost of living' crisis. The country is now in economic recession. To the positive, during the last recession in 2008, we note that the theatre sector was less badly affected than many other sectors.

In response to these financial impacts we are reviewing our four-year plan, and have identified opportunities, with supporting investment, to set more demanding growth targets for digital income streams, commercial exploitation of our productions, trading net revenue and philanthropic support. At the same time, we are carrying out a Strategy Review, to hone our key aims and objectives. We recognise that for the next three to four years, at least, we will need to reduce activity levels in order to ensure financial sustainability, whilst ensuring that we continue to deliver to our mission, meet the needs of our audiences, our donors, our funders and other stakeholders and beneficiaries, and support the future health of the sector in our role as a sector leader.

Following the pandemic-related closure periods of the National Theatre to non-ticket holders, in September 2021 we re-opened our food and drink services to audiences and the public with an out-sourced catering provider, the model having previously been run in-house. Our aim is to bring in external food and drink expertise to deliver a high quality service, and to grow revenue and profit from these areas; by creating the National Theatre as a destination for food and drink, working in partnership with the provider and alongside two highly credible independent restaurateurs to run our two restaurants, and with a range of street food traders to expand our casual dining, café and grab and go offerings

We currently remain confident about our future, but these are very challenging times for us, the cultural sector and society in general; and are likely to remain so for quite some time to come.

2022-23 Objectives

Our areas of focus in 2022-23 aim to support the recovery of the NT, our theatre sector, young people and our wider communities nationwide, from the many impacts of the pandemic, and to set a pathway for our collective ability to thrive in the future. They are:

- To strive for excellence and diversity on our stages, to tell resonant and relevant stories that speak to the nation and to attract greater diversity in our audience.
- To engage with our freelance workforce and build new ways of working that recognise their needs following Covid and to support the future talent pipeline.
- To deliver learning and participation activity on a national scale, with a focus on young people and addressing inequality in access to the arts.
- To reach more audiences, young people and communities through digital means, developing the digital advances made over the past 24 months.
- To rebuild audiences and attract a wide range of visitors to enjoy our building on the South Bank, with a creative and inclusive welcome, our new innovative and diverse Food & Drink offers and associated refurbishment of those spaces, and the creative animation of our front of house spaces.
- To continue to advocate for the wider theatre sector and especially the creative freelance community.
- To embark on a major cultural change programme to create a fully inclusive and safe organisation, that supports the well-being, resilience and development of all staff and freelancers.
- To make progress against our environmental sustainability aims and through adoption of the Theatre Green Book test new ways of making productions to increase sustainability in show making.
- To build a post Covid sustainable business model and Business Plans for 2023-2026, embedding ACE Investment Principles and Let's Create outcomes.

Our Approach to Fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as The Royal National Theatre's corporate policies, such as Anti-Bribery. The Royal National Theatre voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. One minor issue of non-compliance with this code occurred during the year (2020-21: two minor issues). An email was sent to our Development Board where the individuals email addresses were viewable by the full group, rather than blind copied. The email went to the intended recipients, but they should not have had access to the other individual email addresses. No complaints were received about this and there was no requirement to report to the Information Commissioner's Office because the breach was unlikely to result in a high risk to the rights and freedoms of natural persons.

All our fundraising activity is delivered in-house by our Development team and we ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We do not engage a professional fund-raiser or commercial participator. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to Trustees at regular board meetings. There are processes in place to manage and identify risks to protect The Royal National Theatre's income, assets and reputation. In addition to the

successful completion of the Major Fundraising Campaign in the year, internal objectives are set by the Development team each year as part of the RNT's budgeting process; these funding goals have been largely met in 2021-22.

An internal audit review of fundraising was undertaken in 2018-19 with no substantive control issues raised. No complaints with regard to our fundraising practices were received during the year (2020-21: none).

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a safeguarding policy, procedures and processes in place to ensure we are doing all we can to protect vulnerable people. This area was subject to an Internal Audit review in 2018-19 and no substantive issues were raised.

SELF EVALUATION

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to The Royal National Theatre productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including NT Live, NT Learning and our Membership schemes. The Associates group meets regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy.

We conduct detailed press campaign reports for every production as well as a wide variety of audience feedback research. We are constantly seeking feedback from all stakeholders and audiences and use the learning to try and improve the quality of the work on our stages.

The diversity targets we have set for writers, directors, and performers on our stages help us approach programming with a greater degree of self-awareness. We look across current and future programming, assess our current performance against these targets and make appropriate adjustments to our programme decision-making.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. Over the past five years we have dramatically increased our understanding of audiences by expanding our programme of insight and analysis. Our bespoke audience segmentation, which draws together attitudinal and behavioural factors, has been used for several years to aid understanding of audience groups. In tandem, our Audience Insight programme, comprising quantitative and qualitative research, is used to examine who is attending and inform audience projections for our future programme. We currently collect and analyse over 25,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. In addition, we began using Arts Council England's Impact and Insight Toolkit, bringing together audience and peer feedback to evaluate responses against stated objectives for productions.

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In addition, we continued with a number of external research partnerships into the impacts of our programme, working with the Centre for Cultural Value on Speak Up and with Professor Helen Nicholson from Royal Holloway, University of London, and a number of partner

universities including Sunderland and Bath Spa on the next phase of Public Acts. The department is developing a Theory of Change approach to shape and measure the impact of its work with young people nationwide.

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors/trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires The Royal National Theatre, as a large company, to report on how directors/trustees have complied with Section 172 and other linked matters:

1. Section 172: Directors/Trustees must promote the charity towards its charitable objectives, considering:

a. The likely consequence of any decision in the long term

Trustees developed the National Theatre's strategic objectives (page 6 of this report) as part of a long-term strategy to create world-class theatre for everyone; to develop talent for the creative health of the nation, representing and celebrating our country's diversity; to change lives through participation and create opportunities for every child to experience theatre. The needs of our beneficiaries: our audiences, future audiences and especially young people and those of our other key stakeholders: our employees, our freelancers, the Arts Council England and donors, form the bedrock of our strategic plans.

Decisions regarding our 2021-22 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience-diversity aim, *The Curious Incident of the Dog in the Night-Time* toured to 16 venues across the UK from January 2022 to May 2022, and three other productions on our stages played at other venues across the country through co-production arrangements. *East is East* ran in partnership with the Birmingham Rep, *Our Generation* with the Chichester Festival Theatre, and *Wuthering Heights* in partnership with Wise Children, Theatre Royal York and Bristol Old Vic.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 48 to 51 of this report.

b. The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's on-going success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, all staff whose roles can be performed from home were consulted to inform our hybrid working policy.

We recognise three trade unions whom we regularly consult with on key aspects of business planning. For example, our annual cost of living employee pay award is agreed in consultation with those unions.

Our employee strategy reflects concerns raised by employees as well as feedback from staff meetings. In response to concerns raised by staff we added courses to support wellbeing, stress management and financial management to our e-learning platform, and our Employee Assistance Programme available to all staff includes six free counselling sessions on any subject.

c. The need to foster the charity's business relationships with suppliers, customers and others.

Engagement with our customers: such as our audiences, participants in our Learning programmes and teachers, is essential to ensure we understand and meet their needs.

Executive Management regularly seeks and evaluates feedback from our audiences through a rolling programme of audience insight gathered through surveying. This takes place for every staged production and periodically for digital initiatives, including online streaming. We are thus able to build a detailed picture of how the theatre's output is received by different audience groups, including those traditionally under-represented, and to understand motivations for attendance and engagement. This insight programme continued this year. We communicate, on a personalised and regular basis, with our audiences and our membership base in accordance with their communication preferences.

We regularly seek and evaluate feedback from the young people and teachers who engage in our Learning programmes; this feedback is fed into the development of these programmes and future activity plans. Examples include regular consultation with teachers which have informed the development of learning resources alongside the productions on NT Collection. More information on how we seek feedback from our beneficiaries can be found on page 37 of this report.

We have developed strong relationships with certain key suppliers who support our stages technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our stages and those across the theatre sector. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d. The impact of the charity's operations on the community and the environment

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 30 to 31 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

e. The desirability of the charity maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviour. Areas covered include fundraising (our fundraising practices are discussed on pages 34 and 35 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

We use our organisational values in our recruitment and training for employees and our induction of freelancers to ensure these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

f. The need to act fairly as between members of the charity

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Racial Equity Group, created in 2020-21 in light of the Black Lives Matter movement and murder of George Floyd in 2020 – comprises representatives from ethnically diverse staff at all levels, the Board, Senior Leadership Team, Executive Committee and the Artistic Director and Executive Director. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and have informed the Equity, Diversity and Inclusion policy for 2021-22.

2. How directors/trustees have engaged with employees and taken account of their interests

Our staff are crucial to our success, and we regard ongoing, regular engagement with them as a top priority.

Trustees are updated at each Board meeting on any substantive matters of staff concern. Trustees are regularly updated on progress against our Employee Strategy, including diversity and inclusion, and key issues arising from the annual staff survey. Trustees are advised of any Health & Safety issues at each Trustee Board meeting, and our Head of Safety attends the meeting on an annual basis to provide a full report on progress and issues.

Executive Management provide staff with information on matters of concern to them and encourage feedback through various channels of communication, including weekly all staff briefings on current activity and upcoming events, quarterly all staff briefings on progress against our strategic plans, including our financial performance, regular departmental team meetings and our staff intranet. Executive Management consult with staff and measure employee engagement and satisfaction through regular surveys and address any issues raised as quickly as possible.

We have a number of staff networks, set up to bring together and represent specific groups of employees, aimed at helping to establish a sense of community and support for these groups of people, as well as providing social networks. This includes groups representing protected characteristics and they are consulted on equity, diversity and inclusion matters.

3. How directors/trustees have engaged with other stakeholders, for example service users, beneficiaries, funders and the wider community

Our relationships with partners, suppliers and other key stakeholders are key to our effectiveness.

Trustees and Executive Management ensure through regular engagement with key stakeholders that we maintain an understanding of their needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on relevant stakeholders.

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with six regional theatres under our Theatre Nation Partnership initiative. More information on this can be found on pages 13 to 15 of this report.

Our Associates, a group of 13 freelancers attached to The Royal National Theatre, meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Artistic Director and Chief Executive in developing forward looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

Our donors are fundamental to our ability to achieve our aims and mission. We engage on a regular basis with all our donors and seek their feedback, in accordance with their communication preferences.

Our funding relationship with the Arts Council England (ACE) is crucial to the delivery of our mission. We ensure our aims meet those of ACE, and report to them our progress against these aims and Key Performance Indicators (KPIs) on an annual basis. An ACE representative attends our Trustee Board meetings.

STRATEGIC REPORT

PRODUCTIONS PRESENTED IN 2021-22



AFTER LIFE
by Jack Thorne, adapted from the film by
Hirokazu Kore-eda, concept by Bunny Christie,
Jeremy Herrin and Jack Thorne
Dorfman Theatre, 2 June 2021

Director **Jeremy Herrin**
Set & Costume Designer **Bunny Christie**
Lighting Designer **Neil Austin**
Sound Designer **Tom Gibbons**
Movement Director **Shelley Maxwell**
Music **Orlando Weeks**
Video Designer **Max Spielbichler**
Company Voice Work **Jeannette Nelson**
Staff Director **TD Moyo**



UNDER MILK WOOD
by Dylan Thomas
additional material by Sian Owen
Olivier Theatre, 16 June 2021

Director **Lyndsey Turner**
Set & Costume Designer **Merle Hensel**
Lighting Designer **Tim Lutkin**
Sound Designer and additional compositions **Donato Wharton**
Composer **Edward-Rhys Harry**
Movement Director **Imogen Knight**
Associate Director **Tom Bellerby**



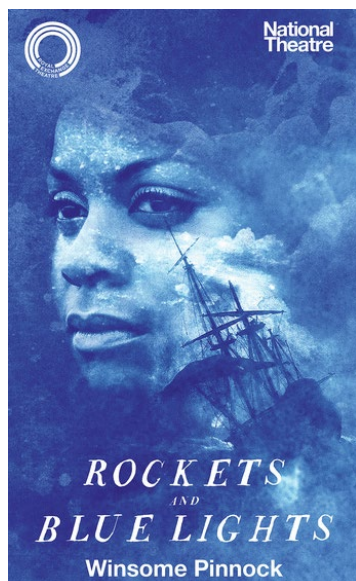
DEATH OF ENGLAND: FACE TO FACE
by Roy Williams and Clint Dyer
Lyttleton Studios, shooting ended 11 June 2021

Director **Clint Dyer**
Designer **Sam Harley**
Associate Director **Emily Burns**
Sound and Music **Pete Malkin**
Sound and Music **Benjamin Grant**
Wigs, Hair and Make-up Designer **Giuseppe Cannas**
Lead Producer **David Sabel**
Executive Producer (Cuba Pictures) **Dixie Linder**
Producer/Co-Chief Executive NT **Rufus Norris**
Director of Photography (DOP) **Sashi Kissoon**



PARADISE
by Kae Tempest
Olivier Theatre, 4 August 2021

Director **Ian Rickson**
Set & Costume Designer **Rae Smith**
Lighting Designer **Mark Henderson**
Music **ESKA**
Music **Stephen Warbeck**
Movement Director **Coral Messam**
Sound Designer **Christopher Shutt**
Fight Director **Terry King**
Associate Set Director **Catherine Morgan**
Associate Costume Designer **Johanna Coe**
Staff Director **Danielle Baker-Charles**
Classical Advisor **Helen Eastman**
Sound and Music Associate **Joel Price**
Sound and Music Associate **Jonas Roebuck**
Casting Director **Amy Ball**

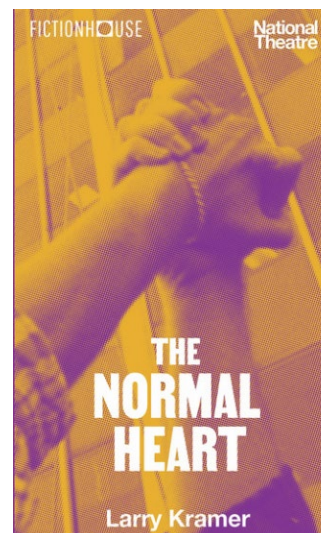


ROCKETS AND BLUE LIGHTS

by Winsome Pinnock

Dorfman Theatre, 25 August 2021

Director **Miranda Cromwell**
 Set & Costume Designer **Laura Hopkins**
 Lighting Designer **Amy Mae**
 Composition and Music Direction **Femi Temowo**
 Sound Designer **Elena Peña**
 Music **Orlando Weeks**
 Movement Director **Annie-Lunnette Deakin-Foster**
 Fight Director **Yarit Dor**
 Associate Set and Costume Designer **Charlotte Henery**
 Original Lighting Designer **Jessica Hung Han Yun**
 Dialect Coach **Hazel Holder**
 Music Coordinator **Tim Sutton**
 Casting Director **Vicky Richardson**
 Staff Director **Mumba Dodwell**



THE NORMAL HEART

by Larry Kramer

Olivier Theatre, 23 September 2021

Director **Dominic Cooke**
 Set Designer **Vicki Mortimer**
 Costume Designer **Lisa Duncan**
 Lightning Designer **Paule Constable**
 Sound Designer **Carolyn Downing**
 Fight Director **Brett Yount**
 Dialect Coach **Penny Dyer**
 Associate Director **Josh Seymour**



EAST IS EAST

by Ayub Khan Din

Lyttelton Theatre, 7 October 2021

Director **Iqbal Khan**
 Set, Projection & Lighting Designer **Bretta Gerecke**
 Costume Designer **Susan Kulkami**
 Composer **Felix Dubs**
 Sound Designer **Jon Nicholls**
 Fight Director **Rachel Bown-Williams of Rc-Annie Ltd**
 Fight Director **Ruth Cooper-Brown of Rc-Annie Ltd**
 Vocal Coach **Abi Lumb**
 Associate Projection Designer **Max White**
 Associate Costume Designer **Suzanna Knight**
 Make-up and Hair Designer **Jojo Dutton**
 Casting Director **Stewart Burt CDG**
 Associate Director **Natasha Kathi-Chandra**



MANOR

by Moira Buffini

Lyttelton Theatre, 16 November 2021

Director **Fiona Buffini**
 Set & Costume Designer **Lez Brotherston**
 Lighting Designer **Jon Clark**
 Composer and Sound Designer **Jon Nicholls**
 Video Designer **Nina Dunn**
 Fight Director **Kate Waters**
 Intimacy Coordinator **Ita O'Brien**
 Dialect Work **Majella Hurley**
 Associate Set Director **Louie Whitmore**
 Associate Costume Designer **Diane Williams**
 Associate Sound Designer **Beth Duke**
 Casting **Sam Jones CDG**
 Casting **Isabella Odoffin CDG**
 Staff Director **Sepy Baghaei**



TROUBLE IN MIND

by **Alice Childress**

Dorfman Theatre, 2 December 2021

Director **Nancy Medina**

Set & Costume Designer **Rajha Shakiry**

Lighting Designer **Nao Nagai**

Music **Nubiya Imani Brandon**

Music **Raffi Bushman**

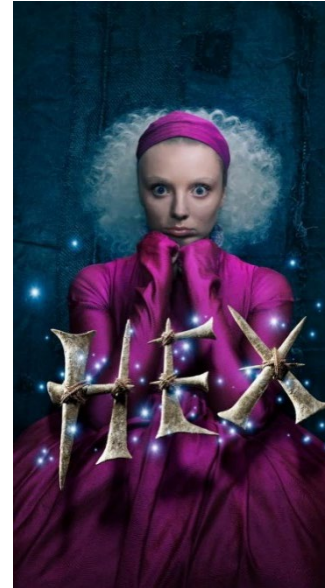
Sound Designer **Elena Peña**

Movement Director **Rachael Nanyonjo**

Staff Director **Lakesha Arie-Angelo**

Drama therapist **Samantha Adams**

Dialect Coach **Hazel Holder**



HEX

book by **Tanya Ronder**

music by **Jim Fortune** and lyrics by **Rufus Norris**

Olivier Theatre, 4 December 2021

Director **Rufus Norris**

Set & Costume Designer **Katrina Lindsay**

Choreographer **Jade Hackett**

Music Supervision and Vocal Arrangements **Marc**

Tritschler

Orchestrations **Simona Hale**

Music Director **Tarek Merchant**

Lighting Designer **Paul Anderson**

Video Designer **Ash J Woodward**

Sound Designer **Simon Baker**

Consultant Choreographer **Bill Dreamer**

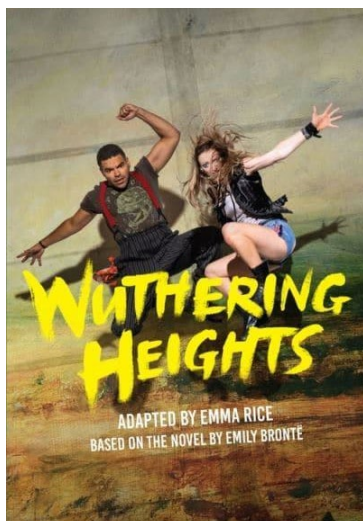
Associate Director **Emily Burns**

Associate Director **Séimí Campbell**

Associate Choreographer **Bradley Charles**

Associate Music Director **Cat Beveridge**

Company Singing Coach **Dane Chalfin**



WUTHERING HEIGHTS

based on the novel by Emily Bronte

adapted by Emma Rice

Lyttelton Theatre, 3 February 2022

Director **Emma Rice**

Composer **Ian Ross**

Set & Costume Designer **Vicki Mortimer**

Sound and Video **Simon Baker**

Lighting Designer **Jai Morjaria**

Movement and Choreography **Etta Murrfitt**

Puppetry Director **John Leader**

Associate Director **Laura Keefe**

Associate Choreography **Nandi Bhebhe**

Fight Director **Kev McCurdy**

Voice Coach **Simon Money**

Lighting Programme and Associate **Victoria Brennan**

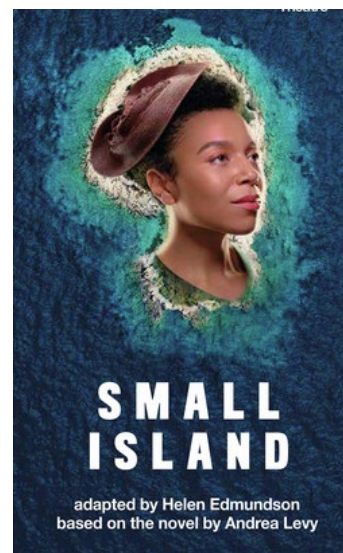
Music Supervisor **Tom Knowles**

Costume Supervisor **Anna Lewis**

Wigs, Hair and Make Up Supervisor **Dominique Hamilton**

Wigs, Hair and Make Up Associate **Carly Roberts**

Musical Director **Nadine Lee**



SMALL ISLAND

adapted by Helen Edmundson

based on the novel by Andrea Levy

Olivier Theatre, 24 February 2022

Director **Rufus Norris**

Set & Costume Designer **Katrina Lindsay**

Projection Designer **Jon Driscoll**

Lighting Designer **Paul Anderson**

Composer **Benjamin Kwasi Burrell**

Sound Designer **Ian Dickinson for Autograph**

Fight Director **Kate Waters**

Choreographer **Jade Hackett**

Music Consultant **Gary Crosby**

Dialect Coach **Hazel Holder**

Associate Director **Denzel Westley-Sanderson**

Associate Projection Designer **Gino Ricardo Green**

Associate Sound Designer **Jonas Roebuck**

Casting **Isabella Odoffin CDG**

Casting (Children) **Verity Naughton CDG**

Staff Director **Leian John Baptiste**

Financial Summary

Financial Review – 2021-2022

In 2021-2022, income £80.8 million and expenditure of £80.1 million generated a positive net movement in total group funds of £0.7 million. This compares to an increase of £4.7million in 2020-21. This positive movement relates mainly to the success and receipt of funds relating to our 2-year – Covid recovery Major Funding Campaign.

Income for The Royal National Theatre productions at the South Bank continued to be impacted by Covid. Whilst we returned to all three theatres being open by October 2021 we still saw a slow return by audiences. There were 464 performances across all theatre against c974 pre-pandemic generating a financial capacity of 59.5% versus 74% in 2019-20.

At 27 March 2022, total group funds were £87.7 million, of which negative (£4.0) million are unrestricted operations funds (28 March 2021: £87.0 million and positive £16.0 million, respectively). The unrestricted operations fund of negative (£4.0) million include a long-term liability – the Cultural Recovery Fund concessionary loan of £20.1m (2021: £19.7m). This loan and interest is repayable over a 20 year period with an initial four year repayment holiday, in six-monthly equal instalments of £0.752m, the first instalment being due in February 2025, the final instalment in February 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

Principal Funding Sources

The Royal National Theatre maintains a balance between self-generated income – box office and exploitation of The Royal National Theatre productions in UK and internationally (c50%), catering and front-of-house trading (c7%), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (c22%) and public subsidy from Arts Council England (ACE) (c21%).

Arts Council England

Arts Council revenue funding at £17 million (2020-2021: £17 million), represents c21% of the income received by The Royal National Theatre (2020-2021: c31%).

The Royal National Theatre took a 3% ACE funding cut for the four-year funding period 2018-2022 alongside Southbank Centre, RSC, and Royal Opera House, in order to support the diversification of the National Portfolio Organisations and the investment of funds outside London. With effect from 2018-2019 the grant has been cut by £2.9 million since 2010-2011, a real-terms reduction of 29%. The Grant has been cut by a further 5% for the period 2023-26 to £16.15 million a year.

Fundraising

In response to our 2-year - Covid recovery Major Funding Campaign, the Development department had another strong year raising £18.4 million (vs £21.1 million in 2020-2021), which comprised £17.8 million for revenue activity (vs £19.6 million in 2020-2021) and £0.6 million for capital projects (vs £1.5 million in 2020-2021). £1.6 million of revenue activity (vs £1.1 million in 2020-2021) in relation to commercial Sponsorship is recorded within income from other trading activities.

Box Office Income

Box office income on the South Bank as well as the UK tour of *The Curious Incident of the Dog in the Night-Time*, *Ocean at the End of the Lane* in the West End and NT Live & Digital amounted to £18.3 million (2020-2021: £3.8 million).

Tax Credits

Theatre, Film and TV Tax Credits are a significant contributor to The Royal National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2021-2022 amounted to £3.2 million (2020-2021: £0.8m).

Trading and Other Income

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are principally conducted through The Royal National Theatre's wholly-owned subsidiary Royal National Theatre Enterprises Limited. The car park is operated under a franchise.

The total income generated by Royal National Theatre Enterprises in 2021-2022 was £6.9 million (2020-2021: £1.6 million), including commercial sponsorship income of £1.6 million (2020-2021: £1.1m). The total profit before the management charge payable to The Royal National Theatre was £1.5 million (2020-2021: £0.5 million).

Trading and other income also includes £17.8 million (2020-2021: £2.1 million) comprising licensing fees generated by National Theatre Productions Limited and Royal National Theatre North America LLC, box office and other income generated by Three Brothers Broadway LLC, and a grant from the US Government for the transition of reopening theatres in the USA.

Other income also includes bank interest receivable and income from education activities.

The Royal National Theatre continues to benefit from its culturally-exempt VAT status, which means that there is no VAT on ticket income at The Royal National Theatre but that a proportion of VAT on expenditure is irrecoverable.

In 2020-2021 we benefited from the Government's Coronavirus Job Retention Scheme (CJRS) and received £11.8 million income; in 2021-2022 this balance was £0.5 million and the scheme ceased in September 2021.

Revenue Expenditure

Production COSTS

Production expenditure at The Royal National Theatre, in the West End and on tour totalled £28.0 million (£29.3 million in 2020-2021) and represented 54% (2020-2021: 63%) of total expenditure on charitable activities for the year.

NT LIVE AND DIGITAL

Total expenditure for the year for NT Live and Digital was £7.5 million (£4.4 million in 2020-2021).

NT Learning and Public Engagement

Total expenditure for the year for the NT Learning (education) and public engagement programme was £5.4 million (£3.0 million in 2020-2021). £2.9 million was covered by fundraising and £0.5 million generated through ticket and fee income.

Research and Development

Expenditure on research and development totalled £3.2 million (£2.6 million in 2020-2021), including £1.8 million expenditure in the NT New Work Department.

Support Costs

Support costs cover expenditure on front of house staff responsible for contact with the audience; marketing, box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, HR and IT. These costs are allocated against the activities listed above. Total support costs were £15.7 million (£19.0 million in 2020-2021).

Staff Costs

Staff costs, including social security and pension costs and redundancy costs, totalled £30.6 million (£31.5 million in 2020-2021). Staff numbers decreased on the previous year to 669 (759 in 2020-2021), following the redundancy programme undertaken as part of the NT's Covid Recovery Plan.

Capital Expenditure

Total capital expenditure for the year was £6.9 million (£2.5 million in 2020-2021). This comprised investment in our lighting infrastructure and equipment of £1.8 million; and another £2.3m on our stage systems and equipment. A further £0.3 million was spent on our sound and video systems and equipment. £1.7 million was spent on a number of relatively small building refurbishment projects, IT projects (including PC & IT hardware) and investment in catering equipment. A further £0.8m was spent on panelling and deck rectification work.

The transfer from the operations fund to the designated fund for capital was £17.7 million (£2.1 million in 2020-2021).

Reserves

Unrestricted Operations Fund

The policy for budgeting annual income and expenditure is directed towards enabling The Royal National Theatre to continue its current level and quality of activity. In order to avoid accumulating an on-going deficit, The Royal National Theatre seeks, each year, to match income and expenditure, whilst taking into account the level of grant receivable from the Arts Council.

The Royal National Theatre's unrestricted reserves target is set, in recognition of its inherently risky business model, to ensure that it provides adequate resources to enable the continuity of The Royal National Theatre's operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on trading and fundraising, and economic uncertainty. Following a risk assessed impact review of income and expenditure, we determined that a target equivalent to approximately three months normalised core operating expenditure is appropriate, of £15 million.

As at 27 March 2022, we held negative (£4.0m) in unrestricted reserves and of our designated reserves £31.5m is held in cash and current asset investments. Of the £31.5m, £18.3m is required to address urgent capital works, £8.9m is required to fund the current Business Model's Risk & future Investment, £1.5m is to cover the first repayment instalments of the Cultural Recovery Fund concessionary loan and £2.8m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

Buildings & Equipment Designated Fund

The policy is to ensure that sufficient money is set aside in the reserve so that over a three-year period the National is able to maintain and renew the building in accordance with its rolling capital plan. Over time, these reserves will reduce to zero as the assets are fully depreciated.

NT Future Designated Fund

This represents NT Future assets funded by the National. NT Future was a major project largely completed by 2014 which included new building and refurbishment works, and technical infrastructure upgrades. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Restricted Funds

These are funds which have been earmarked by the donor for specific purposes within the overall aims of the organisation. The funds are analysed between long-term and short-term – long-term being mostly for capital purposes, and short-term for project activity, as set out in Note 19 of the financial statements. Short-term funds will be spent in full in the next 18-24 months. The balance on the long-term capital funds represents funds received from donors to purchase fixed assets less the depreciation charged on an annual basis. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Internal Control and Risk Management

The Trustees are responsible for ensuring that The Royal National Theatre has effective risk management and control systems and processes in place. Agreed processes are in place by which the Trustees review, identify and assess major risks and agree with management the controls that already are, or will be, put in place to manage those risks. The details form part of the Risk Register, which Trustees review on a regular basis. Senior management has responsibility for managing resources, monitoring performance and establishing and maintaining effective internal control systems. The system of internal control and risk management is designed to:

- Identify and prioritise strategic and operational risks to the achievement of The Royal National Theatre's aims and objectives;
- Evaluate the likelihood of those risks being realised and their potential impact; and
- Manage these risks efficiently, effectively and economically.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place.

The key components of The Royal National Theatre's risk management include:

- A four-year strategic plan and annual budget approved by the Trustees, against which progress is reported regularly, including monthly financial reporting of results;
- Regular consideration by the Trustees of financial results and variance from budgets;
- Delegation of authority and segregation of duties;
- Clear policies on health and safety, and safeguarding children & young people and adults at risk, to ensure compliance with statutory requirements;
- Trustees review of The Royal National Theatre's Risk Register on a regular basis;
- Senior management review of key strategic and operational risks on a regular basis. Consideration is given to progress on mitigating actions, new and emerging risks and opportunities; and
- The Internal Auditor reviews risks and internal controls on a regular basis and reports findings to the Finance and Audit Committee.

The system is designed to manage rather than to eliminate the risks faced by The Royal National Theatre and it must be recognised that such a system can provide only reasonable and not absolute assurance.

Principal Risks and Uncertainties

The Covid pandemic was the most significant risk to have impacted The Royal National Theatre since its formation. The Royal National Theatre responded quickly in response to this unprecedented challenge; this included:

- The launch of NT at Home in April 2020 – screening 16 past productions to view for free via You Tube. Following its success, we launched a paid for streaming service in December 2020.
- Switching our face-to-face Learning programmes to digital offerings, to support students/young people and teachers.
- Converting the Olivier Theatre, our largest space, into an 'in-the-round' configuration to improve the financial viability of socially distanced performances.
- We converted the Lyttelton Theatre into a film studio, to produce an innovative form of theatre work devised for the camera.
- A Financial Recovery Plan was established in 2020, including Government loan support of £19.7m as a result of sector wide lobbying, heavily supported by The Royal National Theatre's Executive, and the launch of a £40m Major Funding Campaign in Autumn 2020.
- We implemented policies and procedures, supported by risk assessments, extensive staff training and briefings, to provide a Covid safe working environment for those staff and freelance teams who need to attend the building to support our operations and performances. These policies and procedures continued throughout 2021-22, being updated in line with updates to government guidance.

The Royal National Theatre continues to monitor and take necessary actions to ensure that we come through this period with sufficient reserves to continue to operate on an on-going basis; whilst ensuring we are able to support the needs of our staff, freelancers, donors, audience and other beneficiaries, including in particular students/ young people and teachers, and the theatre sector.

The Royal National Theatre faces the following other principal risks and challenges as at December 2022:

Risk	Area of concern	Mitigation
Financial sustainability	Financial risk impacts The Royal National Theatre as follows: • Insufficient funding to invest adequately in the repertoire, and/or to support current activity levels and/or annual capital replacement requirements as a result of a fall to one or more of our revenue streams, which could be caused by reputational issues, an economic downturn or other political factors. • Our financial model is highly dependent on Arts Council England funding, fundraising revenue and box office income; all of which are dependent to a large extent on maintaining high artistic standards, achieving our artistic ambitions and attracting close to capacity audiences for our productions. • The longer-term impact of Covid on the economy and audience confidence. • The impact of high rates of inflation and significant increase to our energy costs on the NT's cost base, in addition to the knock-on impact on our audiences, customers and other beneficiaries, and our donors and corporate sponsors. • The impact of the UK being in a recession and the effect of this on our cost base, staff and audiences. • The funding of the repayment of the Government's CRF Loan to the NT. • Future cuts to Arts Council England funding (the NT's grant has been cut by 5% with effect from April 2023).	This risk is mitigated through a number of means including: • Our four-year business and financial planning process; this includes a review of our current 2023-26 financial plan in light of the 5% cut to our Arts Council England grant, the significant increase to energy costs and inflation on the NT's cost base, and the knock on impact to consumer confidence on our income streams, to identify income growth and cost saving opportunities. This will be finalised by March 2023. • Annual revenue and longer-term capital budgeting • Monthly management reporting against budget and KPIs • On-going evaluation of processes and expenditure • Our audience development and pricing strategy • Customer relationship management and fundraising strategies • Strong stakeholder relations

Reputation	Our reputation can be impacted by: • Negative critical or audience response to the repertoire • Inability to invest adequately in the repertoire resulting in a drop in the quality of output • Departure of freelancers from the theatre sector because of Covid and/or more lucrative TV & film opportunities, resulting in a loss of skills in the sector / NT impacting the quality of output • Health and safety / safeguarding / security / major incident response planning failure • Failure of key customer facing business systems • A data protection breach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention all of which could impact one or more income streams and our ability to attract talent.	We aim to mitigate this risk by: • Maintaining high artistic standards • Our advocacy activity with Government, Mayor of London and ACE • Maintaining best practices in: • health and safety • customer care • fundraising • safeguarding • HR policies & practices including staff training and expectation setting, particularly with regard to staff conduct, bullying & harassment. • Capital planning to ensure adequate investment in our key business systems • An effective communications crisis plan
Artistic ambition	Presenting new writing on our two main stages can be challenging given: • The size and associated challenges of these theatres • Our reliance on strong box office • Our aim to grow our audience reach	We aim to mitigate this risk through: • Seeking and developing talent • On-going development work within our New Work department • Effective customer relationship management and marketing
Attraction and retention of staff and artists	The risk that we will be unable to recruit and retain staff and artistic/production talent of the calibre required to support our standards of excellence and innovation in our work and/or our wide-ranging support and commercial operations, owing to: • Covid resulted in a loss to the industry in respect of those freelancers who retrained or switched their careers to more lucrative film and TV work • Challenges of recruiting roles in finance, marketing, HR, IT and safety where salaries in other sectors for the same role are higher • Insufficient or inadequate training pathways	This risk is mitigated through: • A range of talent development initiatives • Creative and workforce diversity strategies • Fair pay • Introduction of a hybrid working policy enabling working from home • Range of initiatives to support staff wellbeing in place. • Growth of NT People department • Creation of NT Culture department led by a new Director of Culture role • Racial Equity Group and staff networks

	• Theatre seen as an unstable sector to work in post-Covid • Failure to support staff with protected characteristics • Impact of the cost of living crisis on staff and NT ability to meet salary expectations	• Consultation with our unions on staff pay
Health, safety, security and major incident response planning	Risk arises from: • The inherent risks involved in theatre production and presentation (e.g. working at height, noise, manual handling) • The challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London • The potential for a terrorist attack on London • Cyber and ransomware attacks • Safeguarding risks in our work on our stages, on tour and in our Learning and Community Programmes	This risk is mitigated through: • A robust management structure for safety, safeguarding and security issues • Staff training and awareness raising • Investigation of near misses and incidents • Close liaison with, and advice from counter terrorism police and other specialists • A Major Incident Response plan and communications protocol • Enhanced Cyber security systems and staffing
Organisational capacity	There is a risk that we fail to support our growing organisational and artistic ambitions with: • Sufficiently robust support structures: • planning • risk management • decision making • Adequately trained and/or informed staff • Insufficient numbers of adequately experienced staff to deliver our ambitions	This is mitigated through: • Our business planning processes • Staff communication • Training and development • Introduction of new tech to improve efficiencies • Reduction in the number of productions in the repertoire for 2022-2023

Financial Policies

Investment Policy

The policy is to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017-18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 28 March 2022, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank interest earned for the year was £0.01m (£0.02m in 2021).

Creditor Payment Policy

It is The Royal National Theatre's policy to pay creditors in accordance with terms of payment agreed at the start of business with each supplier.

Remuneration

The Royal National Theatre aims to pay salaries which are fair, competitive with the arts sector and proportionate to the complexity of each role. In determining the right level of pay The Royal National Theatre:

- Has a detailed job evaluation process.
- Ensures all staff are paid the London Living Wage as a minimum.
- Currently pays a dispersion ratio of approximate 1:3 between the highest salary and the median salary.

The Trustee Board is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive team, comprising the Chief Executive and Executive Director. The Executive is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive Committee and the Senior Leadership Team and reporting annually to the Board.

Financial Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Price risk: Payments to employees or individuals represent a significant proportion (circa 38%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures. The Royal National Theatre receives income from the Arts Council (c£17 million); this has been reduced by 5% to £16.15 million for 2023-2034. The Royal National Theatre has freedom over its ticket pricing, and ticket income pre-pandemic normal year represents c43% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

Credit risk: Risk on amounts owed to The Royal National Theatre by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at point of purchase.

Liquidity risk: The Royal National Theatre operates cash flow management to ensure that sufficient levels of its unrestricted reserves are held in cash as operating capital on short term deposit. In March 2021, The Royal National Theatre took out a 20-year loan for £19.7m from the Government via its Cultural Recovery Fund to provide additional liquidity due to the impact Covid. See Note 18 of the Financial Statements for further details. Given the maturity of the loan, the Group is in a position to meet its commitments and obligations as they fall due.

Interest rate cash flow risks: The Royal National Theatre places surplus funds on short-term deposit split between 3 major clearing banks and CCLA. Interest rates available on longer term deposits are kept under review but longer-term deposits will only be made for specific major project funds where the term of the deposit matches the anticipated cash flow requirement.

Property Interests

The Royal National Theatre has a lease of its building on the South Bank site from Arts Council England for a term expiring in March 2138. The building is Grade 2* listed. The freehold of the Old Vic Annexe (the NT Studio), The Cut, London SE1 is owned by The Royal National Theatre and this building was listed in March 2006.

See Note 11 of the Financial Statements for details of legal charges.

Subsidiaries and Related Undertakings

Details of the Group's subsidiaries and related undertakings are included in Note 24 of the Financial Statements.

Going Concern

The Trustees must satisfy themselves as to The Royal National Theatre's ability to continue as a going concern for a minimum period of 12 months from the date of approval of the financial statements.

The Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activity, the related financial budgets, cash flows and liquidity for the period to March 2024.

The Royal National Theatre, as a National Portfolio Organisation, places significant reliance on Arts Council England (ACE) grant funding support, in order to balance income and expenditure on an annual basis. The Trustees have taken into account ACE funding for the three year period from March 2023 at a level of circa £16.15m per annum as communicated to the Group in October 2022.

The Trustees have also considered in their assessment of going concern the impact of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) on the Group's liquidity position. This comprises (a) reduced audience and visitor numbers, and (b) higher levels of inflation impacting payroll costs and materials and other costs; and increasing energy costs.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2024, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2024 – maintaining a balance between supporting the activity that is crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

Further details of the above are set out in Note 3 to the Financial Statements.

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2024, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of the financial statements.

Board Members as at date of this report

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton
Sir Lenny Henry
Dame Vikki Heywood
Simon Minty
Vicki Mortimer
Elizabeth Pryce
Dame Karen Pierce
Melanie Richards CBE
Tim Score
Farrah Storr
Simon Warshaw

Executive

Rufus Norris, Artistic Director & Chief Executive
Kate Varah, Executive Director

Since the year end, the structure of the management of the National has been reviewed and the information on this page reflects that in place as of the date of approval of this Annual Report.

Further details are set out on pages 107 and 108 of this Annual Report.

Executive Committee

Liz Fosbury, Chief Operating Officer
Clint Dyer, Deputy Artistic Director
Alex Bayley, Chief Marketing Officer
Kathryn Marten, Chief Development Officer
Christine Gettins, Director of Producing
Paul Handley, Director of Production & Technical
Alice King-Farlow, Director of Learning & National Partnerships

Senior Leadership Team

Kash Bennett, Producer, NT Productions
Al Coomer, Head of Casting
Lisa Jonas, Assistant Director, Business & Governance
Angela McDermott, Director of Finance
Chris Murphy, Director of Development
Laura Friedner, Director of People
Matt Ripley, Director of Enterprises
Nina Steiger, Head of Play Development
Nicholas Triantafyllou, Director of Information & Technology
Rachel Twigg, Head of Studio
Jennifer Crook, Director of People
Jo Hornsby, Head of Planning
Rebecca Thompson, General Counsel
Emma Keith, Director of Digital Media
Sara Bakharty, Director of Marketing
Ruth Greenwood, Head of Press
Susie Newbery, Head of Executive Projects

Governing Document

The Royal National Theatre is a company limited by guarantee (Company Number 749504) governed by its Memorandum and Articles of Association, which were last updated on 26 November 2012. It is a registered charity at the Charity Commission (Charity Number 224223).

Charitable Objects

The Royal National Theatre's charitable objects, as stated in its governing document, are: to promote and assist the advancement of education so far as such promotion and assistance shall be of a charitable nature and in particular, so far as of a charitable nature, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The achievement of our aims as set out in the Strategic Report above enable us to fulfil our charitable objects and legal purpose.

Public Benefit

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, in the provision of lower price tickets for all performances. Geographical reach is achieved through touring and NT Live broadcasts to cinemas in the UK and overseas. The NT's Learning programme seeks to introduce children and young people to theatre and offers participation opportunities both on-site and across the country. Through a programme of talks, exhibitions, publishing and digital content The Royal National Theatre inspires and challenges audiences of all ages.

The Board

The Board is the non-executive and unpaid governing body of The Royal National Theatre. Board members are both directors of the company and charity trustees who, under company and charity law, are responsible for policy, administration and general control. The Board works with the Executive to ensure that The Royal National Theatre's remit is fulfilled, its work remains of the highest quality and it is managed efficiently and cost-effectively. The Board has responsibility for setting the remuneration of the Executive. The Board delegates to the Artistic Director the selection and staging of all productions and does not interfere in repertoire decisions.

The Board met 6 times between April 2021 and March 2022 with the Executive and Chief Operating Officer present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

The Nominations Committee considers Board composition, skills, diversity and succession planning and addresses gaps with new Board appointments. The Board has taken active and effective measures over the past few years to increase the diversity of its composition

Trustee Induction and Training

New Trustees are briefed by the Executive on the activities of The Royal National Theatre and their obligations as Trustees, meet with the Senior Leadership Team to understand each area of its operations, and are given the opportunity to tour The Royal National Theatre and see its activities.

The Executive

The Executive comprises the Director*, Rufus Norris and the Executive Director, Lisa Burger; both Joint Chief Executives. Following Lisa Burger's retirement from the NT at the end of March 2022, Kate Varah has been appointed Executive Director from April 2022; and Rufus Norris's title was amended to Artistic Director and Chief Executive. Together the Executive are responsible to the Board for devising and delivering the artistic programme, policies and management of The Royal National Theatre to the strategy agreed with the Board. The Board appoints the Executive, both of whom report to the Board.

Associate Directors* and NT Associates

Rufus Norris is supported in making repertoire decisions by The Royal National Theatre's Associate Directors.

**The term "Director" is a traditional title used at The Royal National Theatre. Neither the Directors, the Associate Directors nor other members of the Executive, are directors under the Companies Act 2006, or Trustees under the Charities Act 2011.*

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 55. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 107 and 108 of this Annual Report and details of the subsidiaries are set out in Note 24 to the Financial Statements.

Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met four times during the year and met the external, Independent Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

The Nominations Committee is appointed by and from the Board and reviews the structure, size and composition of the Board and, in the light of that review, makes recommendations to the Board with regard to the appointment of new members and the re-appointment of any member and the Chair at the conclusion of his or her first term of office.

Development Board

The Development Board assists in fundraising for The Royal National Theatre. Its members, who are co-opted onto the Development Board, represent the three fundraising sectors – Individuals, Trusts and Corporates. The full Development Board meets at least twice a year, and each sector group also meets at least twice a year. The Development Board reports regularly to The Royal National Theatre Board through its Chair, who is a member of the main Board.

Connected Charities

Details of Connected Charities are set out in Note 23 to the Financial Statements.

Executive Management at The Royal National Theatre

The review of activities shows that The Royal National Theatre has many facets.

- The Chief Executive and Executive Director hold the overall responsibility for the day to day management of The Royal National Theatre with the assistance of the Executive Committee and the Senior Leadership Team.
- The Senior Leadership Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer who reports to the Executive Director.
- The Executive Committee meets weekly as a decision making group supporting the Chief Executive and Executive Director. In addition to a monthly meeting of the Senior Leadership Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis.
- The key decision-making groups include Producing, Planning, Capital Projects, National Theatre Productions, Enterprises, Health and Safety, and IT Strategy and Steering groups.

Communication is key and The Royal National Theatre aims to engage all its employees and others working at The Royal National Theatre in its activities and achievements.

- All staff are invited to a weekly company meeting led by Rufus Norris and Kate Varah.
- Information from the weekly company meetings and other new developments and policies are available on The Royal National Theatre's intranet.
- Staff briefings, led by the Chief Executive and Executive Director, are held six times a year to brief staff in more detail on various aspects of policy and programming and to provide a forum for discussion.

All staff are required to cooperate with The Royal National Theatre's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why The Royal National Theatre's workforce is not better representative of the population of London; what barriers if any there might be and what measures might be taken to improve diversity.

The Royal National Theatre's disability policy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for, employees who have become disabled persons while employed; and (c) ensuring the same training, career development and progression opportunities are available to all staff regardless of any disability. The NT is a Disability Confident Employer.

The Health and Safety team is closely involved in the key risk areas of the organisation and advises and assists with health and safety aspects of productions, special events, accident investigations and training.

Trustees' Transactions

The Trustees are not remunerated for their work as Trustees of The Royal National Theatre. From time to time, members of the Trustee Board or persons connected with them enter into transactions with The Royal National Theatre in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms, and are in accordance with the specific provisions of clause 5 of the Memorandum of Association. It is the Board's policy that they should be disclosed to and approved by the Board and disclosed in the Financial Statements.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Royal National Theatre for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' Indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Royal National Theatre also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Auditors

PricewaterhouseCoopers LLP will continue in office as auditors of The Royal National Theatre for the next financial year.

The Trustees' Report, including the Strategic Report, set out on pages 1 to 60 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 31 January 2023

Company registration number 749504.
Registered charity number 224223.

Independent auditors' report to the members of The Royal National Theatre

Report on the audit of the financial statements

OPINION

In our opinion, The Royal National Theatre's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 27 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 52-week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated balance sheet and the company balance sheet as at 27 March 2022; the consolidated statement of financial activities (including an income and expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

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's and the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Trustees' Report and the Strategic Report included within it, we also considered whether the disclosures required by the Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

STRATEGIC REPORT AND TRUSTEES' REPORT

In our opinion, based on work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 27 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 auditors' 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. 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.

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.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining confirmations of investments and cash balances at the period end.

GOVERNANCE

- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 31/1/23.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure account)
for the period ended 27 March 2022

	Note(s)	52 weeks ended 27 March 2022					52 weeks ended 28 March 2021				
		Unrestricted funds	Designated	Projects	Long term	Total	Unrestricted funds	Designated	Projects	Long term	Total
		Operations	£m	£m	£m	£m	Operations	£m	£m	£m	£m
Income and Endowments from:											
Donations & legacies	5(a)/(b)	28.3	-	5.0	0.6	33.9	27.8	-	7.7	1.5	37.0
Charitable activities	5(c)	18.3	-	-	-	18.3	3.8	-	-	-	3.8
Coronavirus Job Retention Scheme	5(c)	0.5	-	-	-	0.5	11.8	-	-	-	11.8
Other trading activities	5(d)	28.1	-	-	-	28.1	3.7	-	-	-	3.7
TOTAL Income & Endowments	19	75.2	-	5.0	0.6	80.8	47.1	-	7.7	1.5	56.3
Expenditure on:											
Raising donations & legacies		(2.1)	-	-	-	(2.1)	(1.5)	-	-	-	(1.5)
Charitable activities	6(a)	(38.9)	(2.3)	(6.9)	(3.8)	(51.9)	(34.5)	(3.3)	(5.1)	(3.8)	(46.7)
Other trading activities	6(b)	(26.1)	-	-	-	(26.1)	(3.4)	-	-	-	(3.4)
Total Expenditure	19	(67.1)	(2.3)	(6.9)	(3.8)	(80.1)	(39.4)	(3.3)	(5.1)	(3.8)	(51.6)
Net Income / (Expenditure)		8.1	(2.3)	(1.9)	(3.2)	0.7	7.7	(3.3)	2.6	(2.3)	4.7
Transfers between Group funds	19	(28.1)	28.1	-	-	-	(1.1)	1.1	-	-	-
Net Movement in Group Funds		(20.0)	25.8	(1.9)	(3.2)	0.7	6.6	(2.2)	2.6	(2.3)	4.7
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	16.0	21.5	2.9	46.6	87.0	9.4	23.7	0.3	48.9	82.3
TOTAL Group Funds carried forward	19/20	(4.0)	47.3	1.0	43.4	87.7	16.0	21.5	2.9	46.6	87.0

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 68 to 106 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
as at 27 March 2022

		As at 27 March 2022 £m	As at 28 March 2021 £m
	Note(s)		
Fixed assets			
Tangible assets	11	57.1	56.4
Investments	12	0.2	0.2
TOTAL Fixed Assets		57.3	56.6
Current assets			
Stocks	13	0.3	0.4
Cost of productions not yet opened	14	0.8	0.8
Debtors	15	18.1	17.8
Investments	16	12.6	12.5
Cash at bank and in hand	16	41.6	33.8
TOTAL Current Assets		73.4	65.3
Current liabilities			
Creditors: amounts falling due within one year	17	(22.9)	(15.2)
TOTAL Net Current Assets		50.5	50.1
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	(20.1)	(19.7)
TOTAL Net Assets		87.7	87.0
The Funds of the Group:			
Operating Funds	19/20	(4.0)	16.0
Designated Funds	19/20	47.3	21.5
Restricted Funds	19/20	44.4	49.5
TOTAL Group Funds		87.7	87.0

The Notes on pages 68 to 106 form part of these financial statements.

The financial statements on pages 64 to 106 were approved by the Board of Trustees and signed on its behalf by:

Damon M. Buffini

Sir Damon Buffini (Chair, The Royal National Theatre)

Date: 31/01/2023

COMPANY BALANCE SHEET
as at 27 March 2022

		As at 27 March 2022	As at 28 March 2021
	Note(s)	£m	£m
Fixed assets			
Tangible assets	11	54.8	55.1
Investments	12	0.2	0.2
TOTAL Fixed Assets		55.0	55.3
Current assets			
Stocks	13	0.1	0.1
Cost of productions not yet opened	14	0.7	0.6
Debtors	15	16.2	16.0
Investments	16	12.6	12.5
Cash at bank and in hand	16	37.7	32.4
TOTAL Current Assets		67.3	61.6
Current liabilities			
Creditors: amounts falling due within one year	17	(16.8)	(11.6)
TOTAL Net Current Assets		50.5	50.0
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	(20.1)	(19.7)
TOTAL Net Assets		85.4	85.6
The Funds of the Company:			
Operating Funds	19/20	(6.3)	14.7
Designated Funds	19/20	47.3	21.5
Restricted Funds	19/20	44.4	49.4
TOTAL Company Funds		85.4	85.6

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expense for the Company for the year was £0.2m (2021: net income £5.2m). The Notes on pages 68 to 106 form part of these financial statements.

The financial statements on pages 64 to 106 were approved by the Board of Trustees and signed on its behalf by:

Damon M. Buffini

Sir Damon Buffini (Chair, The Royal National Theatre)

Date: 31/01/2023

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 27 March 2022

		52 weeks ended 27 March 2022	52 weeks ended 28 March 2021
	Note(s)	£m	£m
Cash flows from operating activities			
Net cash provided by operating activities	25	14.8	7.2
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(6.9)	(2.5)
Increase in current asset investments	16	(0.1)	(2.3)
Net cash used in investing activities		(7.0)	(4.8)
Cash flows from financing activities			
Concessionary loan	18	-	19.7
Net cash provided by financing activities		-	19.7
Change in cash and cash equivalents in the reporting period		7.8	22.1
Cash and cash equivalents at the beginning of the reporting period		33.8	11.7
Cash and cash equivalents at the end of the reporting period	16	<u>41.6</u>	<u>33.8</u>

The Group's net debt is a net credit of £21.5m (2021: £14.1m) comprising the Group's cash and cash equivalents of £41.6m (2021: £33.8m) (note 16) less the concessionary loan of £20.1m (2021: £19.7m) (note 18). The movement in the period was solely due to the cash flows of the entity as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 68 to 106 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on pages 5 and 6.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of “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” (the “Charities SORP”).

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

3.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

3.2 GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group’s forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2024, which is a period of at least 12 months from the date of approval of the financial statements.

This assessment period was selected as it aligns to the Group’s financial year end, is consistent with its budgeting process and timelines and is a period of at least 12 months from the date of approval of the financial statements.

Based on the Group’s cash flow projections, the Trustees have adopted the going concern basis of accounting in preparing these financial statements.

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- There are no further impositions of closures or lockdowns or social distancing measures that would affect the Group and its theatres.
- Audience and visitor numbers return, but box-office and related income is lower than in previous years prior to Covid as a result of reduced demand.
- West End commercial productions and Touring returns to the same level as in previous years prior to Covid.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

- Arts Council England (ACE) grant funding, for the three-year period from March 2023, remains at levels communicated to the Group in October 2022 at £16.15m per annum.
- The ability to continue to attract sponsorship and obtain donations is retained; alongside the support of The Royal National Theatre Foundation.
- Increasing inflation impacting payroll costs and materials and other costs; and increasing energy costs.
- Full management of the Group's fixed and variable cost structure continued staff cost and efficiency savings, the growth of new digital income streams, and growth in trading net income are all achieved.

SENSITIVITY ANALYSIS

The Trustees have considered the impact on forecast and projected activities, budgets, cash flows and liquidity of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) such that the key assumptions are not met, or able to be met, in whole or in part.

This comprises:

- Reduced audience and visitor numbers.
- Higher levels of inflation on payroll costs and materials and other costs; and higher energy costs.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2024, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2024.

CONCLUSIONS

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2024, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of these financial statements.

Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and the Group were unable to continue as a going concern.

3.3 EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the disclosure exemptions from preparing a statement of cash flows and reconciliation of net debt, on the basis that it is a qualifying entity.

3.4 BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The Royal National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 24). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions and balances outstanding between the entities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

3.5 FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the period have been translated at the prevailing rate of exchange at the date of the transaction. Non-monetary assets are recorded at the prevailing rate of exchange at the date of the original transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date.

Foreign exchange differences incurred in respect of overseas activities are recorded in the Statement of Financial Activities within the activity which the income and expenditure relates in the period in which they are incurred.

The functional currency of the Company and its UK based subsidiaries is pounds sterling, and the functional currency of its US subsidiaries, Royal National Theatre North America LLC, Curious Incident Broadway LP and Three Brothers Broadway LLC is US dollars. The presentational currency of the Group is pounds sterling.

The income and expenditure of foreign subsidiaries consolidated within the Group financial statements are translated from their functional currency to the presentational currency at the average rate of exchange for the period. The balance sheet of each foreign subsidiary is translated to the presentational currency at the prevailing rate of exchange at the balance sheet date. Any exchange gains or losses are accounted for within other comprehensive income within the Statement of Financial Activities.

3.6 FUND ACCOUNTING

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes.

Restricted funds may only be used in accordance with the specific wishes of donors.

An expendable endowment fund is held in long term restricted funds. Under the terms of donation this will be converted at the trustees' discretion into expendable income at the end of the 20-year term (December 2028).

NOTES TO THE FINANCIAL STATEMENTS

3.7 INCOME & ENDOWMENTS

All income and endowments are included in the Statement of Financial Activities when the Group has legal entitlement, there is reasonable probability over receipt and the amount of income can be quantified with reasonable accuracy.

DONATIONS & LEGACIES

Donations and legacies comprise all income from sponsorships, donations, legacies, grants, and membership subscriptions, except for government grants received under the Coronavirus Job Retention Scheme and government grants received from the US government under its Shuttered Venue Operators Grant scheme. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – The Royal National Theatre Foundation and American Associates of the National Theatre - is recognised at the point at which the amount receivable is known.

Where donor-imposed conditions, such as grant terms, require that funds are expended in a future period or that the Group is entitled to funds only once specific conditions are met, then amounts are recorded as deferred at the balance sheet date. Income is then recognised once conditions have been met, income is recorded as deferred income at the balance sheet date.

Sponsorship income represents income received from commercial organisations in support of specific activities or projects. Income is recognised at the point where the goods/services in relation to the activities or projects are delivered.

Income from individual membership schemes eligible for Gift Aid is recognised in full on receipt. Corporate and Individual Membership income is apportioned over the year of the subscription and the element relating to a future year is recorded as deferred income at the balance sheet date.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Goods and services received in kind, where significant (>£10k) are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are Recognised at an estimated value to the Group at the time of receipt.

Arts Council England's revenue grant is recognised in the period to which the funding relates. All other grant income from Arts Council England is recognised in line with expenditure of the project funded.

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

- income from performances at The Royal National Theatre;
- income from touring activities (UK and International) under the management of the Group (excluding grant income); and
- ticket sales for productions which have transferred to the West End under direct The Royal National Theatre management.

All other income:

- income from NT Learning performances, NT Live ticket income, NT at Home subscriptions, events and workshops; and
- sundry income (recognised on a receivable basis).

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. NT At Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

GOVERNMENT CORONAVIRUS JOB RETENTION SCHEME

The income from the scheme is accounted for gross under charitable activity income as a separate line and is not netted against expenditure. It is accounted for as unrestricted funds as the funds are not received with restriction as to the charitable purposes for which they can be spent. As the scheme is designed to compensate for staff costs, the amounts received are recognised in the Statement of Financial Activities over the same period as the costs to which they relate.

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities and through third party arrangements;
- government grant income received from the US government under its Shuttered Venue Operators Grant scheme; and
- box office, royalty and profit share income generated by other NT subsidiaries (in the UK and USA) from the commercial exploitation of The Royal National Theatre's productions to the extent that the Group is entitled to such income.

Other than government grant income, this income is recognised on a receivable basis. Government grant income referred to above is recognised as qualifying expenditure is incurred.

3.8 EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing sponsorship, donations and grants including the costs of providing membership benefits.

CHARITABLE ACTIVITIES

Expenditure which relates directly to the Group's charitable objectives are analysed between:

- performances at The Royal National Theatre or elsewhere under direct management of the Group;
- performances on tour (UK and International);
- NT Live (streaming and broadcasting of The Royal National Theatre performances) and Digital;
- NT Learning (education and participation work) and Public Engagement (including Archive, NT Live, Inside Out, Platforms, Foyer Music); and
- research and development (including the NT Studio and commissioning costs).

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities, they have been apportioned as set out in Note 6(c). Staff canteen costs are shown net of contributions.

OTHER TRADING ACTIVITIES

Expenditure which forms part of the Group's trading activities and commercial exploitations are separately disclosed as Other Trading Activities.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

3.9 LEASE OF THE NATIONAL

The Royal National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The Royal National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The Royal National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 19).

3.10 FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £2,000 are capitalised.

Depreciation is provided on a straight-line basis to write off the cost of assets, less estimated residual values, over their anticipated useful economic lives and is charged to the relevant fund as follows:

- Freehold land & buildings – 50 years (excluding land, which is not depreciated)
- Leasehold improvements – 5 years, 10 years and 20 years
- Equipment – 3 years, 10 years and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When considering the existence of impairment indicators, The Royal National Theatre considers, amongst other things, the ability of assets to assist in the delivery of The Royal National Theatre's future activities.

Assets within work in progress are not depreciated until they are brought into use.

Assets are derecognised when they are disposed of or when no future economic benefits are expected from their use or disposal.

3.11 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

3.12 STOCKS

Stocks, principally held by The Royal National Theatre's trading subsidiary (RNTE), comprise of goods held for resale in the catering, bookshop and publications operations. Other stocks comprise consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the latest purchase price for catering, bookshop and publications stock, and on actual cost for production stock. Where it is identified that stocks will not be sold as a result of a prolonged closure, then the stocks are considered to have nil value. All impairment losses are recognised within the Statement of Financial Activities.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Financial Activities. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Financial Activities.

3.13 COSTS OF PRODUCTIONS NOT YET OPENED

The direct costs, including the cost of materials, associated creative fees and costs of rehearsals, of each new production are carried forward on the balance sheet prior to productions opening as Cost of productions not yet opened. Once a production opens, these costs and associated tax credit are recognised as performances take place, with expenses yet to be recognised held as prepayments. Where circumstances lead to the production being cancelled, the amounts recognised are impaired to nil. Overheads, including the cost of workshop labour,

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

are expensed as incurred. This represents a change in accounting policy, such that, previously, costs were recognised in the Statement of Financial Activities on the date of press night performance, and now as performances take place.

3.14 CASH AND CURRENT ASSET INVESTMENTS

Cash and current asset investments include cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities. Deposits with original maturities of 3 months or more, or require a similar level of notice before withdrawal, are classified as current asset investments.

3.15 PROVISIONS

Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

3.16 REDUNDANCY/TERMINATION BENEFITS

Termination benefits paid to employees, such as redundancy costs, are recognised within expenditure as soon as the Group has a detailed formal plan for the termination of employment and has no realistic alternative possibility of withdrawal from the plan.

3.17 OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

3.18 FINANCIAL INSTRUMENTS

The Group's financial instruments are basic financial instruments as defined by section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the Group.

The carrying values of financial assets are reviewed for objective evidence of impairment at the end of each financial period. Where an impairment loss has been identified, the loss is immediately recognised within the Statement of Financial Activities.

Financial instruments are derecognised when the contractual obligation is discharged, settled, cancelled or expired.

During the prior year, the Group entered into a public benefit entity concessionary loan arrangement. The Group have elected to apply the accounting treatment set out under Section 34 under FRS 102. As a result, the loan was initially measured and recognised in the balance sheet at the amount of the loan principle amount received. Subsequently, the Group will adjust the carrying amount of the loan in each accounting period to reflect to reflect repayments and accrue for interest payable.

3.19 PENSIONS

The Group offers a stakeholder defined contribution pension scheme to its employees and also contributes to defined contribution schemes for certain of its employees. These costs are expensed in the Statement of Financial Activities as they become payable.

3.20 TAXATION

The Royal National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

and will be written off over the life of the assets. The Royal National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Royal National Theatre Enterprises Limited and National Theatre Productions Limited pay their taxable profits to the Company, through a Deed of Covenant, under Gift Aid.

Royal National Theatre North America LLC pays a profit distribution to the Company. The Company has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

The Group receives creative industry tax credits from HMRC. These are shown as reductions to expenditure within the Statement of Financial Activities. Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Other than the judgment in relation to Going Concern, discussed in Note 3, the key judgment made in preparing the financial statements is discussed below.

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 24). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following in respect of the following US entities:

- Curious Incident Broadway LP – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Three Brothers Broadway LLC – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is sole general partner of the partnership and the partnership's limited partners, who provided funding to finance the partnership initially, have no decision making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LLC, and so its results are consolidated in these financial statements.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are limited estimates in which a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

As noted on pages 28 to 31 of the National's Strategic Report, the Group has five key aims, Aim 5 of which is to deliver in a financial and socially sustainable way by, amongst other things, embedding environmental sustainability at the heart of the Group's practices. The National recognise that climate change needs to be tackled urgently and has made commitments as an organisation to address it. The key themes of the environmental strategy are: People, Place and Production. The Group's specific plans are in the early stages of development and execution and, as a result, no indicators of either asset impairment or a need to changes asset useful economic lives have been identified. This will be kept under review as plans are further developed.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP)

a) Donations & Legacies - Analysis by Fund Type

	Year ended 27 March 2022					Year ended 28 March 2021				
	Unrestricted funds Operations £m	Designated £m	Restricted funds Projects £m	Long Term £m	Total £m	Unrestricted funds Operations £m	Designated £m	Restricted funds Projects £m	Long Term £m	Total £m
Arts Council England (ACE):										
Revenue Grant	17.0	-	-	-	17.0	17.0	-	-	-	17.0
Capital and Other Grants	-	-	0.1	-	0.1	-	-	-	-	-
TOTAL ACE	17.0	-	0.1	-	17.1	17.0	-	-	-	17.0
Other:										
Performances	-	-	0.6	-	0.6	-	-	2.2	-	2.2
NT Live & Digital	-	-	0.8	-	0.8	-	-	0.7	-	0.7
NT Learning & Public Engagement	-	-	2.8	-	2.8	-	-	2.7	-	2.7
NT Studio, Research & Development	-	-	0.5	-	0.5	-	-	0.3	-	0.3
Long Term Projects	-	-	-	0.6	0.6	-	-	-	1.5	1.5
Other Income	-	-	0.2	-	0.2	-	-	1.8	-	1.8
Donations supporting General Activity	11.3	-	-	-	11.3	10.8	-	-	-	10.8
TOTAL Other	11.3	-	4.9	0.6	16.8	10.8	-	7.7	1.5	20.0
TOTAL Donations & Legacies (all UK)	28.3	-	5.0	0.6	33.9	27.8	-	7.7	1.5	37.0

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

b) Donations & Legacies - Analysis by Income Type

	Year ended 27 March 2022				Year ended 28 March 2021			
	Sponsorship £m	Donations, subscriptions & legacies £m	Grants £m	Total £m	Sponsorship £m	Donations, subscriptions & legacies £m	Grants £m	Total £m
Arts Council England (ACE):	-	-	17.1	17.1	-	-	17.0	17.0
Other:								
Performances	-	0.3	0.3	0.6	-	0.5	1.7	2.2
NT Live & Digital	0.6	0.1	0.1	0.8	0.3	0.1	0.3	0.7
NT Learning & Public Engagement	0.3	1.6	0.9	2.8	0.1	0.8	1.8	2.7
NT Studio, Research & Development	0.1	-	0.4	0.5	-	0.1	0.2	0.3
Long Term Projects	-	0.3	0.3	0.6	-	0.4	1.1	1.5
Other Income	-	-	0.2	0.2	0.1	-	1.7	1.8
Donations supporting General Activity	0.6	9.3	1.4	11.3	0.1	10.7	-	10.8
TOTAL Other	1.6	11.6	3.6	16.8	0.6	12.6	6.8	20.0
TOTAL Donations & Legacies (all UK)	1.6	11.6	20.7	33.9	0.6	12.6	23.8	37.0

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

c) Income from Charitable Activities

	2022 Total £m	2021 Total £m
Performances:		
National Theatre	8.7	0.8
West End Commercial Transfers	0.6	-
UK Touring	1.5	-
TOTAL Performances	10.8	0.8
Other Activities:		
NT Live & Digital	6.9	2.6
NT Learning & Public Engagement	0.5	0.4
Other Income	0.1	-
TOTAL Other Activities	7.5	3.0
SUBTOTAL Income from Charitable Activities	18.3	3.8
Coronavirus Job Retention Scheme	0.5	11.8
TOTAL Income from Charitable Activities (all UK)	18.8	15.6

Touring income includes co-production and touring fees where appropriate.

During 2021, the Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS) which permitted a large number of staff to be furloughed whose roles were dependent on the theatres being open. CJRS concluded in September 2021.

d) Income from Other Trading Activities

	2022 Total £m	2021 Total £m
West End & UK Touring Box Office Income	3.4	-
Rights, Royalties & Exploitations – United States of America	10.5	2.1
Grant – United States of America	7.3	-
Rights, Royalties & Exploitations - West End	0.1	-
Catering & Hospitality	3.6	-
Retail & Prop and Costume Hires	0.9	0.2
Car Park	0.6	0.3
Tours & Events	0.1	-
Sponsorship Income	1.6	1.1
TOTAL Income from Trading Activities (all UK, except USA)	28.1	3.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP)

a) Expenditure on Charitable Activities

	Year ended 27 March 2022						Year ended 28 March 2021					
	Unrestricted funds			Restricted funds			Unrestricted funds			Restricted funds		
	Direct £m	Support £m	Designated £m	Projects £m	Long Term £m	Total £m	Direct £m	Support £m	Designated £m	Projects £m	Long Term £m	Total £m
Performances:												
National Theatre	15.7	8.6	-	0.5	-	24.8	12.7	13.7	-	2.1	-	28.5
West End Commercial Transfers	0.1	-	-	-	-	0.1	0.1	0.1	-	-	-	0.2
UK Touring	2.3	0.7	-	-	-	3.0	-	-	-	-	-	-
International Touring	0.1	-	-	-	-	0.1	0.3	0.2	-	0.1	-	0.6
TOTAL Performances	18.2	9.3	-	0.5	-	28.0	13.1	14.0	-	2.2	-	29.3
Other Activities:												
NT Live & Digital	4.1	2.6	-	0.8	-	7.5	1.6	2.1	-	0.7	-	4.4
NT Learning & Public Engagement	0.2	1.9	-	3.3	-	5.4	0.1	1.4	-	1.5	-	3.0
NT Major Projects	-	-	0.1	-	-	0.1	-	-	-	-	-	-
Research & Development	0.9	1.7	-	0.6	-	3.2	0.9	1.3	-	0.4	-	2.6
Access & Inclusion	-	-	-	0.1	-	0.1	-	-	-	-	-	-
Other Expenditure	-	-	-	1.6	-	1.6	-	-	-	0.3	-	0.3
TOTAL Other Activities	5.2	6.2	0.1	6.4	-	17.9	2.6	4.8	-	2.9	-	10.3
Other:												
Depreciation	-	-	2.2	-	3.8	6.0	-	-	3.3	-	3.8	7.1
TOTAL Other	-	-	2.2	-	3.8	6.0	-	-	3.3	-	3.8	7.1
TOTAL Expenditure on Charitable Activities	23.4	15.5	2.3	6.9	3.8	51.9	15.7	18.8	3.3	5.1	3.8	46.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

b) Expenditure on Other Trading Activities

	2022 Total £m	2021 Total £m
West End & UK Touring	3.2	-
Rights, Royalties & Exploitations - International	17.3	2.2
Catering & Hospitality	4.3	0.9
Retail & Prop and Costume Hires	1.1	0.2
Car Park	0.2	-
Tours & Events	-	0.1
TOTAL Expenditure on Trading Activities	26.1	3.4

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

c) Analysis of Support Costs

	Year ended 27 March 2022				Year ended 28 March 2021			
	Promotion £m	Theatre Operations £m	Support Services £m	Total £m	Promotion £m	Theatre Operations £m	Support Services £m	Total £m
Raising Donations & Legacies	-	-	0.3	0.3	-	-	0.2	0.2
Charitable Activities:								
Performances:								
National Theatre	1.5	3.9	3.2	8.6	1.5	4.1	8.1	13.7
West End Commercial Transfers	-	-	-	-	-	-	0.1	0.1
UK Touring	0.2	-	0.5	0.7	-	-	-	-
International Touring	-	-	-	-	-	-	0.2	0.2
Other Activities:								
NT Live & Digital	0.5	1.1	1.0	2.6	0.2	0.6	1.3	2.1
NT Learning & Public Engagement	0.3	0.9	0.7	1.9	0.2	0.4	0.8	1.4
Research & Development	0.3	0.8	0.6	1.7	0.1	0.4	0.8	1.3
TOTAL Charitable Activities	2.8	6.7	6.0	15.5	2.0	5.5	11.3	18.8
Other Trading Activities	-	0.1	0.1	0.2	-	-	-	-
TOTAL Support Costs	2.8	6.8	6.1	15.7	2.0	5.5	11.5	19.0

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen. Support costs are allocated to the key activity areas driving support costs as above based on their proportionate costs to overall direct costs.

* Governance costs for the year were £0.1m (2021: £0.1m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £93k (2021: £122k (of which £89k related to 2021 and £33k related to 2020)). Fees for tax compliance services of £7k (2021: £7k) due to PricewaterhouseCoopers LLP.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group	Group	Company	Company
	2022	2021	2022	2021
	£m	£m	£m	£m
Wages and salaries	27.0	24.9	27.0	24.9
Social security costs	2.3	2.4	2.3	2.4
Other pension costs	1.0	1.1	1.0	1.1
Redundancy costs	0.3	3.1	0.3	3.1
	<u>30.6</u>	<u>31.5</u>	<u>30.6</u>	<u>31.5</u>

Average monthly full-time equivalents employed in the year *:

	Group	Group	Company	Company
	2022	2021	2022	2021
	Number	Number	Number	Number
Artistic	121	81	121	81
Technical and production	268	307	268	307
Trading and front of house	85	162	85	162
Education, touring, New Work dept and other projects	46	46	46	46
Marketing and box office	38	49	38	49
Support services	59	62	59	62
Engineering	21	22	21	22
Fundraising	31	30	31	30
	<u>669</u>	<u>759</u>	<u>669</u>	<u>759</u>

* All staff excluding actors are employed by The Royal National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)

In addition to the above, the Group's consolidated US entities incurred staff costs of £4.8m (comprising wages and salaries of £4.3m and social security costs of £0.5m) (2021: nil) in respect of 185 individuals who were employed on productions during the year.

Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £1.2m (comprising £1.1m wages and salaries and £0.1m social security costs) (2021: nil) in respect of 124 individuals who were employed by the third party during the year.

The number of employees with emoluments greater than £60,000 was as follows:

	2022 Number	2021 Number
£60,000 - £70,000	21	10
£70,001 - £80,000	3	9
£80,001 - £90,000	7	15
£90,001 - £100,000	6	-
£100,001 - £110,000	1	3
£110,001 - £120,000	-	4
£120,001 - £130,000	-	1
£130,001 - £140,000	1	2
£160,001 - £170,000	2	-
£170,001 - £180,000	1	-
	42	44

Pension contributions of £0.2m (2021: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.9m (2021: £1.6m), comprising the Director and joint Chief Executive, the Executive Director and joint Chief Executive, and the majority of the Senior Management Team (all as so defined at 27 March 2022) which is 17 (2021:15) members of staff.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment (2021: nil) were incurred while on the Company's business and were reimbursed during the year. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 27 March 2022 was £19k (2021: £13k). The Company's governing documents permit such a payment to Trustees and was approved by the Board.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.0m (2021: £1.1m) with £0.2m (2021: £0.1m) payable at the balance sheet date. The Group charge for the year was £1.0m (2021: £1.1m) with £0.2m (2021: £0.1m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in Notes 19 and 24.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £3.2m (2021: £0.8m).

Royal National Theatre North America LLC pays a profit distribution to The Royal National Theatre. The Royal National Theatre has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS - GROUP

	Freehold Land & Buildings £m	Leasehold Improvements (20 years) £m	Leasehold Improvements (10 years) £m	Leasehold Improvements (5 years) £m	Equipment (10 years) £m	Equipment (5 years) £m	Equipment (3 years) £m	Work in Progress (Restricted) £m	Work in Progress (Un- restricted) £m	Total £m
Cost										
At 29 March 2021	6.6	59.9	38.6	0.5	10.7	3.8	48.3	0.1	2.1	170.6
Additions	-	-	-	-	-	-	-	-	6.9	6.9
Disposals	-	-	(0.3)	-	-	-	-	-	-	(0.3)
Transfers from work in progress	-	0.1	0.5	0.1	3.2	0.5	0.5	-	(4.9)	-
At 27 March 2022	6.6	60.0	38.8	0.6	13.9	4.3	48.8	0.1	4.1	177.2
Depreciation										
At 29 March 2021	1.6	20.5	35.7	0.4	6.2	2.9	46.9	-	-	114.2
Charge for period	0.1	3.0	0.6	0.1	1.0	0.3	0.9	-	-	6.0
Disposals	-	-	(0.1)	-	-	-	-	-	-	(0.1)
At 27 March 2022	1.7	23.5	36.2	0.5	7.2	3.2	47.8	-	-	120.1
Net book value										
At 27 March 2022	4.9	36.5	2.6	0.1	6.7	1.1	1.0	0.1	4.1	57.1
At 28 March 2021	5.0	39.4	2.9	0.1	4.5	0.9	1.4	0.1	2.1	56.4

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS – COMPANY

	Freehold Land & Buildings £m	Leasehold Improvements (20 years) £m	Leasehold Improvements (10 years) £m	Leasehold Improvements (5 years) £m	Equipment (10 years) £m	Equipment (5 years) £m	Equipment (3 years) £m	Work in Progress (Restricted) £m	Work In Progress (Un- restricted) £m	Total £m
Cost										
At 29 March 2021	6.6	59.9	38.6	0.5	8.1	3.3	46.9	0.1	2.1	166.1
Additions	-	-	-	-	-	-	-	-	5.6	5.6
Disposals	-	-	(0.3)	-	-	-	-	-	-	(0.3)
Transfers from work in progress	-	0.1	0.5	0.1	2.1	0.3	0.5	-	(3.6)	-
At 27 March 2022	6.6	60.0	38.8	0.6	10.2	3.6	47.4	0.1	4.1	171.4
Depreciation										
At 29 March 2021	1.6	20.5	35.7	0.4	4.8	2.5	45.5	-	-	111.0
Charge for period	0.1	3.0	0.6	0.1	0.8	0.2	0.9	-	-	5.7
Disposals	-	-	(0.1)	-	-	-	-	-	-	(0.1)
At 27 March 2022	1.7	23.5	36.2	0.5	5.6	2.7	46.4	-	-	116.6
Net book value										
At 27 March 2022	<u>4.9</u>	<u>36.5</u>	<u>2.6</u>	<u>0.1</u>	<u>4.6</u>	<u>0.9</u>	<u>1.0</u>	<u>0.1</u>	<u>4.1</u>	<u>54.8</u>
At 28 March 2021	<u>5.0</u>	<u>39.4</u>	<u>2.9</u>	<u>0.1</u>	<u>3.3</u>	<u>0.8</u>	<u>1.4</u>	<u>0.1</u>	<u>2.1</u>	<u>55.1</u>

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (continued)

Freehold land and buildings include NT Studio land at a cost of £0.7m (2021: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2021: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

Fixed and floating charges over The Royal National Theatre's leasehold registered offices at Upper Ground, London SE1 9PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge is being released

12. INVESTMENTS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

In 2008, the Company invested £200,000 into a 20-year gilt in accordance with the terms of a donation received from a long-term benefactor. At the end of the 20-year term, the capital sum (£166,000) will become available for use by the Company. Interest on the gilt accrues to the Company on a received basis. The initial premium on the gilt is amortised over the life of the gilt. The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

See Note 24 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Consumable Items	0.1	0.1	0.1	0.1
Goods for resale	0.2	0.3	-	-
	<u>0.3</u>	<u>0.4</u>	<u>0.1</u>	<u>0.1</u>

NOTES TO THE FINANCIAL STATEMENTS

14. COST OF PRODUCTIONS NOT YET OPENED

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
National Theatre – Productions	0.7	0.8	0.7	0.6
NT Live screenings scheduled 2022-23	0.1	-	-	-
	<u>0.8</u>	<u>0.8</u>	<u>0.7</u>	<u>0.6</u>

15. DEBTORS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Due within one year				
Trade debtors	2.1	1.0	1.2	1.0
Amounts owed by group undertakings	-	-	6.4	4.2
Other debtors	1.1	0.7	0.7	0.5
Prepayments and accrued income	9.3	9.9	6.4	9.3
Tax recoverable	5.6	6.2	1.5	1.0
	<u>18.1</u>	<u>17.8</u>	<u>16.2</u>	<u>16.0</u>

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

16. CASH AND BANK DEPOSITS

	Group 27 March 2022 £m	Group 28 March 2021 £m	Company 27 March 2022 £m	Company 28 March 2021 £m
Current asset investments:				
Bank deposits with maturity > 3 months	12.6	12.5	12.6	
Cash at bank and in hand:				
Cash and bank balances	41.6	33.8	37.7	

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 27 March 2022 £m	Group 28 March 2021 £m	Company 27 March 2022 £m	Company 28 March 2021 £m
Amounts falling due within one year:				
Trade creditors	1.9	0.8	1.6	0.6
Amounts owed to group undertakings	-	-	0.7	0.3
Advance bookings	3.0	-	3.0	-
Taxation and social security	0.7	0.6	0.7	0.5
Other creditors and accruals	14.3	11.0	9.6	8.3
Deferred income (all utilised in year)	3.0	2.8	1.2	1.9
	22.9	15.2	16.8	11.6

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Concessionary loan	<u>20.1</u>	<u>19.7</u>	<u>20.1</u>	<u>19.7</u>

Consequent on the impact of Covid on the Group's finances, in December 2020, The Royal National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group could seek to return to financially sustainable operations by 31 March 2022.

The finance agreement was signed in February 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16 year period from March 2025. The facility is unsecured, but has certain on-going non-financial covenants and conditions attached to it.

The interest charge for the year was £0.4m (2021: < £0.1m).

The principal loan balance falls due between one and five years of £2.4m and after more than five years of £17.3m.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY

	Balance at 29 March 2021 £m	Income £m	Expenditure £m	Transfers £m	Balance at 27 March 2022 £m	Balance at 30 March 2020 £m	Income £m	Expenditure £m	Transfers £m	Balance at 28 March 2021 £m
UNRESTRICTED:										
Unrestricted operations fund*	16.0	75.2	(67.1)	(28.1)	(4.0)	9.4	47.1	(39.4)	(1.1)	16.0
Unrestricted designated										
NT Future Fund	6.7	-	(0.5)	-	6.2	6.3	-	(0.5)	0.9	6.7
Touring Fund	-	-	-	-	-	0.9	-	-	(0.9)	-
Building & Equipment Fund	14.4	-	(1.7)	17.7	30.4	15.0	-	(2.7)	2.1	14.4
Digital Projects Fund	-	-	-	-	-	0.2	-	-	(0.2)	-
Security Fund	0.4	-	(0.1)	-	0.3	0.7	-	(0.1)	(0.2)	0.4
Loan Repayment Fund	-	-	-	1.5	1.5	-	-	-	-	-
Risk Fund	-	-	-	4.9	4.9	-	-	-	-	-
Investment Fund	-	-	-	1.0	1.0	-	-	-	-	-
Programme Development Fund	-	-	-	3.0	3.0	0.6	-	-	(0.6)	-
TOTAL unrestricted designated funds	21.5	-	(2.3)	28.1	47.3	23.7	-	(3.3)	1.1	21.5
TOTAL unrestricted funds	37.5	75.2	(69.4)	-	43.3	33.1	47.1	(42.7)	-	37.5

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (contd.)

	Balance at 29 March 2021 £m	Income £m	Expenditure £m	Transfers £m	Balance at 27 March 2022 £m	Balance at 30 March 2020 £m	Income £m	Expenditure £m	Transfers £m	Balance at 28 March 2021 £m
RESTRICTED: Project funds										
NT Performance	0.1	0.6	(0.5)	-	0.2	0.1	2.2	(2.2)	-	0.1
NT Live & Digital	-	0.8	(0.8)	-	-	-	0.7	(0.7)	-	-
NT Learning & Public Engagement	1.2	2.9	(3.3)	-	0.8	-	2.7	(1.5)	-	1.2
NT Studio (Research & Development)	0.1	0.5	(0.6)	-	-	0.1	0.4	(0.4)	-	0.1
NT Access & Inclusion	-	0.1	(0.1)	-	-	-	-	-	-	-
NT Touring	-	-	-	-	-	0.1	-	(0.1)	-	-
General Activity	1.5	0.1	(1.6)	-	-	-	1.7	(0.2)	-	1.5
TOTAL restricted project funds	2.9	5.0	(6.9)	-	1.0	0.3	7.7	(5.1)	-	2.9
RESTRICTED: Long term funds										
NT Future Fund	25.6	-	(2.5)	-	23.1	28.2	-	(2.6)	-	25.6
ACE NT Future Fund	13.3	-	(1.0)	-	12.3	14.4	-	(1.1)	-	13.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.1	-	(0.1)	-	4.0	4.2	-	(0.1)	-	4.1
Drum Revolve Fund	0.3	-	(0.1)	-	0.2	0.3	-	-	-	0.3
Staging Technology Fund	1.0	0.5	(0.1)	-	1.4	0.6	0.4	-	-	1.0
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long Term Fund	1.2	0.1	-	-	1.3	0.1	1.1	-	-	1.2
TOTAL long-term funds	46.6	0.6	(3.8)	-	43.4	48.9	1.5	(3.8)	-	46.6
TOTAL restricted funds	49.5	5.6	(10.7)	-	44.4	49.2	9.2	(8.9)	-	49.5
TOTAL Group Funds	87.0	80.8	(80.1)	-	87.7	82.3	56.3	(51.6)	-	87.0

NOTES TO THE FINANCIAL STATEMENTS

* Analysis of the difference between the unrestricted operations fund held by the Company and its subsidiaries:

Company unrestricted operations fund (as disclosed in the Company Balance Sheet)

Unrestricted retained surplus held by trading subsidiaries (Note 24(c))

Group unrestricted operations fund (as disclosed above)

At 27 March 2022 £m	At 28 March 2021 £m
(6.3)	14.7
2.3	1.3
(4.0)	16.0

DESIGNATED FUNDS

NT Future Fund

This represents NT Future assets which were funded by The Royal National Theatre. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs.

Touring Fund

The touring fund has been set up to support the touring of The Royal National Theatre productions within the UK.

Building & Equipment Fund

The building and equipment fund is a designated fund set aside by the Trustees in order to enable monies to be made available for the renewal and maintenance of The Royal National Theatre's buildings and mechanical and electrical equipment in accordance with its lease and obligations under Lottery funding.

£17.7m (2021: £2.1m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Digital Projects

The digital projects fund is a designated fund set aside by the Trustees in order to enable monies to be made available to support the investment in The Royal National Theatre's broadcasting and digital initiatives, including the exploitation of digital archive content and associated rights costs.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

Security Fund

The security fund is a designated fund set aside by the Trustees in order to enable monies to be made available to enhance the physical security infrastructure of The Royal National Theatre.

Loan Repayment Fund

The loan repayment fund is a designated fund set aside by the Trustees in order to support one year of the Culture Recovery Fund concessionary loan repayment in the event of difficulties in meeting this loan repayment obligation in any one year.

Risk Fund

The risk fund is a designated fund set aside by the Trustees to mitigate against the on-going impact of Covid and cost of living impacts on our audiences and customers, and inflationary pressures to our costs, particularly in relation to staff remuneration and energy costs.

Investment Fund

The investment fund is a designated fund set aside by the Trustees to support investment in National Theatre productions that transfer to the West End and/or tour nationally.

Programme Development Fund

The programme development fund is a designated fund set aside by the Trustees in order to enable monies to ensure that The Royal National Theatre can continue the constant revitalisation of the great traditions of the British Stage and to expand the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives.

RESTRICTED FUNDS: PROJECT FUNDS

These represent funds made available for projects generally completed within two years or activities funded on an annual basis.

NT Fund

The NT Performance Fund represents restricted funding and related expenditure, relating to The Royal National Theatre productions and performances.

NT Live & Digital

The NT Live & Digital Fund represents restricted funding and related expenditure, in relation to The Royal National Theatre's broadcasting and digital initiatives.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

NT Learning & Public Engagement Projects

The NT Learning & Public Engagement Project Fund represents restricted funding and related expenditure, for participation projects and training initiatives, along with funds received in support of activities in the external public spaces at The Royal National Theatre and various access, archive and digital initiatives.

NT Studio Projects (Research & Development)

The NT Studio Projects Fund represents restricted funding for activity at the NT Studio, including new writing and directing initiatives.

ACE UK Touring

The ACE UK Touring Fund represents restricted funding for Theatre Nation partnership.

NT Access and Inclusion

NT Access and Inclusion Fund represents restricted funding for smart capture glasses.

General Activity

The General Activity Fund represents restricted funding for Covid related expenditure.

RESTRICTED FUNDS: LONG TERM FUNDS

Long-term funds represent funds used for capital purposes or where there is an expectation that the fund will be used over the longer term.

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.5m (2021: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2021: £1.1m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

This fund was created specifically in relation to a grant from Heritage Lottery, to support a major refurbishment of The Royal National Theatre. The balance reflects future depreciation on the assets acquired through this fund.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

Studio Refurbishment Fund

This fund was created to support a major refurbishment of the NT Studio, completed in 2008. The balance reflects future depreciation on the assets acquired through this fund.

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12.

Other Long-Term Fund

Within this fund is £1.0m granted from the Royal National Theatre Foundation to upgrade the National Theatre's costume workshop.

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	As at 27 March 2022				As at 28 March 2021			
	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m
UNRESTRICTED:								
Operations fund	-	19.8	(23.8)	(4.0)	-	33.4	(17.4)	16.0
Unrestricted designated								
NT Future Fund	3.4	2.8	-	6.2	3.7	3.0	-	6.7
Building & Equipment Fund	12.1	18.3	-	30.4	7.4	7.0	-	14.4
Security Fund	0.3	-	-	0.3	0.4	-	-	0.4
Loan Repayment Fund	-	1.5	-	1.5	-	-	-	-
Risk Fund	-	4.9	-	4.9	-	-	-	-
Investment Fund	-	1.0	-	1.0	-	-	-	-
Programme Development Fund	-	3.0	-	3.0	-	-	-	-
TOTAL unrestricted designated funds	15.8	31.5	-	47.3	11.5	10.0	-	21.5
TOTAL unrestricted funds	15.8	51.3	(23.8)	43.3	11.5	43.4	(17.4)	37.5

Note: Other net assets/(liabilities) includes the Cultural Recovery Fund concessionary loan of £20.1m (2021: £19.7m). This loan and interest is repayable over a 20 year period with an initial four year repayment holiday, in six-monthly equal instalments of £0.752m, the first instalment being due in February 2025, the final instalment in February 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP) (continued)

	As at 27 March 2022				As at 28 March 2021			
	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m
RESTRICTED: Project funds								
NT Performance	-	0.2	-	0.2	-	-	0.1	0.1
NT Live & Digital	-	-	-	-	-	0.2	(0.2)	-
NT Learning & Public Engagement	-	0.9	(0.1)	0.8	-	0.4	0.8	1.2
NT Studio (Research & Development)	-	0.1	(0.1)	-	-	0.2	(0.1)	0.1
General Activity	-	-	-	-	-	1.5	-	1.5
TOTAL restricted project funds	-	1.2	(0.2)	1.0	-	2.3	0.6	2.9
RESTRICTED: Long term funds								
NT Future Fund	23.1	-	-	23.1	25.6	-	-	25.6
ACE NT Future Fund	12.3	-	-	12.3	13.3	-	-	13.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	4.0	-	-	4.0	4.1	-	-	4.1
Drum Revolve Fund	0.2	-	-	0.2	0.3	-	-	0.3
Staging Technology Fund	0.6	0.6	0.2	1.4	0.5	0.5	-	1.0
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
Other Long-Term Fund	0.2	1.1	-	1.3	0.2	0.1	0.9	1.2
TOTAL long-term funds	41.3	1.7	0.4	43.4	44.9	0.6	1.1	46.6
TOTAL restricted funds	41.3	2.9	0.2	44.4	44.9	2.9	1.7	49.5
TOTAL Group Funds	57.1	54.2	(23.6)	87.7	56.4	46.3	(15.7)	87.0

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS (GROUP & COMPANY)

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Commitments:				
Lighting Control Consoles	-	0.3	-	0.3
ROH Paging system	-	0.3	-	0.3
Tessitura RAMP	-	0.1	-	0.1
Theatre Sound Console	0.1	-	0.1	-
Other commitments (<£100k)	0.5	0.7	0.5	0.7
	0.6	1.4	0.6	1.4

The amount payable within one year is £0.6m (2021: £1.4m).

22. OPERATING LEASE COMMITMENTS

At the year-end, the Group was committed under non-cancellable operating leases to make the following payments:

	Group 27 March	Group 28 March
	2022	2021
	£m	£m
Within one year	0.2	0.2
In two to five years	0.2	0.3
	0.4	0.5

Expenditure within the period on operating leases was £0.3m (2021: £0.3m).

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

THE ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation (the “Foundation”) (charity number: 271706) has objects related to those of The Royal National Theatre and makes grants to The Royal National Theatre from time to time. The Foundation has seven trustees, two of whom have a direct connection to The Royal National Theatre.

The Royal National Theatre entered into a joint arrangement to create an endowment fund within The Royal National Theatre Foundation to further The Royal National Theatre’s national remit in terms of education, new work and productions, and for capital and general purposes. A legacy campaign has been launched by The Royal National Theatre and all unrestricted legacies directed to The Royal National Theatre will go to The Royal National Theatre Foundation and the donations will be held in appropriately named sub-funds of the endowment fund.

During the period, The Royal National Theatre received legacy income of £1.2m (2021: £0.4m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £139k (2021: £3.7m) for The Royal National Theatre’s work with: Voice Project Research £15.8k, Welfare £63.2k and Peter Hall Award £38k. The Foundation made £22k benevolent grants to members and former members of the staff and Company. In 2021, the £3.7m principally comprised grants for freelancers of £1.0m, communities of £1.1m, capital of £1.0m, underwrite of box office of £0.5m, and other grants of £0.1m.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of The Royal National Theatre (the “AANT”) is an independent not-for-profit charity registered in New York, USA. During the period, \$4.86m (2021: \$4.1m) was raised by the AANT for The Royal National Theatre.

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £867k (2021: £427k).

The Royal National Theatre has a limited power to enter into transactions with its Trustees. This power is in its governing document, the Memorandum of Association, and it is limited by conditions which protect the interests of The Royal National Theatre as a charity.

The Buffini Chao Foundation (the Chair of the National’s Trustee Board, Damon Buffini, and his wife, are two of the four trustees of the Foundation) donated £250,000 (2021: £250,000) (as part of a £1m total commitment over a four year period 2021-2024) towards the NT’s engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (continued)

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22. As a writer of a new production at the National she received royalties of £18k based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions. The production was also programmed to be performed in 2022-23 and the royalties received for this production will be disclosed in the 2022-23 financial statements.

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £2.2m (2021: £0.1m owes to). This represents the balance of operational transactions and other operational transactions.

The Royal National Theatre (RNT) owes the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2021: £0.3m). This represents the balance of operational transactions between The Royal National Theatre & RNTE, including a charge catering provided for Events £0.4m (2021: £nil). This is offset by the RNTE Management Fee £0.2m (2021: £nil) and the Gift Aid of profit £1.3m (2021: £0.4m) to its parent company.

The Royal National Theatre (RNT) owes the National Theatre Live Limited (NTLL) a net balance of £0.1m (2021: £0.1m owed by). This represents the balance of the Commissioning Fee payable by RNT of £1.8m (2021: £2.0m) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £3.3m (2021: £3.8m). This represents the balance of the Commissioning Fee payable by RNT of £22.6m (2021: £3.0m) and the operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTA) a net balance £0.9m (2021: £0.3m). This represents the balance of operational transactions.

See Note 24 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 27 March 2022, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Royal National Theatre Enterprises Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Trading activities	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Productions Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Staging Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Live Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
Royal National Theatre North America LLC	USA	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x \$1 Ord Shares	100%	Yes (Line-by-line)

The Royal National Theatre (Registered number: 749504)

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

b) JOINT ARRANGEMENTS & GENERAL PARTNERSHIPS

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident Broadway LP*	USA	230 West 41st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes
Three Brothers Broadway LLC*	USA	311 West 43rd Street 14th Floor New York New York 10036	Commercial exploitation of productions	N/A	N/A	51% (Indirect holding)	Yes

*The Royal National Theatre is the sole Managing Member of Royal National Theatre North America LLC (NTNA LLC) which has the following interests:

- Curious Incident Broadway LP - One of two General Partners - Joint arrangement between NTNA LLC and Wombat Crossing 2 LLC. NTNA LLC holds the casting vote in any decisions made and so controls the LP. Therefore, in accordance with FRS 102, it has been consolidated as a subsidiary undertaking.
- Three Brothers Broadway LLC – Sole General Partner.

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

c) FINANCIAL INFORMATION

The financial results and position for the period were:

Company Number:	Royal National Theatre Enterprises Limited (01247285)		National Theatre Productions Limited (01817002)		National Theatre Staging Limited (07884772)		National Theatre Live Limited (09541676)		Royal National Theatre North America LLC N/A		Three Brothers Broadway LLC N/A	
	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m
Income	6.9	1.6	5.2	0.4	22.6	3.1	1.8	2.0	0.5	-	17.3	1.6
Expenditure+	<u>(5.6)</u>	<u>(1.2)</u>	<u>(5.2)</u>	<u>(0.1)</u>	<u>(24.4)</u>	<u>(4.0)</u>	<u>(2.1)</u>	<u>(2.4)</u>	-	-	<u>(17.3)</u>	<u>(1.6)</u>
Net Surplus / (Deficit)	1.3	0.4	-	0.3	(1.8)	(0.9)	(0.3)	(0.4)	0.5	-	-	-
Gift Aid/Profit distribution due to parent company	(1.3)	(0.4)	-	(0.3)	-	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	2.8	0.4	0.3	0.4	-	-	-	-
Retained in the subsidiary	-	-	-	-	1.0	(0.5)	-	-	0.5	-	-	-
Assets	1.2	1.1	3.2	0.3	5.5	5.1	1.0	1.5	0.7	0.2	2.7	1.4
(Liabilities)	<u>(1.2)</u>	<u>(1.1)</u>	<u>(3.2)</u>	<u>(0.3)</u>	<u>(3.2)</u>	<u>(3.8)</u>	<u>(1.0)</u>	<u>(1.5)</u>	<u>(0.7)</u>	<u>(0.2)</u>	<u>(2.7)</u>	<u>(1.4)</u>
Net Assets	-	-	-	-	2.3	1.3	-	-	-	-	-	-

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

+Included in cost of trading activities are administration expenses charged by The Royal National Theatre as follows:

	Basis (circa)	Payable to the National	
		2022 £m	2021 £m
Royal National Theatre Enterprises Limited *	Turnover (0.3%)	0.2	-
National Theatre Productions Limited +	Turnover (0.1%)	-	-
Royal National Theatre North America LLC +	Turnover (0.1%)	-	-
		0.2	-

* The charge above in 2021 is less than £0.1m.

+ The charge above in 2022 and 2021 in each case is less than £0.1m.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED (RNTE) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's trading activities. The Royal National Theatre's Board appoints the directors of RNTE which comprise external experts and senior members of staff responsible for the trading areas.

NATIONAL THEATRE PRODUCTIONS LIMITED (NTPL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for the commercial exploitation of The Royal National Theatre productions and the exploitation of rights in any production via digital, broadcast or other media. The Royal National Theatre's Board appoints the directors of NTPL which comprise Board members, external experts and senior members of staff.

NATIONAL THEATRE STAGING LIMITED (NTSL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing The Royal National Theatre productions at the South Bank and on tour. The Royal National Theatre's Board appoints the directors of NTSL which comprise the Board members, external experts and senior members of staff.

NATIONAL THEATRE LIVE LIMITED (NTLL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing NT Live films in respect of The Royal National Theatre productions at the South Bank and on tour, and for third party theatres in the UK and internationally. The Royal National Theatre's Board appoints the directors of NTLL which comprise Board members, external experts and senior members of staff.

ROYAL NATIONAL THEATRE NORTH AMERICA LLC (NTNA LLC) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's activities in North America. The Royal National Theatre's Board appoints the directors of NTNA LLC which comprise Board members, external experts and senior members of staff responsible for these areas.

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £m	Group 2021 £m
Net income for the period (as per Statement of Financial Activities)	0.7	4.7
Adjustments for:		
Depreciation	6.0	7.1
Loss on disposal of tangible fixed assets	0.2	1.0
Loan interest	0.4	-
Working capital movements:		
Decrease in stocks	0.1	0.1
(Increase) in work in progress	-	(0.3)
(Increase) in debtors	(0.3)	(2.9)
Increase/(decrease) in creditors	7.7	(2.5)
Net cash provided by operating activities	14.8	7.2

ACKNOWLEDGEMENTS

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 29 MARCH 2021 to 27 MARCH 2022

The Royal National Theatre Board

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton
Sir Lenny Henry
Vikki Heywood CBE
Simon Minty
Vicki Mortimer
Elizabeth Pryce
Dame Karen Pierce
Melanie Richards CBE
Tim Score
Farrah Storr (appointed 5 April 2021)
Simon Warshaw

Finance & Audit Committee

Tim Score (Chair)
Sir Damon Buffini
Sabine Chalmers
Melanie Richards CBE

Nominations Committee

Elizabeth Offord (Co Chair)
Simon Warshaw (Co Chair)
Sir Damon Buffini
Sir Lenny Henry

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
Alex Bayley
Lisa Burger (resigned 15 April 2022)
Louise Durant (appointed 16 April 2021)
Sarah Fellingham-Adkin (resigned 9 July 2021)
Liz Fosbury
Huw Gott
John Langley
Geoffrey Matthews
Kate Booth (née Varah) (appointed 19 April 2022)

National Theatre Productions Limited Board

Vikki Heywood CBE (Chair)
Ruth Bennett
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Linda James
Tim Score
Farrah Storr (appointed 1 June 2021)
Kate Booth (née Varah) (appointed 19 April 2022)
Michael Harrison (appointed 14 June 2022)

National Theatre Staging Limited Board

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Rebecca Thompson
Kate Booth (née Varah) (appointed 19 April 2022)

National Theatre Live Limited Board

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Rebecca Thompson
Kate Booth (née Varah) (appointed 19 April 2022)

Royal National Theatre North America LLC

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury

ACKNOWLEDGEMENTS

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (Chair)
Graham Barker (resigned June 2021)
Nick Barnes
Sujata Bhatia
Alan Bookbinder
Sir Damon Buffini
Louise Durant
James Garvey
Robin Geffen
Kate Groes
Kitty Harris
Madeleine Hodgkin (resigned October 2021)
Steven Larcombe
Jonathan Lenson
Hannah Lewis
George Marcotte
Rafael Marquez
Sheryl Needham
Sinead Ní Mhuircheartaigh
John Owen
Elizabeth Rantzen
Maria Sebastian
Phil Smith
Charlotte Warshaw
Simon Warshaw
Coram Williams
Alex Wilmot-Sitwell (resigned October 2021)
Jacqueline Worswick

Executive

Artistic Director and Chief Executive:
Rufus Norris
Executive Director:
Kate Booth (née Varah) (appointed 15 April 2022)
Executive Director and Joint Chief Executive:
Lisa Burger (resigned 15 April 2022)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The annual report is available to download at
www.nationaltheatre.org.uk/annualreport

If you would like to receive it in large print, or you are visually impaired and would like a member of staff to talk through the Publication with you, please contact the Board Secretary at the National Theatre.

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.

THE ROYAL NATIONAL THEATRE

England & Wales - Charity number 224223

Accounts

ANNUAL REPORT 2020-2021

THE ROYAL NATIONAL THEATRE

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INTRODUCTION

The Year to 28 March 2021 In Summary

Key messages and statistics

Impact of Covid-19

Covid-19 has had, and continues to have, a long-lasting impact on the National Theatre, our beneficiaries: such as our audiences, future audiences and young people, in particular, and also our other key stakeholders: such as our employees, our freelancers, and our donors and funders, who form the bedrock of our strategic plans.

In December 2020, we successfully secured repayable finance of £19.7m from the Government to support our funding shortfall across 2020 to 2022, as part of our circa £80m Recovery Plan, details of which are set out on page 31.

Based on these plans, the Board of Trustees are confident, at this time, of the National's ability to remain as a going concern and have, therefore, prepared the financial statements on a going concern basis of accounting. Nevertheless, the Board of Trustees acknowledge that there is a level of uncertainty, which is likely to persist for some time, given the key assumptions and the financial modelling underlying the plans, alongside the reasonably plausible downside scenario which has been built into the models. Further details are set out on page 56.

We are satisfied that the actions taken, so far, by Executive Management and the Board have been effective in ensuring sustainability and business continuity. We plan to work closely with all of our partners and supporters to seek to ensure that we continue to serve our beneficiaries and others in the most efficient and safe manner.

We currently remain confident about our future, but these are very challenging and unprecedented times for the National, the cultural sector and society in general; and are likely to remain so for quite some time to come.

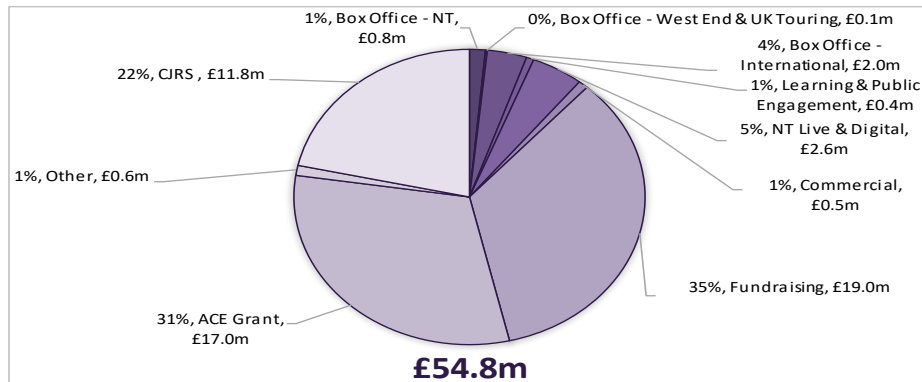
INTRODUCTION

Financial Summary

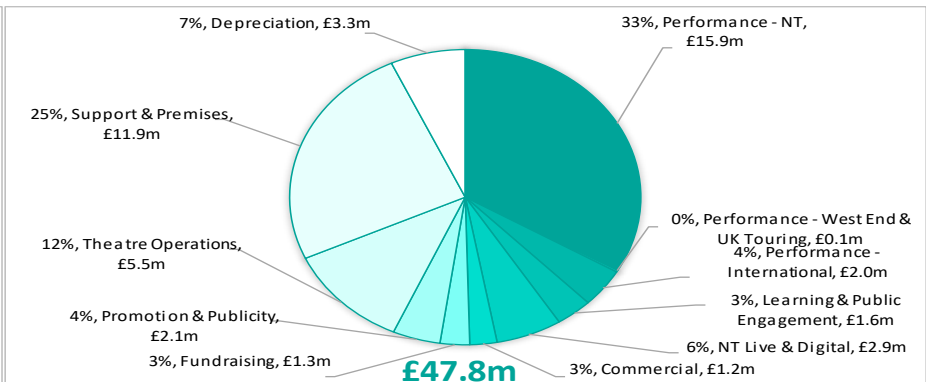
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise The Royal National Theatre's building-related fundraising income and depreciation).

2020-2021

INCOME

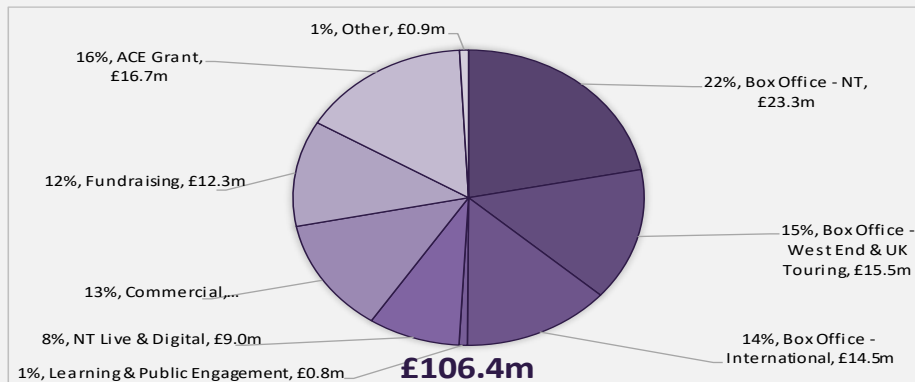


EXPENDITURE

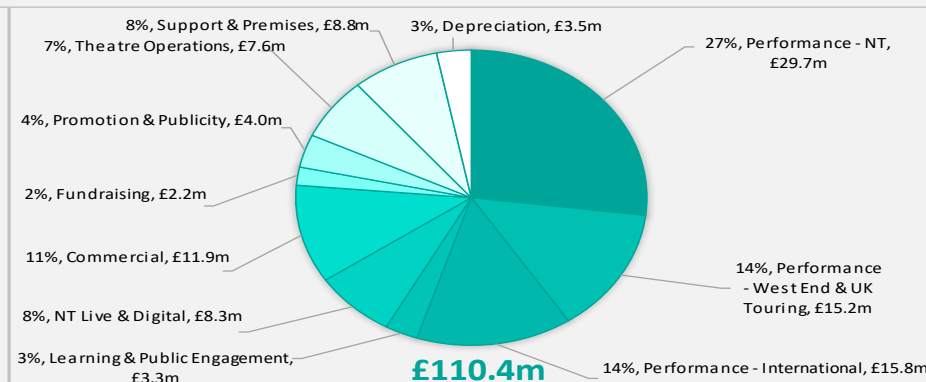


2019-2020

INCOME



EXPENDITURE



Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

WHO WE ARE AND WHAT WE DO

Chair's Statement

The year 2020-2021 was one of unprecedented change. When theatres closed overnight in March 2020, our huge team of staff and freelance creatives and practitioners found themselves in uncharted territory. As the longer-term impact of the pandemic unfolded, the NT went through a traumatic period of crisis - including job losses for a large number of the fantastic staff who helped create and deliver the work we celebrate in this review and the severe financial impact on the creative freelance community that threatens the lifeblood of the theatre sector.

In the 12 months following the start of the pandemic to March 2021, the National Theatre team have continually demonstrated their impressive capacity for innovation. The NT reached audiences of c15 million in 173 countries around the world over a 16-week period from April 2020 with the free National Theatre at Home streaming programme on YouTube. National Theatre at Home then became a paid streaming platform, designed to prioritise payments to the freelance artists who made each work. The Olivier Theatre was reconfigured to in-the-round to enable socially-distanced performances, and the NT staged and filmed two extraordinary productions against the odds. The Lyttelton Theatre became a film studio, celebrating the skills and versatility of the NT's technicians and craftspeople and producing its first title, *Romeo and Juliet*. Learning and community work continued to inspire and engage people across the country - online for Connections, New Views, Let's Play and Drama Teacher Conference, as well as through feats of coordination such as the delivery of pantomime activity packs to children in partnership areas.

Finding an innovative way to reopen to the public became an essential part of the National Theatre's recovery process. As well as being the core of our mission, returning to production would mean that the NT could begin to re-employ freelance artists, many of whom had not been eligible for government support or furlough. The production chosen to reopen a transformed, socially-distanced Olivier Theatre was *Death of England: Delroy*, written by Clint Dyer and Roy Williams. This new play was the sequel to *Death of England*, which finished its run in the Dorfman Theatre shortly before lockdown. The intervening six months between the two productions had also seen the murder of George Floyd, and the international growth of the Black Lives Matter movement, and this urgent and explosive one-man show spoke to the conversations around race happening across the world. Due to the introduction of new national Coronavirus measures, the theatre was forced to close its doors again and the National Theatre was forced to innovate once more to ensure this play reached its audience. On 4 November – the show's opening and closing night – the *Death of England: Delroy* was filmed. It was shared as a special 24-hour release for free on YouTube, watched by 80,000 people worldwide.

WHO WE ARE AND WHAT WE DO

In a normal year, everything that the National Theatre does relies on the generous support and enthusiasm of its donors, partners and audiences. But in this very difficult year, this support has been truly essential to the survival of the NT. The National Theatre crafted a major fundraising campaign, with a strengthened mission at its centre – one that would respond to this moment of jeopardy positively and remind people of why theatre matters so much. This campaign can be summed up in a single word: together. Together is how theatre is made, and how it is experienced. We sit together in an auditorium. Writers, producers, actors, designers and technicians work together to put on a show. Together is what makes theatre, theatre.

We are extremely grateful to our donors, trustees, staff and freelancers who have shown an even greater level of commitment and support to us during this most difficult period in the NT's history.

The future will be different from what came before, but it seems clear to me that crisis has strengthened and clarified the National Theatre's purpose: to celebrate the brilliant work that we create together: with theatre-makers and communities, for young people and audiences everywhere.

A handwritten signature in black ink, reading 'D. M. Buffini'.

Sir Damon Buffini
Chair, National Theatre

21 December 2021

WHO WE ARE AND WHAT WE DO

Mission

At the National, we make world-class theatre that is entertaining, challenging and inspiring. And we make it for everyone.

Vision

Theatre can lead to extraordinary moments of shared imagination. It enables us to stand in another's shoes to better understand ourselves and the world around us. It shows us who we are, who we have been, who we could be. The NT delivers on this promise through a world-class programme of performance, reinvigorating existing work and exploring progressive new voices and forms.

We make theatre with as wide a range of artists as possible, seeking always to find fresh perspectives on the stories that we tell. On our stages in London, and through tours, partnerships, digital and broadcast, we share this work with a large, diverse and evolving audience, throughout the UK and around the world.

We aim to provide leadership and advocacy for theatre across the country. Our work is shaped by the world around us, and we seek to be constantly engaged with the wider national conversation. Through the work we make and our world-leading learning programme, we want to engage all audiences with the power and potential of theatre.

We are a theatre for the whole nation, a theatre for everyone.

STRATEGIC REPORT

Our Strategy

The hallmark of our four-year business plan for the period 2018-2022 is a continuing commitment to excellence and ambition in our artistic work but sitting alongside this a growing social purpose for the National.

Our plan came at a time when we saw declining opportunities for children and young people to participate in drama at school, a falling off in audiences for drama at many venues around the country, a decline in local authority funding and uncertainty around other public funding. However, it is striking that individual creativity and ambition for what theatre can achieve remains strong. Digital presents new ways of making work as well as a channel for wide distribution, and internationally there is a growing audience for our work as well as a strong appetite to collaborate and make work at the NT.

Against this backdrop of challenge and opportunity we saw a leading role for the NT as the largest producer of theatre in the UK, and with the real possibility of changing lives through our work. This is a role which we relish and has driven our business planning.

We set ourselves five key aims:

- 1. To make theatre that resonates with contemporary audiences, by developing new voices and forms and reinvigorating existing work**
- 2. To increase opportunities for all to experience the transformative power of theatre**
- 3. To use the National's leadership position to advocate for the importance of the arts in society and support the health of the sector**
- 4. To expand the National's international reach and impact**
- 5. To deliver in a financial and socially sustainable way**

Clearly, since the on-set of lock-down in March 2020, we have had to reassess our aims and what we can and cannot deliver. We believe, however, that these aims remain largely appropriate in any post-Covid environment; although clearly, they will need to be flexed as differing circumstance prevail. We are in the process of adapting as to how we seek to deliver our strategy in the months and years ahead and further details will be provided in the 2021-2022 Annual Report.

STRATEGIC REPORT

AIM 1. TO MAKE THEATRE THAT RESONATES WITH CONTEMPORARY AUDIENCES, BY DEVELOPING NEW VOICES AND FORMS AND REINVIGORATING EXISTING WORK

Developing a Broad Range of Ambitious Work

On 16 March 2020, theatres across the UK closed their doors and cancelled performances in response to the rapid spread of Covid-19. In the face of existential threat to the theatre industry, the National Theatre was forced to innovate in order to keep sharing theatre with our audiences.

We streamed 16 plays for free on YouTube, an unprecedented response to an unprecedented situation. This was in huge part thanks to the freelance artists who agreed to share their work for free. Over three months, our productions were watched c15 million times in 173 countries around the world. Our reach increased enormously during this time, we saw an 817% increase in NT YouTube subscribers and 1.6 billion impressions with our social media activity.

We also made sure that **young people and teachers could access theatre** from home through NT Collection, our streaming service for schools, colleges and libraries worldwide.

With the support of Bloomberg Philanthropies, we launched a new streaming platform which allows **theatre lovers to subscribe and enjoy unlimited productions** or pay to access single plays on [National Theatre at Home](#).

Our Public Acts Doncaster community continued to work together with creative workshops online and Zoom socials. These workshops culminated in the creation of a series of 18 short stories, shared as a new podcast series called **Stories to Get Us Through**.

Our commitment to artists and creative development continued, with **distanced and digital readings and workshops** continuing to take place at the New Work Department.

STRATEGIC REPORT

Olivier in the Round

Meanwhile, the Olivier Theatre was significantly remodelled to stage a season of performances in-the-round – meaning it was possible to seat almost 500 people, while maintaining social distancing.

The production chosen to reopen the Olivier was an urgent and explosive one-man show – ***Death of England: Delroy***, written by Clint Dyer and Roy Williams. This new play was the sequel to [Death of England](#), which finished its run in the Dorfman shortly before lockdown, in which white working-class Michael grapples with grief, race and masculinity following the death of his father. *Death of England: Delroy* tells the story of a black working-class man searching for truth and confronting his relationship with Great Britain. In this state-of-the-nation monologue, Michael's best friend Delroy is arrested on his way to the hospital for the birth of his first child. Filled with anger and grief, he recalls the stories and relationships that shaped his response to this life-changing moment.

The production reopened the National Theatre on 21 October with a run of preview performances, which saw audiences returning enthusiastically to the space, as some of the first to return safely to an indoor theatre in the country. However, following the introduction of new national Coronavirus measures, the theatre was forced to close its doors again. On 4 November – the show's opening and closing night – *Death of England: Delroy* was filmed. It was shared as a special 24-hour release for free on YouTube later that month, watched by 80,000 people worldwide.

In a time when theatres across the country had been forced to postpone their pantomimes by Coronavirus, for one year only, pantomime came to the National Theatre. The second production as part of the Olivier in-the-round season was ***Dick Whittington***, Jude Christian and Ciarán Lloyd's hilarious and heartfelt version of the famous story was first staged at Lyric Hammersmith in 2018.

Lyttelton Studios

As we opened our doors to the public for *Dick Whittington* in December 2020, another team were hard at work in the huge backstage spaces of the Lyttelton Theatre. This team were working on a new kind of project - *Romeo & Juliet* as an original film. Directed by NT Associate Simon Godwin, and with Jessie Buckley and Josh O'Connor as the star-crossed lovers, the production had been planned for the Olivier stage in Summer 2020, only to be interrupted by the pandemic. But out of this disappointment came opportunity: the desire to make the most of the incredible creativity of our staff, freelancers and associates while the Lyttelton Theatre couldn't open, and the idea of creating work that could reach millions at home. *Romeo and Juliet* was captured in just 17 days – an extremely quick turnaround for the average film.

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STRATEGIC REPORT

Supporting the Creative Case for Diversity

We believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount. This begins with the work on our stages and our responsibility to tell stories that represent the whole country, that resonate with the wider national conversation and from a broad and diverse range of voices. Our planned 2020-21 season would have exceeded our five-year targets, the first year in which all of these targets would have been met simultaneously. This programme of work was, in the event, not delivered due to impact of the Covid-19 global pandemic.

Targets for core programme	2021 targets	2020-21 (as programmed)
% female living writers	50%	60%
% female directors	50%	50%
% female performers	50%	n/a
% writers BAME ¹	20%	22%
% directors BAME ¹	20%	30%
% performers BAME ¹	>25%	n/a

While two productions played in 2020-21, we do not give statistics on the artists in this section because the low number of people involved means individuals would be identifiable. Anecdotally, and based on assumed identities, those creatives and actors comfortably met these targets; albeit this is much more easily achieved in such a limited programme.

¹ We are reviewing our use of the acronym BAME (Black, Asian and Minority Ethnic), but refer to it throughout this historic report to monitor progress against our targets to grow the diversity of the work on our stages, our creative teams, our governance, our workforce and our audience.

STRATEGIC REPORT

The difficulty of immediately achieving these targets again in the next two years new programming should not be underestimated: the pandemic seriously disrupted and reshaped the diaries of most lead creatives and actors, resulting in major changes to planned programming that compound the practical difficulties of uncertainty around closures and social-distancing. Each set of creatives/actors per production combine intersecting identities across different target categories, as well as the productions themselves having specific financial and curatorial needs. Therefore, while these targets have been shifted to 2021-22 and 2022-23 (in line with our general arrangements for SMART (specific, measurable, achievable, realistic and anchored with a Time Frame) targets from the 2018-2022 business plan) it is highly possible that the NT may not achieve these targets simultaneously within that funding period.

Developing New Voices for Our Stages

During lockdowns, our New Work Department was able to work with a reduced number of artists digitally. When activity has been allowed to resume, we have hosted in-person, socially-distanced development workshops at the NT Studio for new plays and musicals which we hope to stage in the coming year.

We had planned for artist attachments in the early part of 2021 to be online, so there is no change to the programme. Our Writer in Residence Beth Steele is still with us on retainer.

The New Work Department is even more committed to opening up our doors to artists and makers from across the whole breadth of the UK to support the sector to flourish after the devastation of 2020-21.

STRATEGIC REPORT

AIM 2. TO INCREASE OPPORTUNITIES FOR ALL TO EXPERIENCE THE TRANSFORMATIVE POWER OF THEATRE

Reaching Audiences Nationwide through Touring and Participation

Theatre Nation Partnership relationships:

- Supporting theatres
- Additional activity for young people – *Dick Whittington* and *Romeo and Juliet*

In December 2020 and January 2021, we ran a programme around our production of *Dick Whittington* for schools, communities and families across the UK.

An activity pack was created for children, filled with ways to design costume and props from the show to create their own performances at home. This was free to download and physical copies were sent out to families, venues, community centres, schools, youth theatres, childcare providers and charities across London and all the Theatre Nation Partnership (TNP) areas—six areas of the country with high levels of disadvantage that the NT has worked in close partnership with for over three years.

With the help of NT at Home, a free stream of the show was also made available throughout January to 385 targeted schools across the country. This was watched in school by children of key workers and vulnerable students, and by students who were learning remotely from home.

The National Theatre also created a variety of learning resources around the *Romeo & Juliet* film, enabling teachers to deliver a number of dynamic and engaging lessons around *Romeo & Juliet* to support the Drama curriculum.

- 50 schools received the free stream, digital resources and an R&J crate (including replica props, scripts, art materials and resource books)
- 30 schools received the free stream and digital resources
- An average of 223 students per school watched the film (based on the sample of schools who have been surveyed so far)
- Total of 17,840 young people engaged in the R&J project overall

Creating these resources for schools was a way for the National Theatre to have a presence in schools when we could not physically visit due to Covid-19 and enabled schools to feel connected to our work remotely. By delivering this project, we've discovered there is a growing appetite for "behind-the-scenes" and fun, engaging digital content, to see how National Theatre productions are made and life offstage.

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Due to the impact of Government restrictions as a result of Covid-19, we did not Tour during the financial year 2020-21. However, the Ocean at the End of the Lane opened in October 2021 at the Duke of York's theatre and a UK tour of The Curious Incident of the Dog in the Night-Time commenced at the Troubadour theatre in Wembley in November 2021 with dates currently scheduled across the UK and to Dublin through to May 2022.

Developing Public Acts, Our Theatres and Community Programme

Public Acts is the National Theatre's nationwide initiative to create extraordinary acts of theatre and community. The programme creates ambitious new works of participatory theatre and is built on sustained partnerships with theatres and community organisations across the UK who share our vision of theatre as a force for change.

Doncaster activity

It can take a long time for the kind of communities that Public Acts works with to build trust and confidence, so it was important that we continued to work with our partners in Doncaster during lockdown. We did so by running creative workshops online, organising Zoom socials and sending hard copy creative activity packs to combat digital exclusion. Participants described Public Acts activity last summer as a 'lifeline' – including one participant who self-admitted to hospital at the start of lockdown due to her poor mental health and called into our sessions every week.

In Autumn of 2020, we began a year of 'bridging' activity. So far, this has included: online workshops and socials; *We Begin Again*, a short musical film in partnership with The Guardian, written by Olivier Award winner James Graham – available [here](#); and a new community podcast series called *Stories To Get Us Through*, which has been aired on BBC Radio 4 and is available [here](#). Over the August Bank Holiday weekend, the Doncaster community performed the new, immersive show at Cast, *The Magic of Wild Heather: A Cabaret* over three performances, with audiences invited to share a celebratory feast on Cast's main stage. Written by Jasmin Mandi-Ghomi, directed by Associate Director, Public Acts James Blakey and designed by Hannah Sibai, the story is co-created by the community company and features performances from local artists.

STRATEGIC REPORT

Research report

Public Acts enabled participants to learn about their own abilities, and many expressed surprise at their own achievements. Feelings of success – and being recognised as part of a successful project – served as a catalyst for making changes in other aspects of life. Changing attitudes to ageing, mental health and physical capabilities underpinned these benefits. However, change can be challenging and sometimes painful, and the strength of Public Acts lies in its model of partnership and in the extended two-year Public Acts Programme.

- 98% participants agreed that working with people of different backgrounds, ages and generations was very important (77%) or important (21%)
- 70% participants said that Public Acts had made them a lot more confident
- 90% participants said that Public Acts had made them more positive about the future
- 90% of participants had taken up new creative interests as a result of Public Acts

Bespoke workshops designed for each community partner introduced a new and creative approach to support their core work. The strongest partnerships arose when staff members participated in the workshops and productions, supporting more vulnerable participants.

Sustainability: new collaborations with theatres have been forged as a result of Public Acts (Queen's, Young Vic, Spare Tyre)

- 100% community partners have increased their provision in the arts and recognised its value in their daily work.
- 100% community partners had observed positive changes in the lives of their members, including decreased social isolation and increased confidence
- 80% partners saw positive benefits of people from different parts of the organisation working together.
- 80% partners said that Public Acts helped crystallize their objectives and contribute to organisational change.

Full findings from the Public Acts: A Story of Hope research report can be found [here](#).

STRATEGIC REPORT

Increasing Participation in Drama and Theatre-Making in UK Schools

Participation Programmes for young people:

Connections

National Theatre Connections is an annual festival, which brings new plays for young people aged 13-19 to schools and youth theatres across the UK and Ireland. Due to the Coronavirus pandemic, we implemented changes to this year's programme to ensure that young people can continue to take part. We offered a fee reduction to last year's companies to encourage participation and 160 schools and youth groups have returned to take part.

- 219 companies have taken part in the programme, which translates to approximately 418 teachers and youth leaders and over 4,000 young participants. The companies are based across the UK, from Shetland to Cornwall, to Northern Ireland, and 41 of them (just over 24%) come from a low-arts provision, or low socio-economic area based on the index of multiple deprivation. 45% of companies were given a bursary to participate, with an average bursary amount of £200 (full fees for 2021 were - £400 for new companies, £250 for 2020 companies).

We had 2 Special Educational Needs and Disabilities (SEND) groups in 2021 – one school and one youth theatre – as well as lots of groups that had some participants with SEND. For SEND companies we give them the option to adapt the scripts to fit the needs of their company.

Our Directors' Weekend in November moved online, reducing travel costs and time, both of which had been barriers to participation in the past. 276 teachers and youth theatre leaders took part in the Directors' Weekend, where we ran 75 hours of workshops, masterclasses and tutorials. As well as workshops on the plays, we ran skills workshops on movement, sound design, allyship and activism, as well as being creative in a digital environment. We had masterclasses on directing young performers, designing with minimal resources, and a 'Backstage with Fleabag' masterclass with the team behind the stage show, including Phoebe Waller-Bridge.

Let's Play

Let's Play aims to transform drama and theatre-making in primary schools by providing teachers with a toolkit to stage plays that inspire learning across the curriculum. It provides a portfolio of new plays and music for children to explore through both performing and backstage roles.

Unfortunately, Covid-19 meant Let's Play activities had to be cut short, preventing us from supporting the creation of summer term productions. Despite this, we have successfully delivered the following:

- 60 performances were completed before schools were forced to close, including 42 Christmas shows and 18 Spring term performances.

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STRATEGIC REPORT

- 4-day Let's Play festival at Liverpool Empire in January 2020. Schools received the NT's Let's Play training, scripts, music and associated resources, as well as support from the Empire Creative Learning team. 342 primary children performed their plays on the Liverpool Empire stage.
- 114 teachers have received training in London, Liverpool and Wolverhampton.

We also delivered Continual Professional Development (CPD) for 20 teachers on the new toolkit, to develop skills and increase teacher confidence in devised theatre. Every teacher said they had new ideas for creative learning exercises to use after taking part and that they all felt more confident using drama in the classroom after the Let's Make It Up CPD.

We have reduced the cost of taking part in Let's Play from £350 to £200 and will continue to offer full and partial bursaries for schools. We also offered a reduced fee of £100 to schools returning after their participation was cut short last year.

New Views

New Views supports 14-18 year-olds to write short plays with support from professional writers. This year New Views was delivered digitally through workshops with professional writers, a playwriting course and the opportunity to watch NT productions for free online, as well as four pre-recorded masterclasses.

74 schools took part across England, 40% of which were high priority state schools. This equates to almost 1,000 young people and nearly 100 teachers. Over 450 students submitted first drafts in February – the highest number of first draft submissions ever received – and throughout March, mentor playwrights delivered 1:1 feedback remotely to students to help refine their scripts and develop their skills. In April, 450 students entered final submissions, of which eight plays were finally shortlisted by a panel of judges including the NT's Head of Play Development Nina Steiger, playwright and screenwriter Beth Steel, playwright and performer Mojisola Adebayo and Jenny Sealey, Artistic Director of Graeae Theatre Company.

Perspective by Mackenzie Wellfare was selected as the winning New Views play for 2021 in May. Mackenzie was inspired to write the play to share his own and others' experience of Autism. The play, set in his bedroom, explores the experience of an autistic teenage boy, Leo, through conversations with his best friend, Shaun. The problems Leo encounters are seen from his perspective and are drawn from different experiences of many autistic people, including the writer's own. Leo's big imagination fills the stage as he considers how the world sees him.

STRATEGIC REPORT

Reaching More People through Digital Distribution

National Theatre at Home (YouTube, April – June 2020)

In March 2020, theatres across the UK lowered their curtains and dimmed their lights as a result of the Coronavirus pandemic. We swiftly turned to finding ways to continue to share our work with as many people as possible. In response, for the very first time, National Theatre productions were available to watch at home on YouTube.

Over three months, 16 productions were watched over 15 million times in 173 countries around the world. Our reach increased enormously during this time, we saw an 817% increase in NT YouTube subscribers and 1.6 billion impressions with our social media activity. 40% of viewers for National Theatre at Home were under 35 years old. All productions had captions available and were used by 22% of viewers and we offered 6 of the shows with audio description.

Sharing new work on YouTube: *Death of England: Delroy & Dick Whittington*

In November, following Government advice about national Coronavirus measures until 2 December, we sadly had to cancel all remaining performances of our reopening show, *Death of England: Delroy*. We didn't want audiences to miss out, so we gathered a team to capture the moment on what was to be both its opening and closing night. The production was streamed for free on the National Theatre YouTube channel on 27 November 2020 for a limited 24-hour window reaching over 80,000 households.

Pantomime is a part of the fabric of our nation, and it was devastating that so many theatres across the country had to postpone their pantos last year. Due to this, we streamed our pantomime, *Dick Whittington*, free of charge on both the NT and *The Show Must Go On* YouTube channels between the 23 and 27 December 2020. We reached over 200,000 households with this stream and were delighted that we could celebrate panto's place at the heart of British theatre by sharing our production with families at home over the festive period. Following the free YouTube stream, we also made *Dick Whittington* available on our NT at Home platform where it was available to rent or watch as part of a subscription service. The production was due to be running in the Olivier from December 2020 to January 2021 but government Covid restrictions sadly meant that we were forced to close before Press night.

STRATEGIC REPORT

Social Media

Our digital audience on social media has grown considerably over the course of the pandemic.

- Since October 2020, our total audience across all social media platforms has increased by 7.2% to a total of 1.9 million.
- Instagram is the National Theatre's biggest account for engagement. A total of 60% of our followers come from outside of the UK meaning we have an enormous global reach. Since October 2020, our following on Instagram has increased by 58,000.

YouTube is our youngest audience with a total of 32% of our subscribers being under 25. Since October 2020, our YouTube audience has increased by 19,000.

National Theatre at Home (Streaming platform, December 2020)

National Theatre at Home is a streaming platform launched in collaboration with Vimeo in December 2020, which allows theatre lovers to subscribe and enjoy unlimited productions or pay to access single plays. National Theatre at Home offers an exclusive collection of unforgettable British theatre – available to watch anytime, anywhere - with more fantastic plays added every few months, so there's always something new to look forward to.

We were overwhelmed by the success of the free National Theatre at Home and knew we needed to continue to provide theatre digitally to our global audience. This led our new streaming platform, National Theatre at Home, which we launched in December 2020 with 11 high definition, exclusive productions. Each month, new productions are added to the platform and these can be viewed on mobile, computer or Smart TV. Within 7 weeks of launch we reached an impressive 20,000 subscribers.

We will release 40 titles over Year 1 and plan to channel over 50% of revenue towards financially remunerating UK theatre freelancers and not-for-profit theatres involved in the original staging of NT at Home titles, including rights fees and royalties, reaffirming our commitment to supporting both the wider sector and our freelance workforce at time when their income has been depleted.

All of our productions have the option for captions to be turned on and currently half of our productions also have an Audio Described version available on the platform.

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STRATEGIC REPORT

National Theatre Live

National Theatre Live broadcasts critically acclaimed performances to audiences beyond the theatre walls. Since its launch in 2009, National Theatre Live has broadcast to 937 UK cinemas reaching an audience of 5.2 million.

Work with UK cinemas

Alongside theatres, cinemas have been particularly affected by the Coronavirus pandemic with many films delaying release or unable to continue filming and production. This has resulted in a shortage of titles to play in cinemas, with many facing financial difficulty. The National Theatre provided cinemas with access to titles from our NT Live back catalogue, enabling audiences across the UK to continue to see theatre in their local cinema venues. Unfortunately, restrictions largely remained in place throughout the Winter and Spring across the UK. However, some *War Horse* screenings took place to mark Remembrance Day.

National Theatre Collection

It has been just over a year since our free collection was made available to UK state schools. As of April 2021, 4,070 state schools were signed up. This includes 3,002 state secondary schools, which represents 71% of all UK state secondary schools. Over 60% of schools subscribed are located outside of London and the South-East.

Since March 2020, we've seen platform registrations grow by 391% and our productions have been streamed 34,754 times. In response to the last national lockdown, there was a huge uptake in usage throughout January and February, with **streams per school reaching 71 and 47 respectively**. This indicates that the Collection has been a vital resource for teachers and students during school closure periods.

We have also seen a significant uptake in sign-ups to the commercial collection, with over **1,000 independent schools, universities and libraries subscribing to the service across 52** different countries spanning every continent in the world except Antarctica. There are a particular high number of subscriptions in Taiwan with 12 institutions signed up.

In collaboration with the New York City Department of Education, we're also extending free access to the Collection for public schools across New York, aiming to reach 30,000 students and teachers across three years.

NT Collection is working to a model which turns a profit in FY 2021-22. At this point the wider theatre sector will benefit, with 60% of the profits going towards royalty payments made to the theatres, actors, writers, directors and creatives involved in the Collection titles. As per our agreements we have already paid out upfront remuneration to actors, stage managers, creatives, writers, musicians and co-producing theatres involved in the Collection.

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STRATEGIC REPORT

Immersive Storytelling Studio

In 2020-21, while theatres were closed, the Immersive story-telling studio was awarded an Innovate grant to develop a Universal Performance Space (a format which allows the staging of live or pre-recorded content in a digital environment that audiences can access using virtual reality or augmented reality devices, smart phones and PCs). They began development of All Kinds of Limbo 2021 to be staged using the Universal Performance Space platform. Working with director Sacha Wares, The Museum of Austerity was developed - a mixed reality documentary project which combined verbal testimony and personal stories of disabled benefits claimants who died between 2010-2020 due to the impact of austerity. They also developed Madame Kalamazoo, an online story service with customised interactive adventures for young children, to which 6,000 households subscribed during the year.

Increasing Attendance by Underrepresented Groups on the South Bank

Audience Diversity and Access

With access to the South Bank restricted, we were able to contact our audiences digitally. Indicative data for our free streaming programme, National Theatre at Home, suggested that digital access supported highly diverse audience engagement.

- Circa 15 million people from 173 countries tuned in.
- 40% of viewers for National Theatre at Home were under 35 years old.
- 385 targeted schools were able to access the stream *Dick Whittington* for a longer period to support engagement with young people.
- 22% of viewers used our captioning services. We offered captions for every title, which were used by around 3 million people, and Audio Description for six titles, one of the first of such offers online from a theatre.
- Our digital reach increased enormously during this time, we saw an 817% increase in NT YouTube subscribers and 1.6 billion impressions with our social media activity.

National Theatre Collection, our streaming service for the education sector, also became available for use at home for students and teachers worldwide.

- 1,209,012 views of National Theatre Collection content worldwide; a high proportion would have been viewers under 35 years old.

4,070 UK state schools signed up to use the service for free - including 71% of all UK state secondary schools, as of April 2021.

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STRATEGIC REPORT

AIM 3. TO USE THE NATIONAL'S LEADERSHIP POSITION TO ADVOCATE FOR THE IMPORTANCE OF THE ARTS IN SOCIETY AND SUPPORT THE HEALTH OF THE SECTOR

Advocating for the Importance of the Arts and Storytelling Economy

Supporting our objectives around policymaking and funding

In 2020-21, the National Theatre worked intensively with colleagues in the sector to lead advocacy for financial support for theatres and culture affected by the pandemic.

We made the case for a package of support for the cultural sector to the government. We advocated both for our national infrastructure of cultural organisations and buildings, and for support for creative freelancers. The creation of Culture Recovery Fund of grants and loans was an important moment, because it showed that the government recognised the importance of culture to the UK and pulled us back from the potential financial collapse of the industry. We were proud to support its creation.

We took a leading role in shaping the government's detailed understanding of the sector, and the different roles and needs of its component parts – e.g. subsidised theatre, not-for-profit, commercial, and so on. We remained in close consultation with the government throughout the period of creation of the Culture Recovery Fund. Lisa Burger joined a DCMS Advisory Group for theatre; National Theatre Chair of the Board, Sir Damon Buffini, also subsequently was appointed Chair of the Culture Recovery Fund Board.

Throughout 2020-21, we also remained in regular contact with the office of the Mayor of London, maintaining a positive and supportive relationship around the safety and reopening challenges facing London, the South Bank, staff, artists and local communities.

STRATEGIC REPORT

Advocating for Supporting Theatre, Drama and Creative Education in Schools

Advocacy for Creative Education

Due to the crisis, our advocacy work was focussed on the survival of the sector, particularly the infrastructure of local theatres and freelance theatre-makers.

However, advocacy for creative education is now a strategic priority for 2021-22, with specific focus being given to contributions to the Times Education Commission and widening the Overton window in conversations around the curriculum.

Supporting Creative Education in Schools

Given the difficult circumstances we have faced over the past year, it is even more important for us to keep connected and continue to provide resources and learning materials for students and teachers to access remotely.

In response to the UK's first lockdown in March 2020, we made the National Theatre Collection available to pupils and teachers at state schools and state-funded further education colleges via remote access in partnership with Bloomsbury Publishing and Proquest. Schools are able to share log-in details with pupils to access resources at home.

At a time of stretched school budgets and pressures on the curriculum this free resource is a very relevant and accessible classroom aid. We are delighted that we have been able to open up access to pupils and teachers across the UK and ensure young people are able to continue to explore world-class productions and all aspects of theatre-making from their homes.

We also provided access to streams of our *Romeo and Juliet* film and a recording of *Dick Whittington* alongside learning resources.

At the beginning of the pandemic, we recognised that we needed to adapt our programmes to ensure they could run remotely and continue to provide young people access to the arts.

New Views

As schools closed in response to the pandemic, we were unable to arrange for our team of playwrights to visit schools to deliver feedback face-to-face with the young writers taking part in New Views. We did find, however, that this part of the programme can be completed digitally with very good results. Students uploaded their draft plays to Dropbox and the NT team provided written feedback in return. Given the challenges faced by young people at the time, we were thrilled to receive 450 scripts.

We were unable to hold our Summer Festival celebrating young people's new work. Instead, our longlist of the best student writers were offered the chance to attend a professional development workshop with playwrights Brian Mullin and Jennifer Farmer, and dramaturg Ola Animashawun. Over 50 young people attended the workshop from all over the country on Zoom.

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The New Views Festival took place online from 5-9 July. The shortlisted plays were shared with participating schools as pre-recorded zoom rehearsed readings with professional actors and directors. The winning play, *Perspective* by Mackenzie Wellfare, was produced and filmed onstage in the Dorfman theatre with a professional company.

Connections

School closures at the beginning of the year also impacted our Connections groups and their capacity to rehearse. With this in mind, we moved our activity back in the hope that schools would have reopened in time for groups to perform at their school or youth theatres in April and May and receive feedback from a Mentor Director (this usually happens at the beginning of the year). Our Mentor Directors watched the shows remotely – via a live stream or watching a recording of a performance – to work around the fact that schools weren't accepting any external practitioners or visitors.

Our Directors' Weekend, for the teachers taking part in our Connections programme, was moved online, reducing travel costs and time, both of which had been barriers to participation in the past. 276 teachers and youth theatre leaders took part in the Directors' Weekend, where we ran 75 hours of workshops, masterclasses and tutorials. As well as workshops on the plays, we ran skills workshops on movement, sound design, allyship and activism, as well as being creative in a digital environment. We had masterclasses on directing young performers, designing with minimal resources, and a 'Backstage with Fleabag' masterclass with the team behind the stage show, including Phoebe Waller-Bridge.

Feedback has been overwhelmingly positive with many reporting that taking part in Connections has enabled young people to reconnect with each other and participate in 'a joyful collective experience' after many months of isolation.

Let's Play

Due to school closures and smaller classroom 'bubbles' for much of the year, creating full schools' plays was difficult, so we adapted Let's Play scripts to make them easier to rehearse in smaller groups. We also created a 'toolkit' called Let's Make It Up, which contained new resources to help teachers continue to incorporate theatre into the recovery curriculum.

Let's Make It Up facilitates the reconnection of school communities through drama and provides creative ways to support pupils' wellbeing and social skills development – qualities that teachers told us may have been compromised during lockdown. The toolkit gives practical suggestions for teachers to create moments of performance with their classes, rather than full-scale productions. Teachers are then supported to devise digital performances with their students, using different stimuli, from picture books, themes or topics, which can be streamed into classrooms across the school.

We also delivered Continual Professional Development (CPD) for 20 teachers on the new toolkit, to develop skills and increase teacher confidence in devised theatre. Every teacher said they had new ideas for creative learning exercises to use after taking part and that they all felt more confident using drama in the classroom after the Let's Make It Up CPD.

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New Programmes

In response to some of the challenges posed by the pandemic, the NT designed two new programmes to meet the needs of teachers and young people.

As part of our Let's Play offering, we have launched a new programme called Story Seekers. Story Seekers is a free six-week creative literacy and oracy project for 8–11 year-olds, developed with the Centre for Literacy in Primary Education and The Unicorn, a specialist young people's theatre. We made a film introducing Story Seekers, which is available [here](#).

Story Seekers invites pupils to join in a nationwide mission to find, tell and share important stories from across the globe. They are led through the quest by filmed theatre performances and workshops from leading professional storytellers. Children will explore the rich aural storytelling tradition and be encouraged to create their own filmed storytelling performances to share with their school and other participating schools across the UK. 175 schools took part in the autumn term.

Over the summer of 2021, we began working with young people most affected by the pandemic on a new project called Speak Up, as part of our Theatre Nation Partnerships programme. Young people are working in collaboration with local artists and teachers to lead creative projects in response to issues that are most important to them.

The pilot project, funded by The Mohn Westlake Foundation, will begin with seven schools across Sunderland in partnership with Sunderland Empire and Sunderland Culture, Greater Manchester in partnership with The Lowry and Wakefield with Theatre Royal Wakefield.

Drama Teacher Conference

Alongside our programmes, we are committed to providing high quality CPD to teachers across the country. In February 2021 our Drama Teacher Conference went digital. We welcomed a record breaking 500 teachers to our annual Drama Teachers Conference. Reimagining the conference virtually meant teachers from Aberdeen to St Ives were able to work with some of the finest artists, makers, and companies in theatre, and explore new ways of sharing theatre with young people across the country.

Artists including Katie Mitchell (*Anatomy of a Suicide*, Royal Court), Matthew Xia (*Blue/ Orange*, Young Vic), and Marianne Elliott (*Angels in America*, National Theatre) provided masterclasses covering an exciting range of current topics such as how to use theatre as a tool for activism and how to rehearse and perform whilst maintaining social distance. Teachers also took part in interactive workshops on everything from technical theatre and set design to devising on Zoom and embedding anti-racist working in their classes.

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By offering extensive bursaries and only charging £5 per session, we made sure that the conference was accessible to as many teachers as possible. It is a conservative estimate to say that this year, the learning at the conference will be shared with over 10,000 young people UK-wide.

Sharing Learning and Expertise with the Sector

Theatre Nation Partnerships (TNP) - Sharing skills and leading change

The National Theatre has continued to meet regularly with the Theatre Nation Partnership network throughout the pandemic. This has included regular meetings with executive teams and leadership to share information, discuss organisational approaches to the impact of venue closure and lockdown, and to inform the National Theatre's advocacy on behalf of the sector. We also continued to meet with education leads, both to share information about remote and digital activity to support schools and communities through the pandemic, and to enable digital engagement in theatre by schools and communities local to TNP partners. We have also continued to work with our research partner, the Centre for Cultural Value (CCV) at the University of Leeds, which focused on the TNP network as a case study for its research into the impact of Covid on the cultural sector. CCV and the NT will publish a report evaluating the work of the TNP network from launch in 2017 through to summer 2021 early in 2022.

Formal Sector Guidance

Our senior staff sit on over 30 major industry boards including Lyric Hammersmith, Bush Theatre, Battersea Arts Centre, High Tide, Eclipse and Nottingham Playhouse. We take part in industry mentoring schemes like Stage One and Momentum. Momentum is run by The Royal National Theatre, Barbican, the Royal Opera House, and the Southbank Centre.

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AIM 4. TO EXPAND THE NATIONAL'S INTERNATIONAL REACH AND IMPACT

Deepening our Presence in Key International Territories and Increasing International Audiences

International broadcasts

As soon as our theatres closed in March 2020, we began to explore how we could continue to share the best of theatre with people around the world. We quickly launched NT at Home, a new initiative that broadcast a different filmed production via YouTube every Thursday for four months. It expanded our reach significantly: the 16 broadcasts were viewed an extraordinary c15 million times by people from 173 countries.

We were overwhelmed by the success of National Theatre at Home and knew we needed to continue to provide theatre digitally to our global audience. This led our new streaming platform, National Theatre at Home, which we launched in December 2020 with 11 high definition, exclusive productions. Each month, new productions are added to the platform and these can be viewed on mobile, computer or Smart TV. Within 7 weeks of launch we reached an impressive 20,000 subscribers, of which 40% were international subscriptions.

As well as our online and TV broadcasts in the UK, the National Theatre also partnered with the American free-to-air channel PBS, to broadcast *One Man, Two Guvnors* in November 2020.

The 2011 production, starring James Corden and Jemima Rooper and directed by Nicholas Hytner, moved from London to Broadway in 2012, and Corden went on to win a Tony Award for his performance. *One Man, Two Guvnors* was the first title of PBS' fourth annual Great Performances 'Broadway Best' series, which provides a showcase of the best in all genres of the performing arts. The broadcast was available to watch in the US on 5 November on the PBS channel, where 385,000 people tuned in. Subsequently, viewers are also able to stream the show on the PBS website and app from 6 November for 28 days.

New York, USA

The hit production of *The Lehman Trilogy* transferred to Broadway's Nederlander theatre after sold out runs at Park Avenue Armory in NY and The Piccadilly Theatre in the West End; sadly, this production only saw four performances before Broadway was shut down due to Covid-19.

Working in collaboration with the New York Department of Education, we aim to make the National Theatre Collection freely available in New York City public schools, where around 75% of New York's public schools are in low socio-economic areas. We will reach approximately 30,000 students in 80-100 schools across five New York City boroughs. In April 2020, we began piloting the Collection and its resources with 20 teachers from a broad range of schools, such as SEND schools and schools for students with criminal records, who use theatre to aid rehabilitation. Our pilot group of teachers are integral to the development of our resources and lesson plans for the New York City curriculum ahead of a full project roll out in Autumn 2021.

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AIM 5. TO DELIVER IN A FINANCIAL AND SOCIALLY SUSTAINABLE WAY

Organisational Resilience and Capacity

Governance & Risk Management

Following the outbreak of the Covid-19 pandemic in March 2020, the Board of Trustees received weekly updates from the Executive to ensure that they were kept fully apprised and updated on the continual changes in the internal and external operating environment. The Board also moved to a cycle of more frequent - monthly - Board meetings to ensure that they had oversight and governance of all scenario planning and risk mitigation and were kept up to date on the impact of Covid-19 on the NTs activities, staff, freelancers, audiences, beneficiaries and other stakeholders, assets and reputation and finances.

Compliance

We continued to update our Health and Safety policy and procedures with a focus on Fire Policy and Evacuation Plans, and the implementation of new software for the management of the control of substances hazardous to health (COSHH). The new Safeguarding Group has been monitoring compliance and reporting issues to the Finance and Audit Committee and staff have been trained to ensure that safeguarding is considered at the planning stage of The Royal National Theatre activities. We continue to update to our starter induction process to integrate e-learning modules on key The Royal National Theatre policies and compliance training. Covid safety was a new area of focus throughout the year and continuing into 2021-22; to provide a Covid-19 safe environment for all staff, freelancers and audiences in accordance with government and sector regulations and guidelines.

IT Strategy

We have embedded our new IT governance arrangements with the IT Strategy Group and three new steering groups: Audiences & Digital; Production & Planning and Operations & Security meeting regularly. We have identified a new purchase pathway that will increase our resilience and ability to cope with large on sales; this project is on track to be completed in 2021-22.

Security

Our security environment has been significantly strengthened with a fully embedded new CCTV monitoring room (staffed 24/7), which provides a much greater ability to monitor, follow-up incidents and share intelligence with our neighbours and the police. We increased resource to strengthen the management of our security function which was in place throughout the year.

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Major Incident Response Planning

Progress was made towards finalising our Major Incident Response Plan during the year. Planning took place in the period January to March 2020 when the risk of disruption to our activities as a result of the Covid-19 virus became a likelihood. This planning was successfully put to the test when the building closed on 16 March 2020 and all staff were required to work remotely from 23 March 2020.

Staff Resilience and Capacity

Staff Resilience

In response to the pandemic, lockdowns and closure periods, the HR Team have been running regular wellbeing sessions to offer support to staff. 47 online sessions were run in 2020-21 on a variety of issues including anxiety, working at home, adjusting back to the workplace and sound meditation. We also ran 3 mental health for line managers sessions. The total number of attendees for all sessions was 452 people. We continued to offer additional individual support to staff via our Welfare department, Mental Health First Aiders and Employee Assistance Programme (giving 24/7, 365 day support).

Staff Training

All staff were encouraged to take part in training, particularly those staff who were furloughed during closure periods. We offered 183 courses in total via our e-learning system.

In addition, we also provided training and support for those staff who were made redundant and casual staff who were no longer needed due to the closures. We offered recruitment workshops, wellbeing advice and support, and signposted a variety of useful external bodies who could offer additional support. We also offered meetings with our Casting and New Work departments to 60 casual members of staff to help with their professional development.

The Chief Executives conducted a Listening Project across the whole organisations during 2020, co-ordinated and facilitated by the HR department. The Chief Executives met with every department for an open discussion session where staff could share their experiences of working at the NT during the pandemic, closure and restructure periods - and their hopes for the future. The information gathered in these sessions has informed our strategy for 2021-22.

Technical Skills and Compliance

An ongoing training and refreshment programme is in place in order to ensure that our 250 technical staff are kept up to date in key competencies, including core compliance and safety training, and specific training licences.

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Embedding Environmental Sustainability at the Heart of Our Practice

In October 2019, the NT declared a climate emergency, saying that we recognise that climate change needs to be tackled urgently and making commitments as an organisation to address it.

The key themes of our Environmental strategy are: People, Place and Production.

People

Most of our staff worked from home during this period, and so little progress was made during 2020-21. Previous and on-going progress includes:

- We encourage and embed environmental thinking amongst staff which we progress via our staff intranet and company meetings.
- An Environmental Handbook for staff, that is designed to help drive change in our working areas and at home.
- A series of regular Environmental Town Hall meetings: to provide time for us to come together to discuss issues around environmental sustainability, beyond the work going on at a strategic and departmental level. These meetings are a space for questions and discussion, as well as opportunities for people leading on sustainability across the NT to update us on their work.

Place

The building was closed to the public for the entire period with the exception of less than two weeks of performances and nearly all our staff worked from home for the majority of this period; clearly this was positive in terms of our direct environmental impact. Previous progress in this area includes:

- We had met our targets to increase the amount of waste we recycle to 56% on productions and 72% on non-production activity.
- We met our 2021-22 target to reduce energy and water carbon emissions by 20% in 2019-20, two years ahead of schedule; this has been achieved through initiatives including:
 - A project to fit LED lighting in the Olivier and Lyttelton theatres and front of house areas; this major project will continue into 2021/22.
 - Improvements to the management of our Building Management System.
 - Upgrading pump and fan controls for our heating and ventilation systems.

Production

- The Production Environmental Group continues to work on a series of environmental initiatives.
- Creative teams are encouraged to work in a sustainable way, creating productions with consideration to environmental sustainability.
- We continue to use our off-site storage capacity to reduce scenery waste and improve re-cycling.
- NT contributed to an industry wide “Green Book” on environmental sustainability, published in 2021.

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In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for the year ended 28 March 2021:

Scope 1: Emissions from combustion of Gas tCO ₂ e: 2021: 659 (Energy consumption: Gas 3,585,113 Kwh) 2020: 1,389 (Energy consumption: Gas 7,553,239 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'
Scope 2: Emissions from purchased electricity tCO ₂ e: 2021: 752 (Energy consumption: Electricity 2,968,333 Kwh) 2020: 1,370 (Energy consumption: Electricity 5,360,427 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e : 2021: 1 2020: 9.2 (Type of car and fuel not recorded)
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period (68,557 miles) multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²): 2021: 0.024 2020: 0.048
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area (57,141m ²)

Year on year comparison is significantly impacted by Covid-19.

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Financial Sustainability

In 2020-2021, income of £56.3 million and expenditure of £51.6 million generated a positive net movement in total group funds of £4.7 million. This relates to the early success and receipt of funds relating to our 2-year Covid-19 recovery Major Funding Campaign, along with monies received through the government's coronavirus job retention scheme.

There was a positive movement in unrestricted operational funds of £2.8 million, increasing operational reserves to £16.0 million. Our target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15 million.

Income for The Royal National Theatre productions at the South Bank was significantly reduced due to Covid-19 related restrictions. The only theatre that opened in the financial year was the Olivier, which was re-configured to enable social-distancing. Two productions were opened, and then closed before Press night due to government enforced lockdowns.

The impact of Covid-19 on the NT's ability to self-generate income this year was significant, contributing just 13% of the total income in year. This meant that the funding received from Arts Council England and our donors this year was vitally important to maintain the innovation, accessibility and reach of our productions and activities.

The NT's Arts Council England core revenue grant funding, which in 2020-21 was £17 million, is critical to support the risk inherent within, and the breadth of, our artistic aims.

Covid-19 impact on financial position

On 16 March 2020, the UK Government issued an emergency statement to the general public, telling them to avoid assembly in public places, including theatres. That evening our theatres fully closed. By the end of the week, the Government's advice became a general closure order.

Pre-Covid-19, we had a largely fixed cost model, with variable income levels, relying heavily on the popularity of our productions on the South Bank to generate income and deliver work for commercial transfer. High reliance on box office and related income to fund productions and charitable activity has meant that NT's finances have been severely impacted by Covid-19.

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In early 2020-21 we carefully considered reopening scenarios, looking at short and longer-term opportunity and risk. We considered how reopening or remaining closed provided NT's best chance for long-term survival in the context of our finances, our mission, our audiences, our donors, the future health of the sector and our role as a sector leader.

Performances are the bedrock of our relationships with artists, audiences, members, donors and corporate partners. Were our theatres to remain closed and activity stop, we would have put at risk a significant proportion of our philanthropic income. We believed that we had a responsibility to return to employing freelance artists and craftspeople, on whom the theatre industry depends to create and present work, and who were facing great uncertainty, at the earliest possible opportunity.

Furthermore, as one of the UK's leading theatres, we believed that we would damage relationships with artists, peers, funders and audiences were we not to seek to recommence live performances when we are able to do so in a Covid-secure environment. The medium-term risks stemming from such a scenario were, we believed, severe – given the NT's reputation for quality, leadership and social responsibility.

We also recognised the role theatre plays in developing skills, mental health and employability for young people, improving health and social wellbeing outcomes in disadvantaged groups and the use of our public buildings as a community hub. We believed that closure of our building for a prolonged period would undermine the trust built within these groups.

Our revised 2020-21 financial model was based on plans to perform to a socially-distanced audience in the Olivier theatre from mid-October 2020 and the Dorfman theatre in early 2021; this activity required stage 4 in the Government's then roadmap of permitted activity, initially granted in August 2020.

We opened two productions in the Olivier theatre before Christmas 2020, both of which had to close within a week of opening due to changing Covid-19 restrictions. The Lyttelton theatre became a studio to produce innovative filmed theatre work to be made available to audiences digitally. All this activity was supported by additional philanthropy and corporate sponsorship.

During the 2021-22 financial year, we were unable to perform to live audiences until May 2021 due to national Covid-19 restrictions. We re-opened the Olivier and Dorfman theatres to socially distanced audiences in June 2021; from late September 2021 we were able to perform to non-socially distanced audiences. The Lyttelton re-opened for live performances in October 2021. As of mid-December 2021, we have continued to perform to non-socially distanced audiences, with audience demand around 10% lower than pre-Covid-19, driven by on-going Covid related concerns.

Our revised 2021-22 flexible financial plan assumed that we can perform, as usual, without social distancing from September 2021, but considers likely reduced audience demand driven by ongoing Covid-19 concerns. We have considered the further mitigations necessary to ensure financial sustainability in the event of extended social-distancing measures until March 2022. This is further covered under the Going Concern section of this report.

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Based on these activity plans, NT required an additional circa £80m of funding support across 2020-2021 and 2021-2022 to support the NT's long-term survival and to enable us to meet the needs of our beneficiaries by continuing with activity where we can: by extending our digital offerings to audiences, presenting live socially-distanced performances when Covid-19 restrictions allowed, and converting our Learning programmes into digital offerings to support both students/young people and teachers.

In addition to taking immediate actions from March 2020 to reduce our costs, and maximise the benefit of the Government's furlough scheme, we considered all forms of financial support available to us including the Government's loan schemes, philanthropy, using our own resources, developing new income streams and seeking exceptional grants and commitments from the Royal National Theatre Foundation.

2020-2022 Financial Period

In the Summer of 2020, we implemented an £80m Recovery Plan to address this funding shortfall, comprising three planks:

- Self-help (excluding Philanthropy) - £20m – 25%
- Philanthropy - £40m – 50%
- Government Loan - £19.7m – 25%

Self-help - £20m

- Staff costs – of c£17.5m
 - Staff pay cuts in 2020-2021 (£2.5m). The Executive took a 25% pay cut across 2020-2021. All other staff took a 20% pay cut from May 2020 until September 2020, with a minimum payment equivalent to the London Living Wage and moved to a graduated pay cut from October 2020 to March 2021 for those staff earning £25k or above.
 - Contracted staff not able to work were put on the Government's furlough scheme (£7m).
 - A significant redundancy programme was completed in October 2020 (£6m-net), and the holding of staff vacancies (£2m). Permanent contracted staff numbers have reduced by circa 150, a reduction of 23%.
- Support costs – total saving of c£1m
 - Service contracts were re-negotiated or terminated, where possible, generating savings in respect of outsourced security, housekeeping, IT and other contracts.
- Revenue-generating digital activity – c£1.5m
 - We offered 12 popular NT Live recordings to cinemas in the UK and other territories where cinemas were open, although revenues are currently low.
 - We launched a new digital home streaming service, NT at Home, which went live in December 2020; revenue figures for the first 12 months of operation are encouraging.

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Philanthropy – £40m

In late 2020, we launched a Major Funding Campaign seeking £40m to cover our funding gap across 2020-2021 and 2021-2022, net of our self-help measures and Government loan support. This target is a significant increase on our usual fundraising of circa £12m to £13m per annum.

As a result of significant efforts to raise additional funding, our philanthropic income has held up well, in aggregate, although the usual spread of income (corporates 40%, trusts 10%, and individual giving 50%) has seen a significant decline in corporate support, which has been almost compensated by an increase in individual giving and trusts and foundations, in an unprecedented response to this crisis.

- On closure in March 2020, we pivoted quickly to digital communications with members and donors, with a series of special on-line events. This has helped to maintain good renewal rates.
- Audiences responded well to our first iteration of NT at Home – our provision of 16 The Royal National Theatre titles available on YouTube at no charge for a week at a time, during the first national lockdown. This served as a bedrock from which we launched a public campaign which raised over £2.5m.
- The corporate landscape is extremely challenging, and several six figure partnerships have terminated since March 2020; these will take several years to replace.
- Several trusts and foundations have allowed us to apply for emergency funding. We have certain unrestricted grants confirmed for 2020-2022.
- Major donors have responded generously to our activity plans and many have made their largest gift so far.
- The Royal National Trust Foundation is a separate, but related, charity with long-term objectives to support The Royal National Theatre, provide benevolent support for individuals who work or have worked at The Royal National Theatre and support drama in the UK through The Royal National Theatre. The RNT Foundation holds circa £5.6m in net assets; of which £1.2m is restricted to support The Royal National Theatre and £1.5m designated for benevolent and other grants. The Foundation agreed support to The Royal National Theatre of £3m in cash and £3m to underwrite the box office risk of the socially-distanced performances during 2020-2022. £3.7m of this was received in 2020-2021.

Government Loan Support - £19.7m

- In December 2020, we successfully secured repayable finance of £19.7m from the Government, via its Cultural Recovery Fund, to support The Royal National Theatre's funding shortfall across 2020-2021 and 2021-2022, net of the self-help and philanthropy measures identified above and to replenish unrestricted reserves to their target level of circa £15m representing 3 months of core operating expenditure. The finance agreement was signed in February 2021.

Progress against the Recovery Plan

The self-help measures and Government loan support were secured as at March 2021. As at December 2021, the Major Fundraising Campaign has raised £33m, of which £20m is included in the 2020/21 financial statements. The remaining target of £7m is a significant

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challenge to the end of March 2022, but we are encouraged by the level of donor support to date. The risks in meeting this overall target are discussed further in the Going Concern section of this report.

Future financial sustainability

In support of our Government loan application process, we were required to produce a new five-year financial plan demonstrating how, among other things, we could return to financial sustainability by March 2022 and also support loan repayments of circa £1.5m per annum by 2024-2025.

This plan is predicated on continued staff cost and efficiency savings, the growth of new digital income streams, growth in trading net income, and continued strong philanthropic support.

Work has continued during 2021-22 in developing our 2022-2027 five year financial plan; in light of changing assumptions regarding the impact of Covid19 on activity, staffing, audiences, our stakeholders and beneficiaries, and to develop detailed plans to support the activity and income growth assumptions within this model.

We submitted our Business and Financial plan for 2022-23 to Arts Council England in September 2021 as required under our funding agreement, to secure extension funding for that year. Work is progressing on our four year 2023-27 Business and Financial Plan which will be submitted to Arts Council England in April 2022, in order to secure funding for that period.

The Royal National Theatre has a track record of strong financial resilience and has demonstrated its ability to adapt to changing financial circumstances. We have achieved considerable entrepreneurial success over recent years, including the growth of commercial transfers and the success of NT Live, NT Collection and NT at Home. However, this is not without risk.

We currently remain confident about our future, but these are very challenging and unprecedented times for The Royal National Theatre, the cultural sector and society in general; and are likely to remain so for quite some time to come.

Our Approach to Fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as the National Theatre's corporate policies, such as

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Anti-Bribery. The NT voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. There were no issues of non-compliance with this code during the year.

All our fundraising activity is delivered in-house and we ensure our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to Trustees at regular board meetings. There are processes in place to manage and identify risks to protect the National Theatre's income, assets and reputation.

An internal audit review of fundraising was undertaken in 2018-19 with no substantive control issues raised. No complaints with regard to our fundraising practices were received during the year.

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a safeguarding policy, procedures and processes in place to ensure we are doing all we can to protect vulnerable people. This area was subject to Internal Audit in 2018-19 and no substantive issues were raised.

Self Evaluation

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to NT productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including NT Live, NT Learning and our Membership schemes. The Associates group meets regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy. In 2020-21, we used analytics and insight from free and paid streaming in order to understand audience responses to digital and plan future distribution and output.

We conduct detailed press campaign reports for every production as well as a wide variety of audience feedback research. We are constantly seeking feedback from all stakeholders and audiences and use the learning to try and improve the quality of the work on our stages.

The diversity targets we have set for writers, directors, and performers on our stages help us approach programming with a greater degree of self-awareness. We look across current and future programming, assess our current performance against these targets and make appropriate adjustments to our programme decision-making.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. Over the past five years we have dramatically increased our understanding of audiences by expanding our programme of insight and analysis. Our Audience Insight

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programme, comprising quantitative and qualitative research, is used to examine who is attending and inform audience projections for our future programme. Pre Covid-19 we collected and analysed over 25,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. Since March 2020, this level of data collection has dropped in line with the reduction in performances, however we will seek to return to this level in 2022-23.

Across the Learning programme, we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In addition, we continued with a number of external research studies into the impacts of our programme. Professor Helen Nicholson from Royal Holloway, University of London, published her report into the impact of first two years of Public Acts on participants, partner organisations and the National Theatre, downloadable from the National Theatre's website. Professor Ben Walmsley of the University of Leeds Centre for Cultural Value has continued to act as research partner to Theatre Nation Partnerships, including researching the impact of Covid on partners in the network.

FUTURE PLANS

2021-22 Financial Year

The Covid-19 pandemic had a significant impact on our ability to achieve the objectives that we had set ourselves for 2020-21 as part of our Strategic Planning process and as required by Arts Council England under our funding agreement.

We have reviewed the objectives originally set for 2021-22 and have updated and refined them to reflect the impact of Covid-19 on the 2020-21 targets and changes to our ongoing business models. Some objectives have simply been delayed by a year (e.g. the work on our stages), while others have been completely rewritten (e.g. new objectives for NT at Home).

The 2021-22 objectives are as follows:

- To present a diverse and popular repertoire to reach the widest possible audience through 12 productions at the South Bank that are currently planned between re-opening in June 2021 and the end of the financial year in March 2022, to include:
 - at least two original world premieres across the Olivier and Lyttelton programme;
 - through a programme of co commissions and co-productions to stage two co-productions;
 - to present one musical production;
 - at least one major reimagining of a classic text by an emerging voice;
 - to make one major new piece of programming which integrates new digital storytelling form;
 - continue to work towards our diversity targets and ensure the whole of society is reflected in the voices and artists in The Royal National Theatre repertoire.

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- On the South Bank, to continue to grow The Royal National Theatre's reputation as a building where all are welcome and attendance by under-represented groups through programming of ticketed and free events, and quality of front of house experience.
- To reach audiences nationwide through touring and participation, including six areas of low arts engagement where we will work with local partners to engage new audiences: our Theatre Nation Partnerships programme. This includes a UK Tour of *The Curious Incident of the Dog in the Night-Time* in Autumn 2021 and an 8-week schools tour of a contemporary version of *Jekyll and Hyde*.
- To continue to increase participation in drama and theatre-making in UK schools through creative programmes, touring, resources, training and partnership work.
- To continue to engage all our staff and colleagues in our Diversity and Inclusion strategy through staff networks, internal comms and the development of a new Equality, Diversity & Inclusion team.
- To reach more people through digital channels
 - To grow UK audiences for NT Live in cinemas, creating content in partnership with broadcasters, and developing new forms of digital storytelling.
 - To further invest in and grow engagement with our new pay to view streaming service – NT at Home – to reach new national and international audiences.
 - To extend the reach and impact of The Royal National Theatre in the education sector via The National Theatre Collection, utilising the filmed assets from NT Live and other digital content.
- To continue to be an effective advocate for the importance of arts in society, including theatre, arts and creativity in education and the creative industries; supporting our objectives around policymaking and funding.
- To continue to share learning and expertise within the theatre and arts sectors.
- To increase awareness of National Theatre internationally and build on international work. This includes transferring *The Lehman Trilogy* to Broadway and planning an international tour for 2022/23.
- To develop a new Five-Year Strategic Plan for the period 2022-2027 and supporting business model.
- To continue to strengthen organisational resilience and capacity:
 - Strengthening our IT systems support, to include:
 - Embed the use of Office 365 across the business, including moving all file storage into the Cloud via Sharepoint
 - Full Cybersecurity review and implementation of the outcomes
 - Implementation of new HR and payroll software
 - Implementation of a new purchase pathway for online ticket sales
 - Migration of our ticketing sales and CRM software (Tessitura) to the Cloud
 - Continue to deliver our Health, Safety and Risk Management strategy to strengthen our culture of compliance.
 - Continue to strengthen our regulatory compliance, with a continuing focus on General Data Protection Requirements and our internal assurance framework.
 - Continue to strengthen the resilience and capabilities of our staff, including the leadership and management capabilities and a

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- re-launch of our staff induction programme.
- Finalise and test the Major Incident Response plan.
- To continue to embed environmental sustainability at the heart of The Royal National Theatre's practice and continue to engage all our staff and colleagues in our Environmental Sustainability strategy. This includes adoption of the Theatre Green Book.
- To review the delivery of our food and drink offer on the South Bank with the aim to better meet the needs of our audiences; to create a destination for food and drink to attract a younger and more diverse customer to enjoy our building and engage with the NT, and to deliver a greater financial contribution to support our financial sustainability; whilst ensuring we continue to drive forward our commitment to our values; including inclusivity and accessibility, environmental sustainability, talent development and striving for excellence.

Trustees' duty to promote the success of the Charity – Section 172 Statement

Section 172 of the Companies Act 2006 requires the directors/trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes.

The Companies Act 2006 requires the National Theatre, as a large company, to report on how directors/trustees have complied with Section 172 and other linked matters:

1. Section 172: Directors/Trustees must promote the charity towards its charitable objectives, considering:

a) The likely consequence of any decision in the long term

Trustees developed the National Theatre's strategic objectives (page 7 of this report) as part of a long-term strategy to create world-class theatre for everyone; to develop talent for the creative health of the nation, representing and celebrating our country's diversity; to change lives through participation and create opportunities for every child to experience theatre. The needs of our beneficiaries: our audiences, future audiences and especially young people and those of our other key stakeholders: our employees, our freelancers, the Arts Council England and donors, form the bedrock of our strategic plans.

Decisions regarding our 2020-21 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience-diversity aim, we had planned to tour productions within London to non-West End venues.

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Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 49 to 53 of this report.

Trustees' response to the Covid-19 pandemic in 2020-21 was informed by the needs to all our stakeholders. Trustees carefully considered the needs of our employees balanced against the needs of the creative freelancers who make and present the work on our stages, our audiences, other beneficiaries and key stakeholders. Despite the financial difficulties of performing with social distancing measures in place, it was within this context that Trustees made the decision to recommence performances as soon as legally permissible, and to implement a major staff redundancy programme to reduce our cost base in light of expected lower activity levels for a period of time. Details of our response and recovery plan to the pandemic can be found at pages 31 to 39 of this report.

b) The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's on-going success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, careful consideration was given to the redundancy programme undertaken in 2020-21 as part of our Covid-19 Recovery Plan in relation to (1) its impact on those staff directly affected and those to be retained, and (2) the financial impact of settlement terms on affected staff and the NT's finances.

We recognise three trade unions whom we regularly consult with on key aspects of business planning. For example, our annual cost of living employee pay award is agreed in consultation with those unions. Management consulted with the unions regarding the redundancy programme undertaken in 2020-21 as part of our Covid-19 Recovery Plan.

Our employee strategy reflects concerns raised by employees during annual staff surveys. In response to concerns raised in our summer 2018 employee survey and by our unions, in 2019-20 we ran Managing Mental Health at work training for our managers, provided our employees with a continual programme of wellbeing and mental health at work events and supplemented our in-house Welfare Counselling service with the appointment and training of 18 Mental Health First Aiders.

c) The need to foster the charity's business relationships with suppliers, customers and others.

Engagement with our customers: such as our audiences, participants in our Learning programmes and teachers, is essential to ensure we understand and meet their needs.

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Executive Management regularly seeks and evaluates feedback from our audiences through a rolling programme of audience insight gathered through surveying. This takes place for every staged production and periodically for digital initiatives, including online streaming. We are thus able to build a detailed picture of how the theatre's output is received by different audience groups, including those traditionally under-represented, and to understand motivations for attendance and engagement. This insight programme continued this year, however as the number of live performances was very limited the data sets were very small and less robust than is usual. We communicate, on a personalised and regular basis, with our audiences and our membership base in accordance with their communication preferences.

We regularly seek and evaluate feedback from the young people and teachers who engage in our Learning programmes; this feedback is fed into the development of these programmes and future activity plans. Examples include regular consultation with teachers which have informed the development of learning resources alongside the productions on NT Collection. More information on how we seek feedback from our beneficiaries can be found at pages 22 and 23 of this report.

We have developed strong relationships with certain key suppliers who support our stages technical infrastructure, to develop mutually beneficial relationships that support the technical advancement of our stages and those across the theatre sector. We ensure that our day-to-day business interactions with all suppliers are conducted in a professional, fair and respectful manner.

d) The impact of the charity's operations on the community and the environment

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities.

More information on how we care for the environment can be found on page 29 and 30 of this report.

We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

e) The desirability of the charity maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviour. Areas covered include fundraising (our fundraising practices are discussed on page 31 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing. We use our organisational values in our recruitment and training for employees and our induction of freelancers to ensure these are understood and maintained. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

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f) The need to act fairly as between members of the charity

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone.

During 2020/21 we created a Racial Equity Group in light of the Black Lives Matter movement and murder of George Floyd in 2020 - there are representatives from ethnically diverse staff at all levels, the Board and Senior Management Team, and both the Artistic Director and Executive Director are members. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and have informed the Equity, Diversity and Inclusion policy for 2021/22.

2. How directors/trustees have engaged with employees and taken account of their interests

Our staff are crucial to our success, and we regard ongoing, regular engagement with them as a top priority.

Trustees are updated at each Board meeting on any substantive matters of staff concern. Trustees hold an annual meeting to which all staff are invited to raise concerns and ask questions directly of trustees. Our HR Director attends the Trustee Board meeting on an annual basis to provide an update on progress against our Employee Strategy, including diversity and inclusion, and key issues arising from the annual staff survey. Trustees are advised of any Health and Safety issues at each Trustee Board meeting, and our Head of Health and Safety attends the meeting on an annual basis to provide a full report on progress and issues.

Executive Management provide staff with information on matters of concern to them and encourage feedback through various channels of communication, including weekly all staff briefings on current activity and upcoming events, quarterly all staff briefings on progress against our strategic plans, including our financial performance, regular departmental team meetings and our staff intranet. Executive Management consult with staff and measure employee engagement and satisfaction through regular surveys and address any issues raised as quickly as possible.

We have a number of staff networks, set up to bring together and represent specific groups of employees, aimed at helping to establish a sense of community and support for these groups of people, as well as providing social networks. This includes groups representing protected characteristics and they are consulted on equality, diversity and inclusion matters.

3. How directors/trustees have engaged with other stakeholders, for example service users, beneficiaries, funders and the wider community

Our relationships with partners, suppliers and other key stakeholders are key to our effectiveness.

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Trustees and Executive Management ensure through regular engagement with key stakeholders that we maintain an understanding of their needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on relevant stakeholders.

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with six regional theatres under our Theatre Nation Partnership initiative. More information on this can be found on pages 12 and 14 of this report.

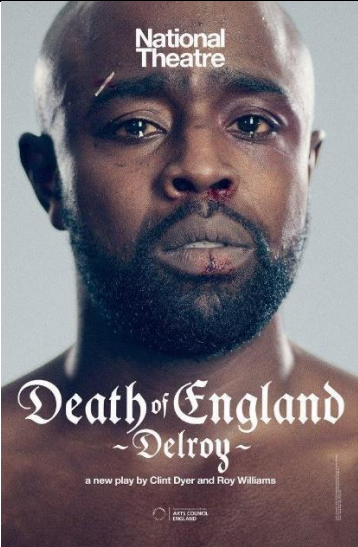
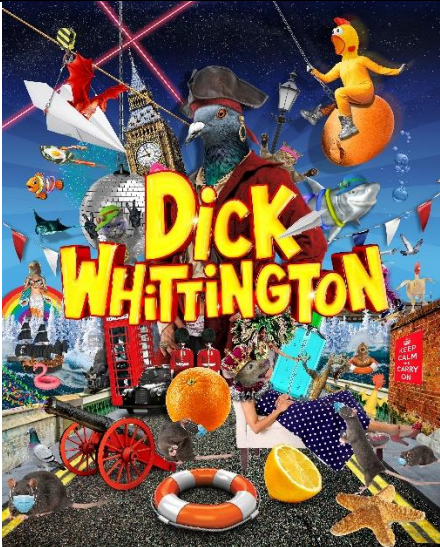
Our Associates, a group of 11 freelancers attached to The Royal National Theatre, meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Artistic Director (and Joint Chief Executive) in developing forward looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

Our donors are fundamental to our ability to achieve our aims and mission. We engage on a regular basis with all our donors and seek their feedback, in accordance with their communication preferences.

Our funding relationship with the Arts Council England (ACE) is crucial to the delivery of our mission. We ensure our aims meet those of ACE, and report to them our progress against these aims and Key Performance Indicators (KPIs) on an annual basis. An ACE representative attends our Trustee Board meetings.

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Productions Presented in 2020/2021

	DEATH OF ENGLAND: DELROY by Clint Dyer and Roy Williams Olivier Theatre, 21 October 2021 Director Clint Dyer Set and Costume Designer Sadeysa Greenaway-Bailey Set and Costume Designer ULTZ Lighting Designer Jackie Shemesh Sound Designer Pete Malkin Sound Designer Benjamin Grant Staff Director Sian Ejiwunmi-Le Berre Dialect Coach Hazel Holder		DICK WHITTINGTON by Jude Christian and Cariad Lloyd Olivier Theatre, 11 December 2021 Director Ned Bennett Set and Costume Designer Georgia Lowe Choreographer Dannielle 'Rhimes' Lecointe Composer, Arranger & Music Production DJ Walde Music Supervisor Marc Tritschler Music Director and Additional Compositions & Arrangements Benjamin Kwasi Burrell Lighting Designer Jessica Hung Han Yun Sound Designer Paul Arditti Associate Director Denzel Westley-Sanderson Associate Set and Prop Designer Debbie Duru Associate Costume Designer Fiona Parker Assistant Choreographer Jackie Kibuka

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Financial Summary

Financial Review – 2020-2021

In 2020-2021, income of £56.3 million and expenditure of £51.6 million generated a positive net movement in total group funds of £4.7 million. This compares to a decrease of £7.9m in 2019-20. This positive movement relates to the early success and receipt of funds relating to our 2-year Covid-19 recovery Major Funding Campaign, along with monies received through the government's coronavirus job retention scheme.

Income for The Royal National Theatre productions at the South Bank was significantly reduced due to Covid-19 related restrictions. The only theatre that opened in the financial year was the Olivier, which was re-configured to enable social-distancing. Two productions were opened, and then closed before Press night due to government enforced lockdowns. Due to impact of social-distancing, the financial capacity achieved was 27% vs 72% last year.

At 28 March 2021, total group funds was £87.0 million, of which £16.0 million are unrestricted operations funds (29 March 2020: £82.3 million and £9.4 million respectively).

Principal Funding Sources

The impact on The Royal National Theatre's ability to self-generated income this year was significant, contributing just 13% of the total income in year. This meant that the funding received from the Arts Council and our donors this year was vitally important to maintain the innovation, accessibility and reach of our productions and activities.

Fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship contributed 36% of total income; a public subsidy from Arts Council England (ACE) contributed 30% and government support in the form of the Coronavirus Job Retention scheme contributed 21%.

Arts Council England

Arts Council revenue funding at £17 million (2019-2020 £16.7 million), with no additional to touring grants this year (2019-2020: £0.6 million), represents 30% of the income received by The Royal National Theatre (2019-2020: 16%).

The Royal National Theatre took a 3% ACE funding cut for the four-year funding period 2018-2022 alongside Southbank Centre, RSC, and Royal Opera House, in order to support the diversification of the National Portfolio Organisations and the investment of funds outside London. With effect from 2018-2019 the grant has been cut by £2.9 million since 2010-2011, a real-terms reduction of 36%.

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Fundraising

In response to our 2-year Covid-19 recovery Major Funding Campaign, the Development department had a strong year raising £21.1 million (vs £14.2 million in 2019-2020), which comprised £19.6 million for revenue activity (vs £13.7 million in 2019-2020) and £1.5 million for capital projects (vs £0.5 million in 2019-2020). £1.1 million of revenue activity (vs £0.6 million in 2019-2020) in relation to commercial Sponsorship is recorded within income from other trading activities.

Box Office Income

Box Office Income on the South Bank was significantly impacted by Government enforced lockdowns in the attempt to reduce the spread of the Covid-19 virus. Whilst the National Theatre managed to open two productions during the year: *Death of England – Delroy* and *Dick Whittington*; we were only able to present 16 performances, generating income of £0.8 million (2019-2020: £45.6 million).

Theatre, Film and Television Tax Credits are a significant contributor to The Royal National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2020-2021 amounted to £0.8 million (2019-2020: £4.5m).

Trading and Other Income

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are conducted through The Royal National Theatre's wholly-owned subsidiary Royal National Theatre Enterprises Limited. The car park is operated under a franchise.

The total income generated by Royal National Theatre Enterprises in 2020-2021 was £1.6 million (2019-2020: £14.9 million).

The total profit before the management charge payable to The Royal National Theatre was £0.5 million (2019-2020: £2.9 million). Trading income also includes licensing fees generated by National Theatre Productions Limited and National Theatre North America LLC, and box office and other income generated by Curious Incident National Tour LP and Three Brothers Broadway LP.

Other income included bank interest receivable and income from education activities.

The Royal National Theatre continues to benefit from its culturally-exempt VAT status, which means that there is no VAT on ticket income at The Royal National Theatre but that a proportion of VAT on expenditure is irrecoverable.

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Revenue Expenditure

Production Costs

Production expenditure at The Royal National Theatre, in the West End and on tour totalled £29.3 million (£67.2 million in 2019-2020) and represented 57% of total expenditure for the year.

NT LIVE AND DIGITAL

Total expenditure for the year for NT Live and Digital was £4.4 million (£10.8 million in 2019-2020).

NT Learning and Public Engagement

Total expenditure for the year for the NT Learning (education) and public engagement programme was £3.0 million (£4.0 million in 2019-2020). £2.7 million was covered by fundraising and £0.4 million generated through ticket and fee income.

Research and Development

Expenditure on research and development totalled £2.4 million (£1.9 million in 2019-2020), including £1.7 million expenditure in the NT New Work Department.

Support Costs

Support costs cover expenditure on front of house staff responsible for contact with the audience; marketing, box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, HR and IT. These costs are allocated against the activities listed above. Total support costs were £19.0 million (£19.1 million in 2019-2020).

Staff Costs

Staff costs, including social security and pension costs and redundancy costs, totalled £31.5 million (£50.3 million in 2019-2020). Staff numbers decreased on the previous year to 759 (1,188 in 2019-2020), following the redundancy programme undertaken as part of the NT's Covid-19 Recovery Plan.

Capital Expenditure

Total capital expenditure for the year was £2.5 million (£4.0 million in 2019-2020). This comprises investment in our stages' lighting infrastructure and equipment of £1.2 million; and £1.0 million on a number of relatively small building refurbishment projects, technical

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equipment upgrades, and IT projects including PC & IT hardware & network switch replacements and investment in catering equipment. Irrecoverable VAT capitalised in the year was £0.3 million (£0.4 million in 2019-2020).

The transfer from the operations fund to the designated fund for capital was £1.1 million (£3.4 million in 2019-2020).

Reserves

Unrestricted Operations Fund

The policy for budgeting annual income and expenditure is directed towards enabling The Royal National Theatre to continue its current level and quality of activity. In order to avoid accumulating a deficit, The Royal National Theatre seeks, each year, to match income and expenditure, whilst taking into account the level of grant receivable from the Arts Council.

The Royal National Theatre's unrestricted reserves target is set, in recognition of its inherently risky business model, to ensure it provides adequate resources to enable the continuity of The Royal National Theatre's operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on trading and fundraising, and economic uncertainty. Following a risk assessed impact review of income and expenditure, we determined that a target equivalent to approximately three months core operating expenditure is appropriate, of circa £15 million. This target has been set for the past 5 years.

As at 28 March 2021, we held £16.0m in unrestricted reserves and of our designated reserves £10.0m as held in cash. Of the £10.0m, £7.0m is required to address urgent capital works and £3.0m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

Buildings and Equipment Designated Fund

The policy is to ensure that sufficient money is set aside in the reserve so that over a three-year period the National is able to maintain and renew the building in accordance with its rolling capital plan. Over time, these reserves will reduce to zero as the assets are fully depreciated.

NT Future Designated Fund

This represents NT Future assets funded by the National. NT Future was a major project largely completed by 2014 which included new building and refurbishment works, and technical infrastructure upgrades. Over time, these reserves will reduce to zero as the assets are fully depreciated.

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Restricted Funds

These are funds which have been earmarked by the donor for specific purposes within the overall aims of the organisation. The funds are analysed between long-term and short-term – long-term being mostly for capital purposes, and short-term for project activity, as set out in Note 19 of the financial statements. Short-term funds will be spent in full in the next 18-24 months. The balance on the long-term capital funds represents funds received from donors to purchase fixed assets less the depreciation charged on an annual basis. Over time, these reserves will reduce to zero as the assets are fully depreciated.

Internal Control and Risk Management

The Trustees are responsible for ensuring that The Royal National Theatre has effective risk management and control systems and processes in place. Agreed processes are in place by which the Trustees review, identify and assess major risks and agree with management the controls that already are, or will be, put in place to manage those risks. The details form part of the Risk Register, which Trustees review on a regular basis. Senior management has responsibility for managing resources, monitoring performance and establishing and maintaining effective internal control systems. The system of internal control and risk management is designed to:

- Identify and prioritise strategic and operational risks to the achievement of The Royal National Theatre's aims and objectives;
- Evaluate the likelihood of those risks being realised and their potential impact; and
- Manage these risks efficiently, effectively and economically.

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place.

The key components of The Royal National Theatre's risk management include:

- A four-year strategic plan and annual budget approved by the Trustees, against which progress is reported regularly, including monthly financial reporting of results;
- Regular consideration by the Trustees of financial results and variance from budgets;
- Delegation of authority and segregation of duties;
- Clear policies on health and safety, and safeguarding children and vulnerable adults, to ensure compliance with statutory requirements;
- Trustees review of The Royal National Theatre's Risk Register on a regular basis;

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- Senior management review of key strategic and operational risks on a regular basis. Consideration is given to progress on mitigating actions, new and emerging risks and opportunities; and
- The Internal Auditor reviews risks and internal controls on a regular basis and reports findings to the Finance and Audit Committee.

The system is designed to manage rather than to eliminate the risks faced by The Royal National Theatre and it must be recognised that such a system can provide only reasonable and not absolute assurance.

Principal Risk and Uncertainties

The Covid-19 pandemic was the most significant risk to have impacted The Royal National Theatre since its formation.

The Royal National Theatre responded quickly in response to this unprecedented challenge:

- We launched NT at Home in April 2020 - screening 16 past productions to view for free via You Tube. Following its success, we launched a paid for streaming service in December 2020.
- We switched our face-to-face Learning programmes to digital offerings, to support students/ young people and teachers.
- We converted the Olivier Theatre, our largest space, into an 'in-the-round' configuration to improve the financial viability of socially distanced performances and opened two productions to socially distanced audiences in the Olivier in late 2020.
- We converted the Lyttelton Theatre into a film studio, to produce an innovative form of theatre work devised for the camera. We produced and filmed Romeo and Juliette in 2020, that aired on Sky Arts in the UK on 4th April 2021 and on PBS in the USA on 23rd April 2021. The film was then shown in UK cinemas in September 2021. We then filmed Death of England: Face to Face in Spring 2021; this premiered on Sky Arts on 25th November 2021 following a limited cinema release in the UK.
- Employees who could carry out their roles from home worked remotely since the theatre first closed on 16 March 2020 through to September 2021; since when we introduced a hybrid work from home policy.
- Those staff who could not carry out their duties were put on furlough to maximise the benefit of the Government's Coronavirus Job Retention Scheme (CJRS). This continued through to the end of the CJRS in September 2021.
- A Financial Recovery Plan was established in 2020, including Government loan support of £19.7m as a result of sector wide lobbying, heavily supported by The Royal National Theatre's Executive, and the launch of a £40m Major Funding Campaign in Autumn 2020.
- We implemented policies and procedures, supported by risk assessments, extensive staff training and briefings, to provide a Covid-19 safe working environment for those staff and freelance teams who need to attend the building to support our operations and performances.

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The Royal National Theatre continues to monitor and take necessary actions to ensure that we come through this period with sufficient reserves to continue to operate on an on-going basis; whilst ensuring we are able to support the needs of our staff, freelancers, donors, audience and other beneficiaries, including in particular students/ young people and teachers, and the theatre sector.

The Royal National Theatre faces the following other principal risks and challenges as at December 2021:

Risk	Area of concern	Mitigation
Financial sustainability	Financial risk impacts The Royal National Theatre as follows: • Insufficient funding to invest adequately in the repertoire, and/or to support current activity levels and/or annual capital replacement requirements as a result of a fall to one or more of our revenue streams, which could be caused by reputational issues, an economic downturn or other political factors. • Our financial model is highly dependent on Arts Council funding, fundraising revenue and box office income; all of which are dependent to a large extent on maintaining high artistic standards, achieving our artistic ambitions and attracting close to capacity audiences for our productions. • The ongoing and longer-term impact of Covid-19 on the economy and the knock-on impact to our audiences, customers and other beneficiaries, and to our donors and corporate sponsors. As well as the repayment of the Government CRF Loan.	This risk is mitigated through a number of means including: • Our four-year business and financial planning process • Annual revenue and longer-term capital budgeting • Monthly management reporting against budget and KPIs • On-going evaluation of processes and expenditure • Our audience development and pricing strategy • Customer relationship management and fundraising strategies • Strong stakeholder relations • Review of the business model that has determined changes that include a new food and drink partnership with an external provider, launched in September 2021
Reputation	Our reputation can be impacted by: • Negative critical or audience response to the repertoire • Inability to invest adequately in the repertoire resulting in a drop in the quality of output • Departure of freelancers from the theatre sector because of Covid-19 and/or more lucrative TV & film	We aim to mitigate this risk by: • Maintaining high artistic standards • Our advocacy activity with Government, Mayor of London and ACE • Maintaining best practice in • health and safety • customer care • fundraising

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

STRATEGIC REPORT

	opportunities, resulting in a loss of skills in the sector / NT impacting the quality of output • Health and safety/safeguarding/security/major incident response planning failure • Failure of key customer facing business systems • A data protection breach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention All of which could impact one or more income streams and our ability to attract talent.	• safeguarding • HR policies & practices including staff training and expectation setting, particularly with regard to staff conduct, bullying & harassment. This includes a new Complaints Procedure. • Capital planning to ensure adequate investment in our key business systems
Artistic ambition	Presenting new writing on our two main stages can be challenging given: • The size and associated challenges of these theatres • Our reliance on strong box office • Our aim to grow our audience reach • Impact of Covid-19 on planning the repertoire as far ahead as we would normally do.	We aim to mitigate this risk through: • Seeking and developing talent • On-going development work within our New Work department • Effective customer relationship management and marketing • Adjusting the repertoire to a new post-Covid world
Attraction and retention of staff and artists	The risk that we will be unable to recruit and retain staff and artistic/production talent of the calibre required to support our standards of excellence and innovation in our work and/or our wide-ranging support and commercial operations, owing to: • The impact of Covid-19 and the limitations to government financial support on the freelance creative community. This is likely to result in a loss to the industry in respect of those who retrain or switch their careers to more lucrative film and TV work • Impact of the NTs 2020 redundancy programme on staff capacity once normal levels of activity can resume • Impact of redundancies, furloughing and remote working on staff once they return to work in the building • Insufficient or inadequate training pathways	This risk is mitigated through: • Continued government lobbying to better financially support the creative freelance community • A range of talent development initiatives • Creative and workforce diversity strategies • Fair pay • Internal communication, with increased staff communication and 1-1 engagement with line managers during the pandemic • Increased provision and awareness of mental health support available to staff following the pandemic • Introduction of a hybrid working policy enabling working from home

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STRATEGIC REPORT

	• Our financial ability to pay competitive fees and salaries • Theatre seen as an unstable sector to work in post-Covid	
Health, safety, security and major incident response planning	Risk arises from: • The inherent risks involved in theatre production and presentation (e.g. working at height, noise, manual handling), combined with • The challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London • The potential for a terrorist attack on London • Cyber and ransomware attacks • Safeguarding risks in our work on our stages, on tour and in our Learning Programmes	This risk is mitigated through: • A robust management structure for safety, safeguarding and security issues • Staff training and awareness raising • Investigation of near misses and incidents • Close liaison with, and advice from, counter terrorism police and other specialists • An updated Major Incident Response plan and communications protocol is being rolled out in 2022
Organisational capacity	There is a risk that we fail to support our growing organisational and artistic ambitions with: • Sufficiently robust support structures: ○ planning ○ risk management ○ decision making • Adequately trained and/or informed staff • Insufficient numbers of adequately experienced staff to deliver our ambitions – this risk has increased following the 2020 redundancy programme	This is mitigated through: • Our business planning processes • Staff communication • Training and development • Introduction of new tech to improve efficiencies • Reduction in the number of productions in the repertoire for 21/22 and 22/23

STRATEGIC REPORT

Financial Policies

Investment Policy

The policy is to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017-18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 28 March 2021, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank interest earned for the year was £0.02m (£0.01m in 2020).

Creditor Payment Policy

It is The Royal National Theatre's policy to pay creditors in accordance with terms of payment agreed at the start of business with each supplier.

Remuneration

The Royal National Theatre aims to pay salaries which are fair, competitive with the arts sector and proportionate to the complexity of each role. In determining the right level of pay The Royal National Theatre:

- Has a detailed job evaluation process.
- Ensures all staff are paid the London Living Wage as a minimum.
- Currently pays a dispersion ratio of approximate 1:3 between the highest salary and the median salary.

The Trustee Board is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive team, comprising the Director and Executive Director. The Executive is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Senior Management Team and reporting annually to the Board.

STRATEGIC REPORT

Financial Risk Management

The following statements summarise the Board's policy in managing identified forms of financial risk.

Price risk: Payments to employees or individuals represent a significant proportion (circa 61%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures. The Royal National Theatre's receives income from the Arts Council (c£17 million); this is expected to remain flat for the following year. The Royal National Theatre has freedom over its ticket pricing, and ticket income in a normal year represents c58% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

Credit risk: Risk on amounts owed to The Royal National Theatre by its customers is low as payment for ticket sales and operations through the trading subsidiary are mostly settled at point of purchase.

Liquidity risk: The Royal National Theatre operates cash flow management to ensure that sufficient levels of its unrestricted reserves are held in cash as operating capital on short term deposit. The Royal National Theatre also took out a 20 year loan during the year for £19.7m from the Government via its Cultural Recovery Fund to provide additional liquidity due to Covid-19. See Note 18 of the Financial Statements for further details. Given the maturity of the loan, the Group is in a position to meet its commitments and obligations as they fall due.

Interest rate cash flow risks: The Royal National Theatre places surplus funds on short-term deposit split between 3 major clearing banks and CCLA. Interest rates available on longer term deposits are kept under review but longer-term deposits will only be made for specific major project funds where the term of the deposit matches the anticipated cash flow requirement.

Property Interests

The Royal National Theatre has a lease of its building on the South Bank site from Arts Council England for a term expiring in March 2138. The building is Grade 2* listed. The freehold of the Old Vic Annexe (the NT Studio), The Cut, London SE1 is owned by The Royal National Theatre and this building was listed in March 2006.

See Note 11 of the Financial Statements for details of legal charges.

STRATEGIC REPORT

Subsidiaries and Related Undertakings

Details of the Group's subsidiaries and related undertakings included in Note 23 of the Financial Statements.

Going Concern

The Trustees must satisfy themselves as to The Royal National Theatre's ability to continue as a going concern for a minimum period of 12 months from the date of signing of the financial statements.

The Trustees have produced detailed, yet adaptable business plans that consider projected activity, the related financial budgets, cash flows and liquidity of the Group covering the period to March 2023.

The Royal National Theatre, as a National Portfolio Organisation, places significant reliance on Arts Council England (ACE) grant funding support, in order to balance income and expenditure on an annual basis. The Trustees have taken into account confirmed ACE funding until March 2022 at a level of circa £17m; and have assumed ACE support will continue until March 2023, the end of the current National Portfolio Organisation funding period, at a similar level.

The Trustees have reviewed possible options in their assessment of going concern by considering whether, in the face of several challenging, yet reasonably plausible, downside scenarios currently identified as a result of the impact of Covid-19 (sensitivity analysis), The Royal National Theatre has adequate resources to meet its obligations as they fall due; during and beyond the 12 months from the date of approval of the financial statements that is to, at least, March 2023.

These scenarios include, for example:

- A period of further Covid-restrictions, such as closures or lockdowns, during winter 2021/2022.
- Reduced audience and visitor numbers.
- A shortfall in the non-capital expenditure element of the Major Funding Campaign target.
- Sponsorship, donation and grant levels fall below stretching targets set in business plans.

The Trustees are actively planning the necessary mitigations to reduce the financial impact of these downside scenarios – maintaining a balance between supporting the activity that is crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

However, under the downside scenarios modelled, The Royal National Theatre projects to have sufficient liquidity through the period to March 2023, without implementing mitigating actions.

STRATEGIC REPORT

After consideration of the detailed, yet adaptable, business plans, financial budgets, cash flow modelling aligned to those plans and scenarios, and the overlaid sensitivity analysis, the Trustees consider that The Royal National Theatre (Company and Group) has adequate resources to continue in operational existence for the foreseeable future, being a minimum period of at least 12 months from the date when the financial statements are approved.

Further details of the above are set out in Note 3 to the Financial Statements.

Based on all of the above, the Board of Trustees are confident in The Royal National Theatre's ability to remain as a going concern and have, therefore, prepared the financial statements on a going concern basis of accounting.

Nevertheless, the Board of Trustees acknowledge that there is a level of uncertainty, which is likely to persist for some time, given the key assumptions and the financial modelling referred to above.

GOVERNANCE

Board Members as at March 2021

Sir Damon Buffini (Chair)
 Sabine Chalmers
 Louise Charlton
 Sir Lenny Henry
 Vikki Heywood CBE
 Simon Minty
 Vicki Mortimer
 Elizabeth Pryce
 Dame Karen Pierce
 Melanie Richards CBE
 Tim Score
 Farrah Storr (appointed 25 March 2021)
 Simon Warshaw

Executive

Rufus Norris, Director & Joint Chief Executive
 Lisa Burger, Executive Director & Joint Chief Executive

Senior Management Team

Alex Bayley, Chief Marketing Officer
 Ruth Bennett, Managing Director of NT Productions
 Alastair Coomer, Head of Casting
 Clint Dyer, Deputy Artistic Director
 Sarah Fellingham-Adkin, Director of Enterprises (resigned July 2021)
 Liz Fosbury, Chief Operating Officer
 Christine Gettins, Associate Producer
 Paul Handley, Head of Production
 Alice King-Farlow, Director of Learning
 Kathryn Marten, Chief Development Officer
 Angela McDermott, Director of Finance
 Emily McLaughlin, Head of New Work Department (resigned May 2021)
 Chris Murphy, Director of Development
 Tony Peers, Director of Human Resources (deceased May 2021)
 Matt Ripley, Acting Director of Enterprises (appointed July 2021)
 Rachel Saxon, Interim Director of Human Resources (appointed June 2021)
 Nina Steiger, Head of Play Development (appointed June 2021)
 Nicholas Triantafyllou, Director of Information & Technology
 Rachel Twigg, Head of Studio (appointed June 2021)

In attendance at Senior Management Meetings:

Rishi Coupland, Head of Data Intelligence (resigned May 2021)
 Lisa Jonas, Assistant Director of Governance and Risk Management
 Denise Rawls, Head of Communications

Further details are set out on pages 114 and 115 of this Annual Report.

GOVERNANCE

Governing Document

The Royal National Theatre is a company limited by guarantee (Company Number 749504) governed by its Memorandum and Articles of Association, which were last updated on 26 November 2012. It is a registered charity at the Charity Commission (charity number 224223).

Charitable Objects

The Royal National Theatre's charitable objects, as stated in its governing document, are: to promote and assist the advancement of education so far as such promotion and assistance shall be of a charitable nature and, in particular, so far as of a charitable nature, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The achievement of our aims as set out in the Strategic Report above enable us to fulfil our charitable objects and legal purpose.

Public Benefit

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, in the provision of lower price tickets for all performances. Geographical reach is achieved through touring and NT Live broadcasts to cinemas in the UK and overseas. The NT's Learning programme seeks to introduce children and young people to theatre and offers participation opportunities both on-site and across the country. Through a programme of talks, exhibitions, publishing and digital content The Royal National Theatre inspires and challenges audiences of all ages.

The Board

The Board is the non-executive and unpaid governing body of The Royal National Theatre. Board members are both directors of the company and charity trustees who, under company and charity law, are responsible for policy, administration and general control. The Board works with the Executive to ensure that The Royal National Theatre's remit is fulfilled, its work remains of the highest quality and it is managed efficiently and cost-effectively. The Board has responsibility for setting the remuneration of the Executive. The Board delegates to the Director the selection and staging of all productions and does not interfere in repertoire decisions.

Following onset of the Covid-19 pandemic in March 2020, Board meetings were held on a monthly basis until the Autumn when The Royal National Theatre's Recovery Plan had been agreed; in addition, the Board received weekly written status updates from the Executive during this period. The Board then met a further 4 times between September 2020 and March 2021 with the Executive and Chief Operating Officer present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

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GOVERNANCE

The Nominations Committee considers Board composition, skills, diversity and succession planning and addresses gaps with new Board appointments. The Board has taken active and effective measures over the past few years to increase the diversity of its composition

Trustee Induction and Training

New Trustees are briefed by the Executive on the activities of The Royal National Theatre and their obligations as Trustees, meet with the Senior Management Team to understand each area of its operations, and are given the opportunity to tour The Royal National Theatre and see its activities.

The EXECUTIVE

The Executive comprises the Director*, Rufus Norris and the Executive Director, Lisa Burger; both Joint Chief Executives. Together they are responsible to the Board for devising and delivering the artistic programme, policies and management of The Royal National Theatre to the strategy agreed with the Board. The Board appoints the Executive, both of whom report to the Board. The Board extended Rufus Norris' contract for a second five-year term in April 2020.

Associate Directors* and NT ASSOCIATES

Rufus Norris is supported in making repertoire decisions by The Royal National Theatre's Associate Directors.

**The term "Director" is a traditional title used at The Royal National Theatre. Neither the Director, the Associate Directors nor other members of the Executive, are directors under the Companies Act 2006, or Trustees under the Charities Act 2011.*

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 59. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years which is extended only in exceptional circumstances.

GOVERNANCE

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 114 and 115 of this Annual Report and details of the subsidiaries are set out in Note 23 of the Financial Statements.

Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met six times during the year and met the external, independent Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

The Nominations Committee is appointed by and from the Board and reviews the structure, size and composition of the Board and, in the light of that review, makes recommendations to the Board with regard to the appointment of new members and the re-appointment of any director and the Chair at the conclusion of his or her first term of office.

Development Board

The Development Board assists in fundraising for the National. Its members, who are co-opted onto the Development Board, represent the three fundraising sectors – Individuals, Trusts and Corporates. The full Development Board meets at least twice a year, and each sector group also meets at least twice a year. The Development Board reports regularly to The Royal National Theatre Board through its Chair, who is a member of the main Board.

Connected Charities

Details of Connected Charities are set out in Note 22 of the Financial Statements.

GOVERNANCE

EXECUTIVE MANAGEMENT AT THE ROYAL NATIONAL THEATRE

The review of activities shows that The Royal National Theatre has many facets. The Director and Executive Director (and joint Chief Executives) hold the overall responsibility for the day to day management of The Royal National Theatre with the assistance of a Senior Management Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer who reports to the Executive Director. In addition to a fortnightly meeting of the Senior Management Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis. The key decision-making groups include Producing, Planning, Capital Projects, The Royal National Theatre Productions, Enterprises, Health and Safety, and IT Strategy and Steering groups.

Communication is key and The Royal National Theatre aims to engage all its employees and others working at The Royal National Theatre in its activities and achievements. All staff are invited to a weekly company meeting led by Rufus Norris and Lisa Burger and information from these meetings and other new developments and policies are available on The Royal National Theatre's intranet. In addition, staff briefings, led by the Executive, are held six times a year to brief staff in more detail on various aspects of policy and programming and to provide a forum for discussion.

The Royal National Theatre has a five year diversity plan for the period 2017-2022. All staff are required to cooperate with The Royal National Theatre's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why The Royal National Theatre's workforce is not better representative of the population of London; what barriers if any there might be and what measures might be taken to improve diversity.

The Royal National Theatre's disability policy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for, employees who have become disabled persons while employed; and (c) ensuring the same training, career development and progression opportunities are available to all staff regardless of any disability.

The Health and Safety team is closely involved in the key risk areas of the organisation and advises and assists with health and safety aspects of productions, special events, accident investigations and training.

Trustees' Transactions

The Trustees are not remunerated for their work as Trustees of The Royal National Theatre. From time to time, members of the Trustee Board or persons connected with them enter into transactions with The Royal National Theatre in the normal course of business of both parties. Such transactions are conducted on an arm's length basis, on normal commercial terms, and are in accordance with the specific provisions of clause 5 of the Memorandum of Association. It is the Board's policy that they should be disclosed to and approved by the Board and disclosed in the Financial Statements.

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GOVERNANCE

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Royal National Theatre for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GOVERNANCE

Statement on disclosure of information to the auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' Indemnities

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Royal National Theatre also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Auditors

PricewaterhouseCoopers LLP will continue in office as auditors of The Royal National Theatre for the next financial year.

The Trustees' Report, including the Strategic Report, set out on pages 2 to 64, was approved by the Board of Trustees, authorised for issue and signed on its behalf by

A handwritten signature in black ink, appearing to read 'D. M. Buffini'.

Sir Damon Buffini
Chair

21 December 2021

Company registration number 749504.
Registered charity number 224223.

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AUDITORS' REPORT

Independent auditors' report to the members of The Royal National Theatre

Report on the audit of the financial statements

Opinion

In our opinion, The Royal National Theatre's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 28 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 52-week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheets (group and company) as at 28 March 2021; the group statement of financial activities (including an income and expenditure account) and the group cash flow statement for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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AUDITORS' REPORT

Conclusions relating to going concern

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's and the company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

AUDITORS' REPORT

In addition, in light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 company'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 and company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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. 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.

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.

Based on our understanding of the group and the company and the environment in which they operate, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated the incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) by the trustees, management and those responsible for, or involved in, the preparation of the underlying accounting records

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AUDITORS' REPORT

and financial statements, and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journals entries where we identified particular fraud risk criteria.
- Obtaining confirmations of investments and cash balances at the period end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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 or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

AUDITORS' REPORT

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 21 December 2021

GROUP STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account) for the year ended 28 March 2021

		52 weeks ended 28 March 2021					52 weeks ended 29 March 2020				
		Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
		Operations	Designated	Projects	Long Term		Operations	Designated	Projects	Long Term	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:	Note(s)										
Donations & legacies	5(a)/(b)	27.8	-	7.7	1.5	37.0	24.4	-	6.0	0.5	30.9
Charitable activities	5(c)	3.8	-	-	-	3.8	55.4	-	-	-	55.4
Coronavirus Job Retention Scheme	5(c)	11.8	-	-	-	11.8	0.5	-	-	-	0.5
Other trading activities	5(d)	3.7	-	-	-	3.7	20.1	-	-	-	20.1
TOTAL Income & Endowments	19	47.1	-	7.7	1.5	56.3	100.4	-	6.0	0.5	106.9
Expenditure on:											
Raising donations & legacies		(1.5)	-	-	-	(1.5)	(2.4)	-	-	-	(2.4)
Charitable activities	6 (a)	(34.5)	(3.3)	(5.1)	(3.8)	(46.7)	(78.2)	(4.7)	(5.9)	(4.4)	(93.2)
Other trading activities	6 (b)	(3.4)	-	-	-	(3.4)	(19.2)	-	-	-	(19.2)
TOTAL Expenditure	19	(39.4)	(3.3)	(5.1)	(3.8)	(51.6)	(99.8)	(4.7)	(5.9)	(4.4)	(114.8)
Net Income / (Expenditure)		7.7	(3.3)	2.6	(2.3)	4.7	0.6	(4.7)	0.1	(3.9)	(7.9)
Transfers between Group Funds	19	(1.1)	1.1	-	-	-	(3.4)	3.4	-	-	-
Net Movement in Group Funds		6.6	(2.2)	2.6	(2.3)	4.7	(2.8)	(1.3)	0.1	(3.9)	(7.9)
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	9.4	23.7	0.3	48.9	82.3	12.2	25.0	0.2	52.8	90.2
TOTAL Group Funds carried forward	20/21	16.0	21.5	2.9	46.6	87.0	9.4	23.7	0.3	48.9	82.3

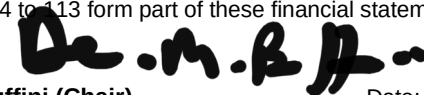
All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 74 to 113 form part of these financial statements.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

BALANCE SHEETS (Group & Company) – as at 28 March 2021

	Note(s)	As at 28 March 2021		As at 29 March 2020	
		Group £m	Company £m	Group £m	Company £m
Tangible assets	11	56.4	55.1	62.0	60.2
Investments	12	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		56.6	55.3	62.2	60.4
Current assets:					
Stocks	13	0.4	0.1	0.5	0.1
Cost of productions not yet opened	14	0.8	0.6	0.5	0.4
Debtors	15	17.8	16.0	14.9	13.7
Investments	16	12.5	12.5	10.2	10.2
Cash in bank and in hand	16	33.8	32.4	11.7	10.1
TOTAL Current Assets		65.3	61.6	37.8	34.5
Current Liabilities:					
Creditors: amounts falling due within one year	17	(15.2)	(11.6)	(17.7)	(14.5)
TOTAL Net Current Asset		50.1	50.0	20.1	20.0
Non- current liabilities:					
Creditors: amounts falling due after more than one year	18	(19.7)	(19.7)	-	-
TOTAL Net Assets		87.0	85.6	82.3	80.4
The Funds of the Group and Company:					
Operations Funds	19/20	16.0	14.7	9.4	7.6
Designated Funds	19/20	21.5	21.5	23.7	23.7
Restricted Funds	19/20	49.5	49.4	49.2	49.1
TOTAL Group and Company Funds	19/20	87.0	85.6	82.3	80.4

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net income for the Company for the year was £5.2m (2020: net expenditure £7.7m). The Notes on pages 74 to 113 form part of these financial statements. The financial statements on pages 70 to 113 were approved by the Board of Trustees and signed on its behalf by:



Sir Damon Buffini (Chair)

Date: 21 December 2021

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

GROUP CASH FLOW STATEMENT – for the year ended 28 March 2021

	Note(s)	52 weeks ended 28 March 2021 £m	52 weeks ended 29 March 2020 £m
Net cash provided by / (used in) operating activities	(i)*	7.2	(0.8)
Cash flows from investing activities:			
Purchase of property, plant and equipment	11	(2.5)	(4.0)
Increase in current asset investments	16	(2.3)	(0.1)
Net cash used in investing activities		(4.8)	(4.1)
Cash flows from financing activities			
Concessionary loan	18	19.7	-
Net cash provided by financing activities		19.7	-
Increase / (decrease) in cash and cash equivalents in the reporting period		22.1	(4.9)
Cash and cash equivalents at the beginning of the reporting period	(ii)*	11.7	16.6
Cash and cash equivalents at the end of the reporting period	(ii)*	33.8	11.7

*See next page.

The Notes on pages 74 to 113 form part of these financial statements.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

GROUP CASH FLOW STATEMENT – for the year ended 28 March 2021

	Note(s)	52 weeks ended 28 March 2021 £m	52 weeks ended 29 March 2020 £m
(i) Reconciliation of net income (expenditure) to net cash flows from operating activities			
Net income (expenditure) for the reporting period (as per the Statement of Financial Activities)		4.7	(7.9)
Depreciation	11	7.1	7.9
Loss on disposal of fixed asset	11	1.0	0.1
Working capital movements:			
Decrease in stocks	13	0.1	0.1
(Increase)/decrease in work in progress	14	(0.3)	0.5
Increase in debtors	15	(2.9)	(1.9)
(Decrease)/increase in creditors	17	(2.5)	0.4
Net cash provided by / (used in) operating activities		7.2	(0.8)
(ii) Analysis of cash and cash equivalents			
		£m	£m
Cash at bank and in hand	16	33.8	11.7
TOTAL cash and cash equivalents	16	33.8	11.7

The Group's net debt is a net credit of £14.1m (2020: £11.7m) comprising the Group's cash and cash equivalents of £33.8m (2020: £11.7m) (note 16) less the concessionary loan of £19.7m (2020: £nil) (note 18). The movement in the period was solely due to the cash flows of the entity as shown in the Group Cash Flow Statement and so no separate reconciliation of net debt is presented.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on pages 6 and 7.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of “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” (the “Charities SORP”).

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

B. GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have considered the Group’s projected activities, financial budgets, cash flows and liquidity for a period to March 2023, which is a period of at least 12 months from the date of approval of the financial statements.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

Based on the Group's cash flow projections, the Trustees have adopted the going concern basis of accounting in preparing these financial statements.

IMPACT OF COVID-19

The Covid-19 global pandemic became a matter of concern for Trustees and Executive Management from early 2020 and plans were made to respond to any potential short-term closures which may arise. The NT continued to operate as normal during the period to mid-March 2020.

On 16 March 2020, the UK Government issued an emergency statement to the general public, telling them to avoid assembly in public places, including theatres. That evening the National's theatres fully closed. By the end of the week, the Government's advice became a general closure order.

Due to the impact of varying national and regional lockdowns and social distancing measures since March 2020, the National has remained substantially closed to the public, albeit that the theatres opened with only very limited performances in October and December 2020, prior to a further national lockdown imposed in early 2021. The National has been able to gradually re-commence operations since April 2021.

TRUSTEES' ACTIONS

The following actions, amongst others, have been taken by the Trustees, to date:

- All advance ticket holders in March 2020 were contacted to offer them the chance to receive a refund or convert their ticket to a credit voucher for a future performance, or to make a partial or whole donation to the National to assist in ensuring the future of the Group.
- The Trustees reclassified certain unrestricted fund designations into general reserves in order to ensure the long-term viability of the organisation.
- The Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS), amongst other Government financial-support initiatives, which permitted a large number of Staff to be furloughed whose roles were dependent on the theatres being open, initially with 80% of their salaries payable and covered by Government grant. CJRS continued through to September 2021, but with differing levels of Government contributions.
- Staff pay cuts were implemented across the Group during the year ended 28 March 2021; and support costs were reduced, and service contracts were renegotiated.
- A significant redundancy programme was completed in October 2020, with permanent contracted staff numbers reduced by circa 23%.
- The implementation of an on-going restructuring programme, in order to seek to reduce the overall annual costs of the Group.
- In December 2020, the Group successfully secured repayable Government loan finance, via the Cultural Recovery Fund, of £19.7m to support the National's funding shortfall across the period 2020 to 2022 (see note 18).
- In late 2020, the Group launched a Major Funding Campaign, seeking circa £40m to cover the funding gap across 2020 to 2022 and support the National's long term survival, net of the self-help measures and Government loan support noted above. Such income sought to be derived from corporates, trusts, and individual giving, as well as The Royal National Theatre Foundation.

BUSINESS PLANS

In order to assess, for example, the use of the going concern assumption, the Trustees have produced detailed, yet adaptable, business plans that consider projected activity, the related financial budgets, cash flows and liquidity of the Group covering the period to March 2023.

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- There are no further impositions of closures or lockdowns or social distancing measures that would affect the Group and its theatres.
- Audience and visitor numbers return, but box-office and related income is lower than in previous years as a result of reduced demand.
- West End commercial productions and Touring is at a lower level than in previous years.
- The non-capital expenditure element of the Major Funding Campaign referred to above is achieved.
- Arts Council England (ACE) annual grant funding continues at the same levels beyond March 2022.
- The ability to continue to attract sponsorship and obtain donations is retained, but at lower level than in previous years; alongside the support of The Royal National Theatre Foundation.
- Full management of the Group's fixed and variable cost structure, continued staff cost and efficiency savings, the growth of new digital income streams, and growth in trading net income are all achieved.

SENSITIVITY ANALYSIS

The Trustees have considered the impact on projected activities, budgets, and cash flows of several challenging, yet reasonably plausible, downside scenarios (sensitivity analysis) such that the key assumptions are not met, or able to be met, in whole or in part.

These includes, for example:

- A period of further Covid-restrictions, such as closures or lockdowns, during winter 2021/2022.
- Reduced audience and visitor numbers.
- A shortfall in the non-capital expenditure element of the Major Funding Campaign target.
- Sponsorship, donation and grant levels fall below stretching targets set in business plans.

The Trustees have also sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2023.

Under these scenarios, the Group projects to have sufficient liquidity through the period to March 2023, without needing to implement mitigating actions identified.

CONCLUSIONS

Having assessed the combination of all these various options, the Trustee Board, however, has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of these financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company and the Group were unable to continue as a going concern.

C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Company has taken advantage of the disclosure exemptions from preparing a statement of cash flows and reconciliation of net debt, on the basis that it is a qualifying entity.

D. BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The Royal National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 24). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions and balances outstanding between the entities are eliminated on consolidation.

E. FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the period have been translated at the prevailing rate of exchange at the date of the transaction. Non-monetary assets are recorded at the prevailing rate of exchange at the date of the original transaction. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date.

Foreign exchange differences incurred in respect of overseas activities are recorded in the Statement of Financial Activities within the activity which the income and expenditure relates in the period in which they are incurred.

The functional currency of the Company and its UK based subsidiaries is pounds sterling, and the functional currency of its US subsidiaries, National Theatre North America LLC, Curious Incident Broadway LP, Curious Incident National Tour LP, The Great Work Begins LP and Three Brothers Broadway LLC is US dollars. The presentational currency of the Group is pounds sterling.

The income and expenditure of foreign subsidiaries consolidated within the Group financial statements are translated from their functional currency to the presentational currency at the average rate of exchange for the period. The balance sheet of each foreign subsidiary is translated to the presentational currency at the prevailing rate of exchange at the balance sheet date. Any exchange gains or losses are accounted for within other comprehensive income within the Group Statement of Financial Activities.

F. FUND ACCOUNTING

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes.

Restricted funds may only be used in accordance with the specific wishes of donors.

An expendable endowment fund is held in long term restricted funds. Under the terms of donation this will be converted at the trustees' discretion into expendable income at the end of the 20-year term (December 2028).

G. INCOME & ENDOWMENTS

All income and endowments are included in the Statement of Financial Activities when the Group has legal entitlement, there is reasonable probability over receipt and the amount of income can be quantified with reasonable accuracy.

DONATIONS & LEGACIES

Donations and legacies comprise all income from sponsorships, donations, legacies, grants, and membership subscriptions. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – Royal National Theatre Foundation and American Associates of the National Theatre - is recognised at the point at which the amount receivable is known.

Where donor-imposed conditions, such as grant terms, require that funds are expended in a future period or that the Group is entitled to funds only once specific conditions are met, then amounts are recorded as deferred at the balance sheet date. Income is then recognised once conditions have been met, income is recorded as deferred income at the balance sheet date.

Sponsorship income represents income received from commercial organisations in support of specific activities or projects. Income is recognised at the point where the goods/services in relation to the activities or projects are delivered.

Income from individual membership schemes eligible for Gift Aid is recognised in full on receipt. Corporate and Individual Membership income is apportioned over the year of the subscription and the element relating to a future year is recorded as deferred income at the balance sheet date.

Gift Aid is included in the financial statements based on amounts recoverable at the balance sheet date.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

Goods and services received in kind, where significant (>£10k) are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the Group at the time of receipt.

Arts Council England's revenue grant is recognised in the period to which the funding relates. All other grant income from Arts Council England is recognised in line with expenditure of the project funded.

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

- income from performances at The Royal National Theatre;
- income from touring activities (UK and International) under the management of the Group (excluding grant income); and
- ticket sales for productions which have transferred to the West End under direct The Royal National Theatre management.

All other income:

- income from NT Learning performances, NT Live ticket income, NT at Home subscriptions, events and workshops; and
- sundry income.

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. NT At Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

Other sundry income is recognised on a receivable basis.

GOVERNMENT CORONAVIRUS JOB RETENTION SCHEME

The income from the scheme is accounted for gross under charitable activity income as a separate line and is not netted against expenditure. It is accounted for as unrestricted funds as the funds are not received with restriction as to the charitable purposes for which they can be spent. As the scheme is designed to compensate for staff costs, the amounts received are recognised in the Statement of Financial Activities over the same period as the costs to which they relate.

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities; and

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

- royalty and profit share income generated by other NT subsidiaries from the commercial exploitation of The Royal National Theatre's productions.

Income is recognised on a receivable basis.

H. EXPENDITURE

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities.

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing sponsorship, donations and grants including the costs of providing membership benefits.

CHARITABLE ACTIVITIES

Expenditure which relates directly to the Group's charitable objectives are analysed between:

- performances at The Royal National Theatre or elsewhere under direct management of the Group;
- performances on tour (UK and International);
- NT Live (streaming and broadcasting of The Royal National Theatre performances) and Digital;
- NT Learning (education and participation work) and Public Engagement (including Archive, NT Live, Inside Out, Platforms, Foyer Music); and
- research and development (including the NT Studio and commissioning costs).

Support costs relating to a single activity are allocated directly to that activity. Where support costs relate to several activities, they have been apportioned as set out in Note 6(c). Staff canteen costs are shown net of contributions.

OTHER TRADING ACTIVITIES

Expenditure which forms part of the Group's trading activities and commercial exploitations are separately disclosed as Other Trading Activities.

I. LEASE OF THE NATIONAL

The Royal National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The Royal National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The Royal National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 19).

J. FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £2,000 are capitalised.

Depreciation is provided on a straight line basis to write off the cost of assets, less estimated residual values, over their anticipated useful economic lives and is charged to the relevant fund as follows:

Freehold land & buildings	50 years (excluding land, which is not depreciated)
Leasehold improvements	5 years, 10 years and 20 years
Equipment	3 years, 5 years and 10 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When considering the existence of impairment indicators, The Royal National Theatre considers, amongst other things, the ability of assets to assist in the delivery of The Royal National Theatre's future activities.

Assets within work in progress are not depreciated until they are brought into use.

Assets are derecognised when they are disposed of or when no future economic benefits are expected from their use or disposal.

K. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

L. STOCKS

Stocks, principally held by The Royal National Theatre's trading subsidiary (RNTE), comprise of catering, bookshop and programme supplies for resale. Other stocks comprise consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the latest purchase price for catering, bookshop and programme stock, and on actual cost for production stock. Where it is identified that stocks will not be sold as a result of a prolonged closure, then the stocks are considered to have nil value. All impairment losses are recognised within the Statement of Financial Activities.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Statement of Financial Activities. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Statement of Financial Activities.

M. COSTS OF PRODUCTIONS NOT YET OPENED

The cost of materials for new productions and associated creative team fees are carried forward on the balance sheet until they are expensed on the date of the press night performance or circumstances lead to the production being cancelled in which case the amounts recognised are impaired to nil. Internal labour and rehearsal costs are expensed as incurred.

N. CASH AND CURRENT ASSET INVESTMENTS

Cash and current asset investments include cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities. Deposits with original maturities of 3 months or more, or require a similar level of notice before withdrawal, are classified as current asset investments.

O. PROVISIONS

Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

P. OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Q. FINANCIAL INSTRUMENTS

The Group's financial instruments are basic financial instruments as defined by section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the Group.

The carrying values of financial assets are reviewed for objective evidence of impairment at the end of each financial period. Where an impairment loss has been identified, the loss is immediately recognised within the Statement of Financial Activities.

Financial instruments are derecognised when the contractual obligation is discharged, settled, cancelled or expired.

During the year, the Group entered into a public benefit entity concessionary loan arrangement. The Group have elected to apply the accounting treatment set out under Section 34 under FRS 102. As a result, the loan has been initially measured and recognised in the balance sheet at the amount of the loan principle amount received. Subsequently, the Group will adjust the carrying amount of the loan in each accounting period to reflect to reflect repayments and accrue for interest payable.

R. PENSIONS

The Group offers a stakeholder defined contribution pension scheme to its employees and also contributes to defined contribution schemes for certain of its employees. These costs are expensed in the Statement of Financial Activities as they become payable.

S. TAXATION

The Royal National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the assets. The Royal National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Royal National Theatre Enterprises Limited and National Theatre Productions Limited pay their taxable profits to the Company, through a Deed of Covenant, under Gift Aid.

National Theatre North America LLC pays a profit distribution to the Company. The Company has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

The Group receives creative industry tax credits from HMRC. These are shown as reductions to expenditure within the Statement of Financial Activities.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A. CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Other than the judgment in relation to Going Concern, discussed in Note 3, the key judgment made in preparing the financial statements is discussed below.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 24). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following:

- Curious Incident Broadway LP – Through National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Curious Incident National Tour LP / The Great Work Begins LP / Three Brothers Broadway LLC – Through National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is sole general partner of both partnerships and each partnership's limited partners, who provided funding to finance the partnership initially, have no decision making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LPs/LLC, and so their results are consolidated in these financial statements.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are limited estimates in which a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

5. INCOME & ENDOWMENTS (GROUP)**a) Donations & Legacies – Analysis by Fund Type**

	Year ended 28 March 2021					Year ended 29 March 2020				
	Unrestricted Funds Operations £m	Designated £m	Restricted Funds Projects £m	Long Term £m	Total £m	Unrestricted Funds Operations £m	Designated £m	Restricted Funds Projects £m	Long Term £m	Total £m
Arts Council England (ACE):										
Revenue Grant	17.0	-	-	-	17.0	16.7	-	-	-	16.7
Capital and Other Grants	-	-	-	-	-	-	-	0.6	-	0.6
TOTAL ACE	17.0	-	-	-	17.0	16.7	-	0.6	-	17.3
Other:										
Performances	-	-	2.2	-	2.2	-	-	0.9	-	0.9
NT Live & Digital	-	-	0.7	-	0.7	-	-	0.8	-	0.8
NT Learning & Public Engagement	-	-	2.7	-	2.7	-	-	1.4	-	1.4
NT Studio, Research & Development	-	-	0.3	-	0.3	-	-	0.5	-	0.5
NT Touring	-	-	-	-	-	-	-	0.8	-	0.8
Long Term Projects	-	-	-	1.5	1.5	-	-	-	0.5	0.5
Other Income	-	-	1.8	-	1.8	-	-	1.0	-	1.0
Donations supporting General Activity	10.8	-	-	-	10.8	7.7	-	-	-	7.7
TOTAL Other	10.8	-	7.7	1.5	20.0	7.7	-	5.4	0.5	13.6
TOTAL Donations & Legacies	27.8	-	7.7	1.5	37.0	24.4	-	6.0	0.5	30.9

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

5. INCOME & ENDOWMENTS (GROUP)**b) Donations & Legacies – Analysis by Income Type**

	Year ended 28 March 2021				Year ended 29 March 2020			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):	-	-	17.0	17.0	-	-	17.3	17.3
Other:								
Performances	-	0.5	1.7	2.2	0.1	0.6	0.2	0.9
NT Live & Digital	0.3	0.1	0.3	0.7	0.6	0.2	-	0.8
NT Learning & Public Engagement	0.1	0.8	1.8	2.7	0.2	0.8	0.4	1.4
NT Studio, Research & Development	-	0.1	0.2	0.3	0.1	0.1	0.3	0.5
NT Touring	-	-	-	-	0.1	-	0.7	0.8
Long Term Projects	-	0.4	1.1	1.5	-	0.5	-	0.5
Other Income	0.1	-	1.7	1.8	0.3	-	0.7	1.0
Donations supporting General Activity	0.1	10.7	-	10.8	1.5	6.2	-	7.7
TOTAL Other	0.6	12.6	6.8	20.0	2.9	8.4	2.3	13.6
TOTAL Donations & Legacies	0.6	12.6	23.8	37.0	2.9	8.4	19.6	30.9

Recognised within donations and legacies are Gifts in Kind of £0.0m during the year (2020: £1.1m).

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

5. INCOME & ENDOWMENTS (GROUP)**c) Income from Charitable Activities**

	2021 Total £m	2020 Total £m
Performances:		
National Theatre	0.8	23.1
West End Commercial Transfers	-	9.2
UK Touring	-	4.1
International Touring	-	9.2
TOTAL Performances	0.8	45.6
Other Activities:		
NT Live & Digital	2.6	9.0
NT Learning & Public Engagement	0.4	0.8
TOTAL Other Activities	3.0	9.8
SUBTOTAL Income from Charitable Activities	3.8	55.4
Coronavirus Job Retention Scheme	11.8	0.5
TOTAL Income from Charitable Activities	15.6	55.9

Touring income includes co-production and touring fees where appropriate. International Touring income principally comprises Australasia, Asia, Europe and USA.

The Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS) which permitted a large number of staff to be furloughed whose roles were dependent on the theatres being open.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

5. INCOME & ENDOWMENTS (GROUP)**d) Income from Other Trading Activities**

	2021 Total £m	2020 Total £m
Catering & Hospitality	-	9.8
Retail & Prop and Costume Hires	0.2	2.6
Car Park	0.3	0.7
Tours & Events	-	0.2
Rights, Royalties & Exploitations	2.1	6.1
Sponsorship Income	1.1	0.6
Advertising	-	0.1
TOTAL Income from Trading Activities	3.7	20.1

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

6. EXPENDITURE (GROUP)**a) Expenditure on Charitable Activities**

	Year ended 28 March 2021						Year ended 29 March 2020					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Performances:												
National Theatre	12.7	13.7	-	2.1	-	28.5	27.2	9.2	-	0.9	-	37.3
West End Commercial Transfers	0.1	0.1	-	-	-	0.2	9.2	1.5	-	-	-	10.7
UK Touring	-	-	-	-	-	-	3.7	0.6	0.5	1.3	-	6.1
International Touring	0.3	0.2	-	0.1	-	0.6	11.2	1.9	-	-	-	13.1
TOTAL Performances	13.1	14.0	-	2.2	-	29.3	51.3	13.2	0.5	2.2	-	67.2
Other Activities:												
NT Live & Digital	1.6	2.1	-	0.7	-	4.4	7.3	2.5	0.2	0.8	-	10.8
NT Learning & Public Engagement	0.1	1.4	-	1.5	-	3.0	1.9	0.7	-	1.4	-	4.0
NT Major Projects	-	-	-	-	-	-	-	-	0.4	-	-	0.4
Research & Development	0.9	1.3	-	0.4	-	2.6	1.0	0.3	0.1	0.5	-	1.9
Other Expenses	-	-	-	0.3	-	0.3	-	-	-	1.0	-	1.0
TOTAL Other Activities	2.6	4.8	-	2.9	-	10.3	10.2	3.5	0.7	3.7	-	18.1
Other:												
Depreciation	-	-	3.3	-	3.8	7.1	-	-	3.5	-	4.4	7.9
TOTAL Other	-	-	3.3	-	3.8	7.1	-	-	3.5	-	4.4	7.9
TOTAL Expenditure on Charitable Activities	15.7	18.8	3.3	5.1	3.8	46.7	61.5	16.7	4.7	5.9	4.4	93.2

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

6. EXPENDITURE (GROUP)**b) Expenditure on Other Trading Activities**

	2021 Total £m	2020 Total £m
Catering & Hospitality	0.9	8.6
Retail & Prop and Costume Hires	0.2	2.0
Car Park	-	0.2
Tours & Events	0.1	1.1
Rights, Royalties & Exploitations	2.2	5.1
Sponsorship Income	-	0.1
Support Costs	-	2.1
TOTAL Expenditure on Trading Activities	3.4	19.2

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

6. EXPENDITURE (GROUP)**c) Analysis of Support Costs**

	Year ended 28 March 2021				Year ended 29 March 2020			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.2	0.2	-	-	0.3	0.3
Charitable Activities:								
Performances:								
National Theatre	1.5	4.1	8.1	13.7	1.8	4.7	2.7	9.2
West End Commercial Transfers	-	-	0.1	0.1	0.6	-	0.9	1.5
UK Touring	-	-	-	-	0.2	-	0.4	0.6
International Touring	-	-	0.2	0.2	0.7	-	1.2	1.9
Other Activities:								
NT Live & Digital	0.2	0.6	1.3	2.1	0.5	1.3	0.7	2.5
NT Learning & Public Engagement	0.2	0.4	0.8	1.4	0.1	0.3	0.3	0.7
Research & Development	0.1	0.4	0.8	1.3	0.1	0.2	-	0.3
TOTAL Charitable Activities	2.0	5.5	11.3	18.8	4.0	6.5	6.2	16.7
Other Trading Activities	-	-	-	-	-	1.2	0.9	2.1
TOTAL Support Costs	2.0	5.5	11.5	19.0	4.0	7.7	7.4	19.1

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen.

Support costs are allocated to the key activity areas driving supports costs as above based on their proportionate costs to overall direct costs.

* Governance costs for the year were £0.1m (2020: £0.1m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £122k (of which £89k related to 2021 audit work and £33k related to 2020) (2020: total £68k). Fees for tax compliance services of £7k (2020: £7k) due to PricewaterhouseCoopers LLP.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Wages and salaries	24.9	24.9	45.3	44.7
Redundancy costs	3.1	3.1	-	-
Social security costs	2.4	2.4	3.4	3.4
Other pension costs	1.1	1.1	1.6	1.5
	31.5	31.5	50.3	49.6

Average monthly full time equivalents employed in the year: *

	Group 2021 Number	Company 2021 Number	Group 2020 Number	Company 2020 Number
Artistic	81	81	252	249
Technical and production	307	307	392	389
Trading and front of house	162	162	305	305
Education, touring, New Work dept and other projects	46	46	50	50
Marketing and box office	49	49	60	60
Support services	62	62	74	74
Engineering	22	22	24	24
Fundraising	30	30	31	31
	759	759	1,188	1,182

* All staff excluding actors and staff of the Broadway Production of Lehman Trilogy (2020 only; no Broadway productions in 2021) are employed by The Royal National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (CON'T)

The number of employees with emoluments greater than £60,000 was as follows:

	2021	2020
	Number	Number
£60,000 - £70,000	10	19
£70,001 - £80,000	9	7
£80,001 - £90,000	15	5
£90,001 - £100,000	-	2
£100,001 - £110,000	3	1
£110,001 - £120,000	4	1
£120,001 - £130,000	1	1
£130,001 - £140,000	2	1
£170,001 - £180,000	-	2
	44	39

Pension contributions of £0.2m (2020: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.5m (2020: £1.8m), comprising of the Executive (being the Director and Executive Director) and the Senior Management Team which is 15 (2020:15) members of staff. The number of Staff receiving emoluments greater than £60,000 in 2021 increased by 5 (2021 44 vs 2020 39); however, this directly related to a number of long term employees made redundant through the redundancy programme.

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment (2020: nil) were incurred while on Company's business and were reimbursed during the year. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 28 March 2021 was £13k (2020: £56k). The Company's governing documents permit such a payment to Trustees and was approved by the Board.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.1m (2020: £1.5m) with £0.1m (2020: £0.1m) payable at the balance sheet date. The Group charge for the year was £1.1m (2020: £1.6m) with £0.1m (2020: £0.1m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in the US subsidiaries and National Theatre Staging Limited, disclosed in Notes 19 and 24.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £0.8m (2020: £4.5m).

National Theatre North America LLC pays a profit distribution to The Royal National Theatre. The Royal National Theatre has received dispensations in the US to be treated as a charity and, as such, there is no corporation tax charge on the distribution.

11. TANGIBLE ASSETS (GROUP)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 30 March 2020	6.6	59.9	38.7	0.5	10.3	3.6	48.5	0.1	1.2	169.4
Additions	-	-	-	-	-	-	-	-	2.5	2.5
Disposals	-	-	(0.6)	-	-	-	(0.3)	-	(0.4)	(1.3)
Transfers from work in progress	-	-	0.5	-	0.4	0.2	0.1	-	(1.2)	-
As at 28 March 2021	6.6	59.9	38.6	0.5	10.7	3.8	48.3	0.1	2.1	170.6
Accumulated Depreciation										
As at 30 March 2020	1.5	17.5	35.3	0.3	5.2	2.7	44.9	-	-	107.4
Charge for period	0.1	3.0	0.7	0.1	1.0	0.2	2.0	-	-	7.1
Disposals	-	-	(0.3)	-	-	-	-	-	-	(0.3)
As at 28 March 2021	1.6	20.5	35.7	0.4	6.2	2.9	46.9	-	-	114.2
Net book value										
As at 28 March 2021	5.0	39.4	2.9	0.1	4.5	0.9	1.4	0.1	2.1	56.4
As at 29 March 2020	5.1	42.4	3.4	0.2	5.1	0.9	3.6	0.1	1.2	62.0

Freehold land and buildings include NT Studio land at a cost of £0.7m (2020: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2020: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

Fixed and floating charges over The Royal National Theatre's leasehold registered offices at Upper Ground, London SE1 9PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge is in the process of being released.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

11. TANGIBLE ASSETS (COMPANY)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 30 March 2020	6.6	59.9	38.7	0.5	7.7	3.1	47.1	0.1	1.2	164.9
Additions	-	-	-	-	-	-	-	-	2.5	2.5
Disposals	-	-	(0.6)	-	-	-	(0.3)	-	(0.4)	(1.3)
Transfers from work in progress	-	-	0.5	-	0.4	0.2	0.1	-	(1.2)	-
As at 28 March 2021	6.6	59.9	38.6	0.5	8.1	3.3	46.9	0.1	2.1	166.1
Accumulated Depreciation										
As at 30 March 2020	1.5	17.5	35.3	0.3	4.1	2.4	43.6	-	-	104.7
Charge for period	0.1	3.0	0.7	0.1	0.7	0.1	2.0	-	-	6.7
Disposals	-	-	(0.3)	-	-	-	(0.1)	-	-	(0.4)
As at 28 March 2021	1.6	20.5	35.7	0.4	4.8	2.5	45.5	-	-	111.0
Net book value										
As at 28 March 2021	5.0	39.4	2.9	0.1	3.3	0.8	1.4	0.1	2.1	55.1
As at 29 March 2020	5.1	42.4	3.4	0.2	3.6	0.7	3.5	0.1	1.2	60.2

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

12. INVESTMENTS

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	0.2	0.2	0.2	0.2

In 2008, the Company invested £200,000 into a 20-year gilt in accordance with the terms of a donation received from a long-term benefactor. At the end of the 20-year term, the capital sum (£166,000) will become available for use by the Company. Interest on the gilt accrues to the Company on a received basis. The initial premium on the gilt is amortised over the life of the gilt. The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

See Note 24 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Goods for resale	0.3	-	0.4	-
Consumable Items	0.1	0.1	0.1	0.1
	0.4	0.1	0.5	0.1

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

14. COST OF PRODUCTIONS NOT YET OPENED

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
National Theatre – Tours	-	-	0.1	-
National Theatre – Productions	0.8	0.6	0.4	0.4
	0.8	0.6	0.5	0.4

These costs relate to productions which have been delayed due to Covid-19 and are still planned to go ahead.

15. DEBTORS

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Trade debtors	1.0	1.0	2.0	1.7
Tax recoverable	6.2	1.0	5.6	0.6
Amounts owed by group undertakings	-	4.2	-	4.9
Other debtors	0.7	0.5	0.4	0.4
Prepayments and accrued income	9.9	9.3	6.9	6.1
	17.8	16.0	14.9	13.7

All amounts fall due within one year. Intercompany balances are unsecured, non-interest bearing and are repayable on demand.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

16. CASH AND BANK DEPOSITS

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Current asset investments:				
Bank deposits with maturity > 3 months	12.5	12.5	10.2	10.2
Cash at bank and in hand:				
Cash and bank balances	33.8	32.4	11.7	10.1

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Amounts falling due within one year:				
Trade creditors	0.8	0.6	1.8	1.3
Taxation and social security	0.6	0.5	0.7	0.7
Advance bookings	-	-	1.8	1.8
Other creditors and accruals	11.0	8.3	12.1	9.0
Amounts owed to group undertakings	-	0.3	-	1.0
Deferred income (all utilised in year)	2.8	1.9	1.3	0.7
	15.2	11.6	17.7	14.5

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Amounts falling due after more than one year:				
Concessionary loan	19.7	19.7	-	-
	19.7	19.7	-	-

Consequent on the impact of Covid-19 on the Group's finances, in December 2020, The Royal National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group can seek to return to financially sustainable operations by 31 March 2022.

The finance agreement was signed in February 2021 and the facility was fully drawn down in March 2021. The facility is interest bearing at 2% per annum and repayable in 33 equal instalments paid twice-yearly over a 16 year period from March 2025. The facility is unsecured, but has certain on-going non-financial covenants and conditions attached to it.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

19. THE FUNDS OF THE GROUP & COMPANY

	Balance at 30 March 2020	Income	Expenditure	Transfers	Balance at 28 March 2021	Balance at 1 April 2019	Income	Expenditure	Transfers	Balance at 29 March 2020
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:										
Unrestricted operations fund*	9.4	47.1	(39.4)	(1.1)	16.0	12.2	100.4	(99.8)	(3.4)	9.4
Unrestricted designated										
NT Future	6.3	-	(0.5)	0.9	6.7	6.7	-	(0.4)	-	6.3
Touring	0.9	-	-	(0.9)	-	1.4	-	(0.5)	-	0.9
Building & Equipment Fund	15.0	-	(2.7)	2.1	14.4	15.1	-	(3.5)	3.4	15.0
Digital Projects	0.2	-	-	(0.2)	-	0.4	-	(0.2)	-	0.2
Security	0.7	-	(0.1)	(0.2)	0.4	0.8	-	(0.1)	-	0.7
Programme Development Fund	0.6	-	-	(0.6)	-	0.6	-	-	-	0.6
TOTAL unrestricted designated funds	23.7	-	(3.3)	1.1	21.5	25.0	-	(4.7)	3.4	23.7
TOTAL unrestricted funds	33.1	47.1	(42.7)	-	37.5	37.2	100.4	(104.5)	-	33.1
RESTRICTED : Project funds										
NT Performance	0.1	2.2	(2.2)	-	0.1	0.1	0.9	(0.9)	-	0.1
NT Live & Digital	-	0.7	(0.7)	-	-	-	0.8	(0.8)	-	-
NT Learning & Pubic Engagement	-	2.7	(1.5)	-	1.2	-	1.4	(1.4)	-	-
NT Studio (Research & Development)	0.1	0.4	(0.4)	-	0.1	0.1	0.5	(0.5)	-	0.1
NT Touring	0.1	-	(0.1)	-	-	-	0.8	(0.7)	-	0.1
ACE UK Touring	-	-	-	-	-	-	0.6	(0.6)	-	-
General Activity	-	1.7	(0.2)	-	1.5	-	1.0	(1.0)	-	-
TOTAL restricted project funds	0.3	7.7	(5.1)	-	2.9	0.2	6.0	(5.9)	-	0.3
RESTRICTED : Long term funds										
NT Future Fund	28.2	-	(2.6)	-	25.6	30.8	-	(2.6)	-	28.2
ACE NT Future Fund	14.4	-	(1.1)	-	13.3	15.4	-	(1.0)	-	14.4
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.2	-	(0.1)	-	4.1	4.4	-	(0.2)	-	4.2
Drum Revolve Fund	0.3	-	-	-	0.3	0.3	-	-	-	0.3
Staging Technology Fund	0.6	0.4	-	-	1.0	0.7	0.5	(0.6)	-	0.6
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long Term Funds	0.1	1.1	-	-	1.2	0.1	-	-	-	0.1
TOTAL long term funds	48.9	1.5	(3.8)	-	46.6	52.8	0.5	(4.4)	-	48.9
TOTAL restricted funds	49.2	9.2	(8.9)	-	49.5	53.0	6.5	(10.3)	-	49.2
TOTAL Group funds	82.3	56.3	(51.6)	-	87.0	90.2	106.9	(114.8)	-	82.3

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

19. THE FUNDS OF THE GROUP & COMPANY (CON'T)

	At 28 March 2021	At 29 March 2020
	£m	£m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Unrestricted retained surplus held by the Company	14.7	7.6
Unrestricted retained surplus held by trading subsidiaries (note 24c)	1.3	1.8
Group unrestricted operations fund	16.0	9.4

DESIGNATED FUNDS**NT Future Fund**

This represents NT Future assets which were funded by The Royal National Theatre. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs

Touring Fund

The touring fund has been set up to support the touring of The Royal National Theatre productions within the UK.

Building & Equipment Fund

The building and equipment fund is a designated fund set aside by the Trustees in order to enable monies to be made available for the renewal and maintenance of The Royal National Theatre's buildings and mechanical and electrical equipment in accordance with its lease and obligations under Lottery funding.

£2.1m (2020: £3.4m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Digital Projects

The digital projects fund is a designated fund set aside by the Trustees in order to enable monies to be made available to support the investment in The Royal National Theatre's broadcasting and digital initiatives, including the exploitation of digital archive content and associated rights costs.

Security Fund

The security fund is a designated fund set aside by the Trustees in order to enable monies to be made available to enhance the physical security infrastructure of The Royal National Theatre.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

19. THE FUNDS OF THE GROUP & COMPANY (CON'T)

Programme Development Fund

The programme development fund is a designated fund set aside by the Trustees in order to enable monies to ensure The Royal National Theatre can continue the constant revitalisation of the great traditions of the British Stage and to expand the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives.

RESTRICTED FUNDS: PROJECT FUNDS

These represent funds made available for projects generally completed within two years or activities funded on an annual basis.

NT Performance

The NT Performance Fund represents restricted funding and related expenditure, relating to The Royal National Theatre productions and performances.

NT Live & Digital

The NT Live & Digital Fund represents restricted funding and related expenditure, in relation to The Royal National Theatre's broadcasting and digital initiatives.

NT Learning & Public Engagement Projects

The NT Learning & Public Engagement Project Fund represents restricted funding and related expenditure, for participation projects and training initiatives, along with funds received in support of activities in the external public spaces at The Royal National Theatre and various access, archive and digital initiatives.

NT Studio Projects (Research & Development)

The NT Studio Projects Fund represents restricted funding for activity at the NT Studio, including new writing and directing initiative

ACE UK Touring

The ACE UK Touring fund represents restricted funding for Theatre Nation partnership.

General Activity

The General Activity Fund represents restricted funding for COVID related expenditure.

19. THE FUNDS OF THE GROUP & COMPANY (CON'T)

RESTRICTED FUNDS: LONG TERM FUNDS

Long-term funds represent funds used for capital purposes or where there is an expectation that the fund will be used over the longer term.

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.6m (2020: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.1m (2020: £1.0m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

This fund was created specifically in relation to a grant from Heritage Lottery, to support a major refurbishment of The Royal National Theatre. The balance reflects future depreciation on the assets acquired through this fund.

Studio Refurbishment Fund

This fund was created to support a major refurbishment of the NT Studio, completed in 2008. The balance reflects future depreciation on the assets acquired through this fund.

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12.

Other Long Term Fund

Within this fund is £1.0m granted from the Royal National Theatre Foundation to upgrade the National Theatre's Costume workshop.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	Tangible fixed assets	As at 28 March 2021			Tangible fixed assets	As at 29 March 2020		
		Cash & current asset investments	Other net assets / (liabilities)	Total net asset		Cash & current asset investments	Other net assets / (liabilities)	Total net asset
	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:								
Operations fund	-	33.4	(17.4)	16.0	-	11.2	(1.8)	9.4
Unrestricted designed								
NT Future	3.7	3.0	-	6.7	4.0	2.3	-	6.3
Touring	-	-	-	-	-	0.9	-	0.9
Building & Equipment Fund	7.4	7.0	-	14.4	9.2	5.8	-	15.0
Digital Projects	-	-	-	-	-	0.2	-	0.2
Security	0.4	-	-	0.4	0.5	0.2	-	0.7
Programme Development Fund	-	-	-	-	-	0.6	-	0.6
TOTAL unrestricted designated funds	11.5	10.0	-	21.5	13.7	10.0	-	23.7
TOTAL unrestricted funds	11.5	43.4	(17.4)	37.5	13.7	21.2	(1.8)	33.1
RESTRICTED : Project funds								
NT Performance	-	-	0.1	0.1	-	0.1	-	0.1
NT Live & Digital	-	0.2	(0.2)	-	-	0.1	-	0.1
NT Learning & Public Engagement	-	0.4	0.8	1.2	-	-	-	-
NT Studio (Research & Development)	-	0.2	(0.1)	0.1	-	0.1	-	0.1
NT Touring	-	-	-	-	-	0.1	-	0.1
General Activity	-	1.5	-	1.5	-	-	-	-
TOTAL restricted project funds	-	2.3	0.6	2.9	-	0.3	-	0.3
RESTRICTED : Long term funds								
NT Future Fund	25.6	-	-	25.6	28.2	-	-	28.2
ACE NT Future Fund	13.3	-	-	13.3	14.4	-	-	14.4
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	4.1	-	-	4.1	4.2	-	-	4.2
Drum Revolve Fund	0.3	-	-	0.3	0.3	-	-	0.3
Staging Technology Fund	0.5	0.5	-	1.0	0.2	0.4	-	0.6
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
Other Long Term Funds	0.2	0.1	0.9	1.2	0.1	-	-	0.1
TOTAL long term funds	44.9	0.6	1.1	46.6	48.3	0.4	0.2	48.9
TOTAL restricted funds	44.9	2.9	1.8	49.5	48.3	0.7	0.2	49.2
TOTAL Group funds	56.4	46.3	(15.7)	87.0	62.0	21.9	(1.6)	82.3

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

21. CAPITAL COMMITMENTS (GROUP & COMPANY)

	2021 Total £m	2020 Total £m
Commitments:		
Olivier Dimming Lights	-	0.3
Lighting Control Consoles	0.3	0.3
ROH Paging system	0.3	-
Tessitura RAMP	0.1	-
Other commitments (<£100k)	0.7	0.2
Approved and contracted	1.4	0.8

The amount payable within one year is £1.4m (2020: £0.8m).

22. OPERATING LEASE COMMITMENTS

At the year-end The Royal National Theatre was committed under non-cancellable operating leases to make the following payments:

	Group 2021 £m	Company 2021 £m	Group 2020 £m	Company 2020 £m
Within one year	0.2	-	0.3	0.1
In two to five years	0.3	-	0.1	0.1
	0.5	-	0.4	0.2

Expenditure within the period on operating leases was £0.3m (2020: £1.3m).

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

Royal National Theatre Foundation

The Royal National Theatre Foundation (the “Foundation”) has objects related to those of The Royal National Theatre and makes grants to The Royal National Theatre from time to time. The Foundation has 10 trustees, three of whom have a direct connection to The Royal National Theatre.

The Royal National Theatre entered into a joint arrangement to create an endowment fund within the Royal National Theatre Foundation to further The Royal National Theatre’s national remit in terms of education, new work and productions, and for capital and general purposes. A legacy campaign has been launched by The Royal National Theatre and all unrestricted legacies directed to The Royal National Theatre will go to the Royal National Theatre Foundation and the donations will be held in appropriately named sub-funds of the endowment fund.

During the period, The Royal National Theatre received legacy income of £0.4m (2020: £0.3m) which was paid to the Royal National Theatre Foundation.

The Foundation granted £3.7m (2020: £0.4m) for The Royal National Theatre’s work with: Freelancers £1.0m (2020 £nil), Communities £1.0m (2020 £nil) & Capital £1.0m (2020 £nil) which replaced the NT Touring Grant £nil (2020 £350k), £570k (2020 £nil) underwrite for Box Office, £50k (2020: £30k) for Welfare, £40k (2020 £nil) Peter Hall Award, and £10k (2020 £10k) for Covid Relief. The Foundation made benevolent grants to members and former members of the staff and Company.

American Associates of The Royal National Theatre

The American Associates of The Royal National Theatre (the “AANT”) is an independent not-for-profit charity registered in New York, USA. During the period, \$4.1m (2020: \$2.6m) was raised by the AANT for The Royal National Theatre.

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CON'T)

Other Related Party Transactions

During the period, Trustees donated a total amount of £427k (2020: £255k) and the Senior Management Team donated a total amount of £nil (2020: £1k).

The Royal National Theatre has a limited power to enter into transactions with its Trustees. This power is in its governing document, the Memorandum of Association, and it is limited by conditions which protect the interests of The Royal National Theatre as a charity. See Note 24 for details of transactions with subsidiaries.

The Royal National Theatre (RNT) owes the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.3m (2020: £0.1m owed by). This represents the balance of operational transactions between The Royal National Theatre & RNTE, including a charge for Prop/Costume Hire £nil (2020: £0.5m) and catering provided for Events £nil (2020: £0.4m). This is offset by the RNTE Management Fee £0.0m (2020: £1.9m) and the Gift Aid of profit £0.4m (2020: £1.0m) to its parent company.

The Royal National Theatre (RNT) owes the National Theatre Productions Limited (NTPL) a net balance of £0.1m (2020: £0.6m). This represents the balance of operational transactions, the NTPL Management Fee £0.0m (2020: £0.1m), the Gift Aid of profit £0.3m (2020: £0.3m) to its parent company and other operational transactions.

The Royal National Theatre (RNT) is owed by the National Theatre Live Limited (NTLL) a net balance of £0.1m (2020: £0.4m). This represents the balance of the Commissioning Fee payable by RNT of £2.0m (2020: £5.9m) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by National Theatre Staging Limited (NTSL) a net balance of £3.8m (2020: £3.4m). This represents the balance of the Commissioning Fee payable by RNT of £3.0m (2020: £41.8m) and the operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by Royal National Theatre North America LLC (NTA) £0.3m (2020: £0.6m). This represents the balance of operational transactions and the NTA Management Fee £0.0m (2020: £0.1m) and the Gift Aid of profit £nil (2020: £0.6m) to its parent company.

24. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 28 March 2021, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Royal National Theatre Enterprises Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Trading activities	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Productions Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Staging Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
National Theatre Live Limited	UK	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	1 x £1 Ord Shares	100%	Yes (Line-by-line)
Royal National Theatre North America LLC	USA	c/o The Royal National Theatre Upper Ground South Bank London SE1 9PX	Commercial exploitation of productions	Ordinary	2 x \$1 Ord Shares	100%	Yes (Line-by-line)

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

24. SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)**b) JOINT ARRANGEMENTS & GENERAL PARTNERSHIPS**

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident National Tour LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	100% (Indirect holding)	Yes (Line-by-line)
Curious Incident Broadway LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes (Line-by-line)
The Great Work Begins LP*	USA	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	75% (Indirect holding)	Yes (Line-by-line)
Three Brothers Broadway LP*	USA	311 West 43 rd Street 14 th Floor New York New York 10036	Commercial exploitation of productions	N/A	N/A	51% (Indirect holding)	Yes (Line-by-line)

*The Royal National Theatre is the sole Managing Member of National Theatre North America LLC (NTNA LLC) which has the following interests:

- *Curious Incident Broadway LP* - One of two General Partners - Joint arrangement between NTNA LLC and Wombat Crossing 2 LLC. NTNA LLC holds the casting vote in any decisions made and so controls the LP. Therefore, in accordance with FRS 102, it has been consolidated as a subsidiary undertaking
- *Curious Incident National Tour LP* - Sole General Partner
- *The Great Works Begins LP* - Sole General Partner
- *Three Brothers Broadway LLC* – Sole General Partner

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

24.SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)**c) FINANCIAL INFORMATON**

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		National Theatre North America LLC		Curious Incident Broadway LP		Three Brothers Broadway LLC	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A		N/A	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Other trading activities:														
Income	1.6	14.9	0.4	10.1	3.1	41.8	2.0	5.9	-	0.8	-	0.1	1.6	4.1
Expenditure+	(1.2)	(13.9)	(0.1)	(9.8)	(4.0)	(45.6)	(2.4)	(7.0)	-	(0.2)	-	(0.1)	(1.6)	(4.1)
Net Surplus/(Deficit)	0.4	1.0	0.3	0.3	(0.9)	(3.8)	(0.4)	(1.1)	-	0.6	-	-	-	-
Gift Aid/Profit distribution due to parent company	(0.4)	(1.0)	(0.3)	(0.3)	-	-	-	-	-	(0.6)	-	-	-	-
Tax Credit	-	-	-	-	0.4	3.4	0.4	1.1	-	-	-	-	-	-
Retained in the subsidiary	-	-	-	-	(0.5)	(0.4)	-	-	-	-	-	-	-	-
Assets	1.1	1.8	0.3	1.2	5.1	5.2	1.5	1.7	0.2	0.6	-	-	1.4	1.2
(Liabilities)	(1.1)	(1.8)	(0.3)	(1.2)	(3.8)	(3.4)	(1.5)	(1.7)	(0.2)	(0.6)	-	-	(1.4)	(1.2)
Net Assets	-	-	-	-	1.3	1.8	-	-	-	-	-	-	-	-

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

24. SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)

+Included in cost of trading activities are administration expenses charged by The Royal National Theatre as follows:

		Payable to the National	
Basis (circa)		2021	2020
		£m	£m
Royal National Theatre Enterprises Limited	Turnover (0.2%)	-	1.9
National Theatre Productions Limited	Turnover (0.1%)	-	0.1
Royal National Theatre North America LLC	Turnover (0.1%)	-	0.1
		-	2.1

The charge above in 2021 in each case is less than £0.1m.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED (RNTE) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's trading activities. The Royal National Theatre's Board appoints the directors of RNTE which comprise external experts and senior members of staff responsible for the trading areas.

NATIONAL THEATRE PRODUCTIONS LIMITED (NTPL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for the commercial exploitation of The Royal National Theatre productions and the exploitation of rights in any production via digital, broadcast or other media. The Royal National Theatre's Board appoints the directors of NTPL which comprise Board members, external experts and senior members of staff.

NATIONAL THEATRE STAGING LIMITED (NTSL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing The Royal National Theatre productions at the South Bank and on tour. The Royal National Theatre's Board appoints the directors of NTSL which comprise the Executive Director, external experts and senior members of staff.

NATIONAL THEATRE LIVE LIMITED (NTLL) is a wholly owned trading subsidiary of The Royal National Theatre whose primary remit is responsibility for producing NT Live films in respect of The Royal National Theatre productions at the South Bank and on tour, and for third party theatres in the UK and internationally. The Royal National Theatre's Board appoints the directors of NTLL which comprise the Executive Director, external experts and senior members of staff.

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

24.SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)

ROYAL NATIONAL THEATRE NORTH AMERICA LLC (NTNA LLC) is a wholly owned trading subsidiary of The Royal National Theatre responsible for The Royal National Theatre's activities in North America. The Royal National Theatre's Board appoints the directors of NTNA LLC which comprise Board members, external experts and senior members of staff responsible for these areas.

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 30 MARCH 2020 to 28 MARCH 2021

The Royal National Theatre Board

Sir Damon Buffini (Chair)
 Sabine Chalmers
 Louise Charlton
 Sir Lenny Henry
 Vikki Heywood CBE
 Simon Minty
 Vicki Mortimer
 Elizabeth Pryce
 Dame Karen Pierce
 Melanie Richards CBE
 Tim Score
 Farrah Storr (appointed 25th March 2021)
 Simon Warshaw

Finance & Audit Committee

Tim Score (Chair)
 Sir Damon Buffini
 Sabine Chalmers
 Melanie Richards

Nominations Committee

Elizabeth Offord (Co Chair)
 Simon Warshaw (Co Chair)
 Sir Damon Buffini
 Sir Lenny Henry

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
 Alex Bayley
 Lisa Burger
 Louise Durant (appointed 16th April 2021)
 Sarah Fellingham-Adkin (resigned 9th July 2021)
 Liz Fosbury
 Huw Gott
 John Langley
 Geoffrey Matthews

National Theatre Productions Limited Board

Vikki Heywood CBE (Chair)
 Ruth Bennett
 Lisa Burger
 Liz Fosbury
 Linda James
 Tim Score
 Farrah Storr (appointed 1st June 2021)

National Theatre Staging Limited Board

Vikki Heywood CBE (Chair)
 Lisa Burger
 Liz Fosbury
 Rebecca Thompson

National Theatre Live Limited Board

Vikki Heywood CBE (Chair)
 Lisa Burger
 Liz Fosbury
 Rebecca Thompson

National Theatre North America LLC

Vikki Heywood CBE (Chair)
 Lisa Burger
 Liz Fosbury

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (Chair)
Graham Barker (resigned June 2021)
Nick Barnes (appointed December 2020)
Kamina Banga (resigned March 2021)
Sujata Bhatia
Alan Bookbinder
Sir Damon Buffini
Louise Charlton
James Garvey
Robin Geffen
Kate Groes
Kitty Harris
Madeleine Hodgkin (resigned October 2021)
Steven Larcombe
Jonathan Lenson
Hannah Lewis (appointed December 2020)
George Marcotte
Rafael Marquez
Sheryl Needham
Sinead Ní Mhuircheartaigh
John Owen
Elizabeth Rantzen
Maria Sebastian
Phil Smith
Charlotte Warshaw
Simon Warshaw
Coram Williams
Alex Wilmot-Sitwell (resigned October 2021)
Jacqueline Worswick

Executive

Director and Joint Chief Executive: Rufus Norris
Executive Director and Joint Chief Executive: Lisa Burger

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The annual report is available to download at
www.nationaltheatre.org.uk/annualreport

If you would like to receive it in large print, or you are visually impaired and would like a member of staff to talk through the Publication with you, please contact the Board Secretary at the National Theatre.

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.

Registered in England.