

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.

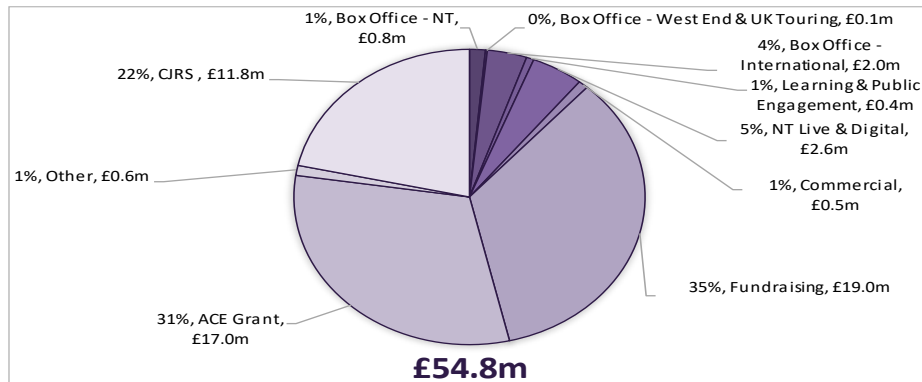
INTRODUCTION

Financial Summary

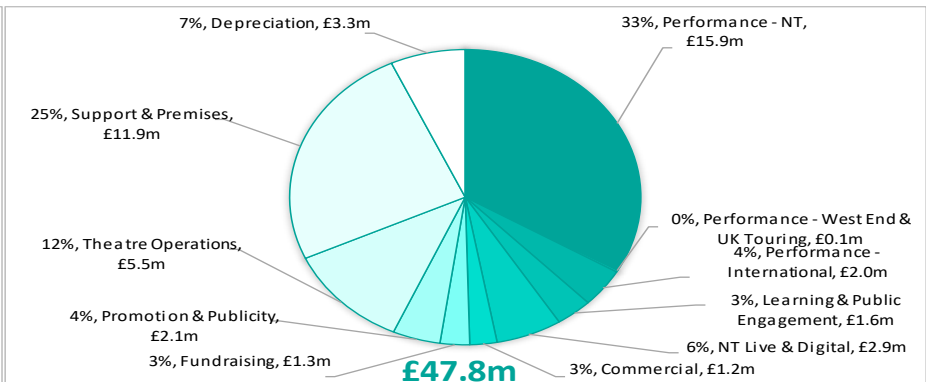
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise The Royal National Theatre's building-related fundraising income and depreciation).

INCOME

2020-2021

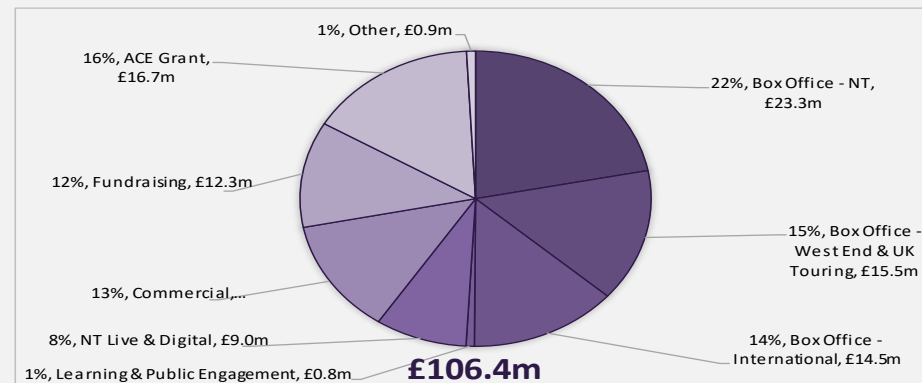


EXPENDITURE

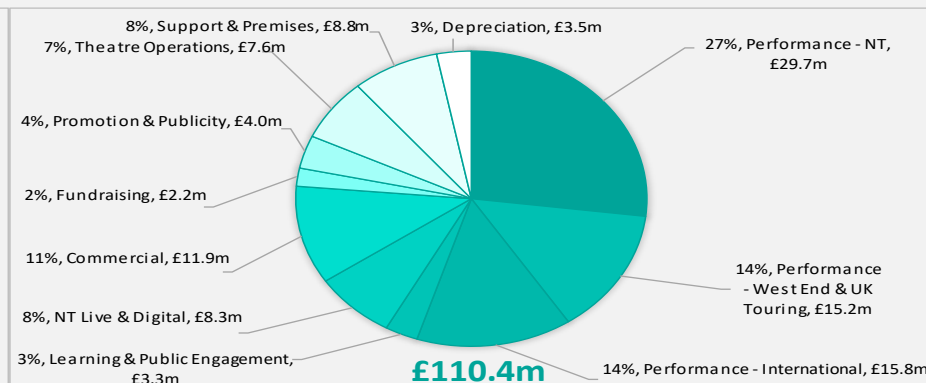


INCOME

2019-2020



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 Ciriad 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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STRATEGIC REPORT

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.

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.

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.

STRATEGIC REPORT

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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STRATEGIC REPORT

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.

STRATEGIC REPORT

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.

STRATEGIC REPORT

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.

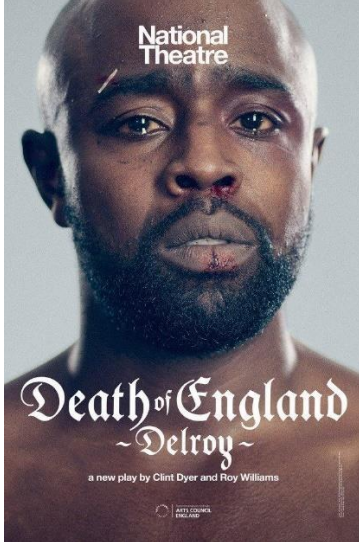
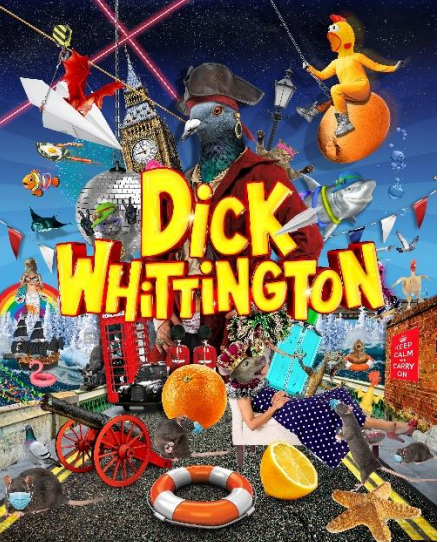
Our Associates, a group of 11 freelancers attached to The Royal National Theatre, meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Artistic Director (and Joint Chief Executive) in developing forward looking creative strategy, and to represent 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

	<p>DEATH OF ENGLAND: DELROY</p> <p>by Clint Dyer and Roy Williams Olivier Theatre, 21 October 2021</p> <p>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</p>		<p>DICK WHITTINGTON</p> <p>by Jude Christian and Cariad Lloyd Olivier Theatre, 11 December 2021</p> <p>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</p>
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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;

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

- 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	<p>Financial risk impacts The Royal National Theatre as follows:</p> <ul style="list-style-type: none"> • 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. 	<p>This risk is mitigated through a number of means including:</p> <ul style="list-style-type: none"> • 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	<p>Our reputation can be impacted by:</p> <ul style="list-style-type: none"> • 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 	<p>We aim to mitigate this risk by:</p> <ul style="list-style-type: none"> • Maintaining high artistic standards • Our advocacy activity with Government, Mayor of London and ACE • Maintaining best practice in <ul style="list-style-type: none"> • health and safety • customer care • fundraising

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	<p>opportunities, resulting in a loss of skills in the sector / NT impacting the quality of output</p> <ul style="list-style-type: none"> • 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 <p>All of which could impact one or more income streams and our ability to attract talent.</p>	<ul style="list-style-type: none"> • 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	<p>Presenting new writing on our two main stages can be challenging given:</p> <ul style="list-style-type: none"> • 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. 	<p>We aim to mitigate this risk through:</p> <ul style="list-style-type: none"> • 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	<p>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:</p> <ul style="list-style-type: none"> • 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 	<p>This risk is mitigated through:</p> <ul style="list-style-type: none"> • 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

	<ul style="list-style-type: none"> • 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	<p>Risk arises from:</p> <ul style="list-style-type: none"> • 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 	<p>This risk is mitigated through:</p> <ul style="list-style-type: none"> • 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	<p>There is a risk that we fail to support our growing organisational and artistic ambitions with:</p> <ul style="list-style-type: none"> • Sufficiently robust support structures: <ul style="list-style-type: none"> ◦ 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 	<p>This is mitigated through:</p> <ul style="list-style-type: none"> • 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

Note: Group refers to The Royal National Theatre Charity and its trading subsidiaries and Company refers to The Royal National Theatre Charity only.

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

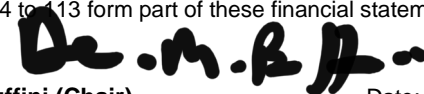
All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 74 to 113 form part of these financial statements.

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

		As at 28 March 2021		As at 29 March 2020	
	Note(s)	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.

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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.

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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.

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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

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- 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

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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.