

The Royal National Theatre

CONTENTS

Trustees' Report	
• Introduction	<u>1</u>
• Who We Are and What We Do	<u>3</u>
• Strategic Report	<u>7</u>
• Governance	<u>55</u>
Independent Auditors' Report	<u>61</u>
Financial Statements	<u>64</u>
Notes to the Financial Statements	<u>68</u>
Acknowledgements	<u>107</u>

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

THE YEAR IN SUMMARY

Audiences returned to our theatres enthusiastically despite ongoing risk and disruption, helping us achieve 76% capacity across the year.

- New NT Live titles returned to cinemas around the world, including 1,822 UK screenings of *Leopoldstadt* and *The Book of Dust*.
- Our National Theatre at Home streaming platform continued to grow, with specially filmed titles added for the first time including *East is East* and *Under Milk Wood*.
- Our learning and engagement work with young people achieved over 500,000 engagements across online and in person activity.
- Over 15,000 young people in priority areas across England saw either *Jekyll & Hyde* or *Hamlet* performed in their school hall.
- 125,000 people in 16 towns and cities attended *The Curious Incident of the Dog in the Time*, our return to large scale touring in the UK.
- Our new youth co-creation programme, Speak Up, completed its pilot year, supporting young people severely affected by the pandemic in Sunderland, Doncaster, Greater Manchester, Wakefield, Wolverhampton and Hornchurch.

Impact of Covid-19

While there has been much to celebrate in 2021-22, it is crucial to note the major ongoing impact of the Covid-19 pandemic on the National Theatre.

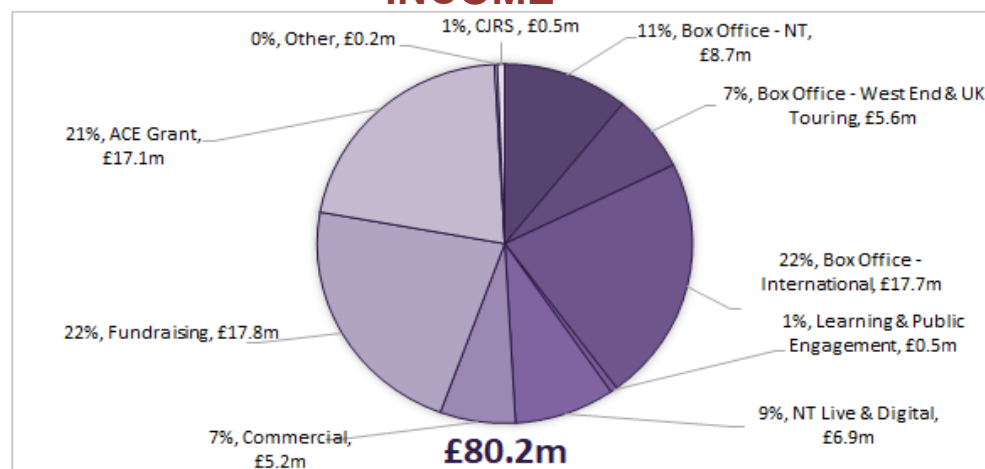
At the start of the financial year, April 2021, the National Theatre building and theatres were closed. We were able to mount our first productions of the year in the Olivier and Dorfman, with social distancing measures, in June 2021. With its limiting aisle structure, the Lyttelton did not open with its first production until September 2021 after social distancing measures had eased. Despite rigorous safety measures and testing, illness and the impact of isolating was a significant factor throughout much of the year, with many performances being cancelled, press nights moved, and understudies of understudies stepping into the breach to keep productions running. Much of our learning, engagement and community work began the year online, with slow returns to in-person working as conditions allowed. New NT Live broadcasts were not seen in cinemas until January 2021, and these productions were filmed for delayed release rather than live by satellite due to the ongoing risk of cast illness.

FINANCIAL SUMMARY

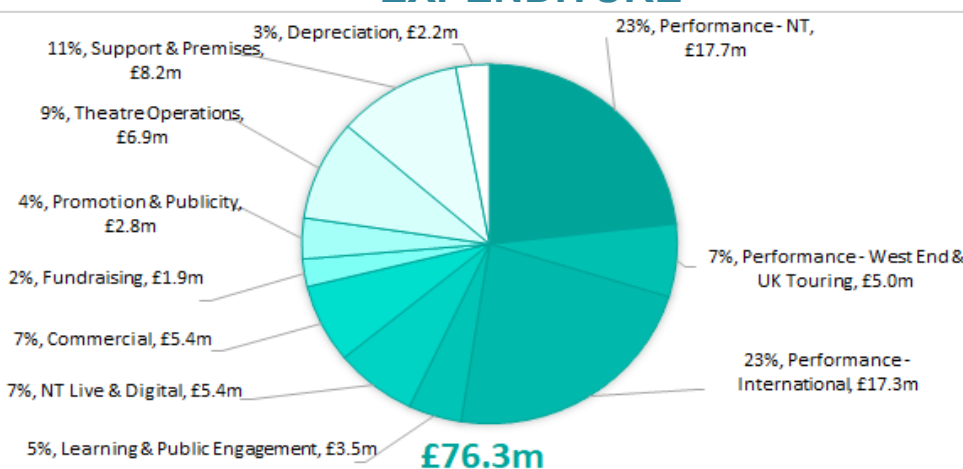
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise the NT's building-related fundraising income and depreciation). The amounts and percentages are subject to rounding.

INCOME

2021-2022

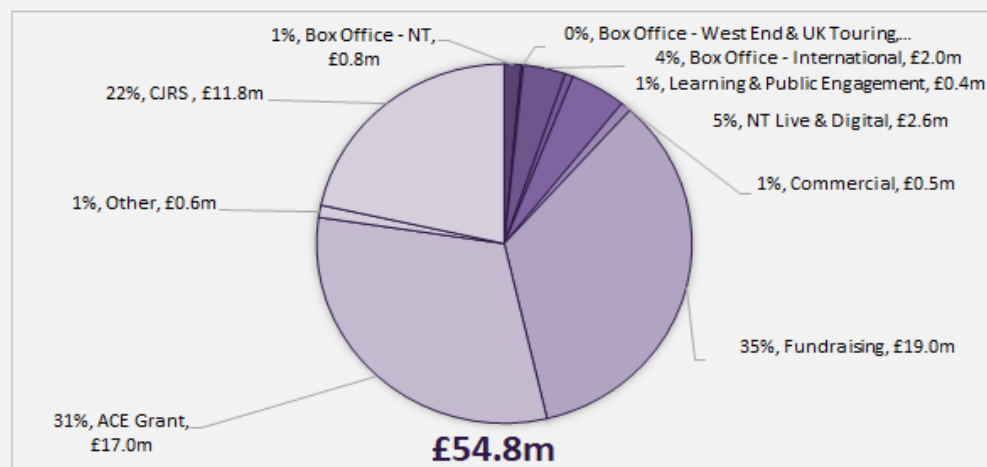


EXPENDITURE

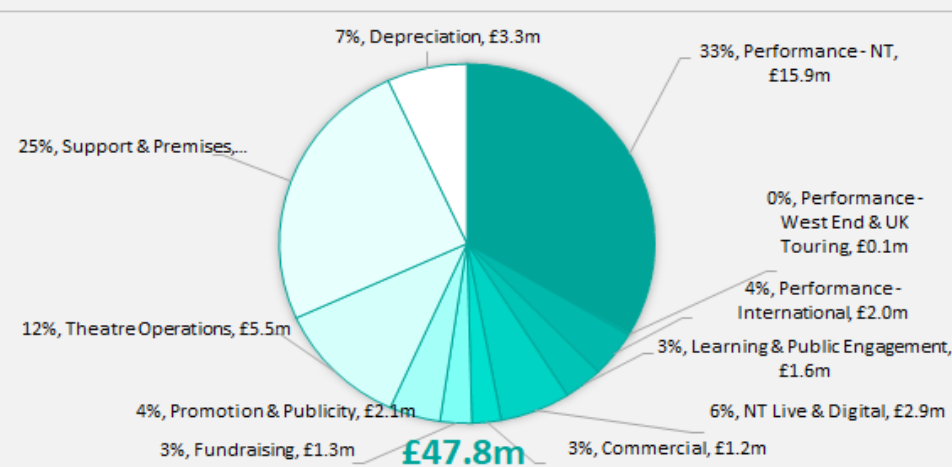


INCOME

2020-2021



EXPENDITURE



CHAIR'S STATEMENT

Looking back on 2021-22, one of the most challenging years of operation in the National Theatre's history, I am struck by the scale of what was achieved. It was a year that asked every member of the company for dedication and determination, coming back from an unprecedented 15 months of intermittent closure. Every area of the work faced disruption – endlessly reworked schedules and budgets, interrupted rehearsals, cancelled performances, and cast and crew stepping into unexpected public roles with real professionalism. I am hugely grateful to everyone who put their shoulder to this monumental wheel with perseverance and imagination. This was the work that needed to be done to survive, and it has secured the National Theatre for the future.

The National Theatre building reopened with new creative work that adapted to the circumstances. Productions were distanced, in the round, or made entirely as films for digital distribution; protocols backstage and front of house allowed audiences and creatives to return with confidence. Much of the work, in one way or another, spoke to themes around community, recovery, hope, and our responsibilities to one another. Across the year, 1,200 freelance theatre-makers came back to the theatre as actors, directors, designers and facilitators. On top of this, the new streaming platform National Theatre at Home continued to support freelance creatives with over £1m paid to theatre-makers in fees and royalties.

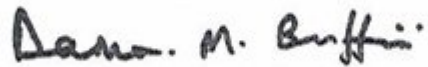
This was a year in which the National Theatre went straight back to work with making an impact around the country for audiences, communities, and colleagues across the sector. The NT collaborated with 100 theatres on projects ranging from jointly commissioning new work to festivals for shows made by young people. There were 500,000 engagements with learning and participation programmes - amazingly, it was calculated that 71 of 109 of the Government's priority Levelling Up for Culture areas had National Theatre participatory activity taking place. The streaming service for schools, National Theatre Collection, is now used by 80% of UK state secondary schools. And, beyond our shores, the National Theatre produced one of the first full productions to return to Broadway: *The Lehman Trilogy*, which was later awarded five Tony Awards.

Culture is central to our national recovery - essential to how we come together in community, present ourselves to the rest of the world, and of course to our national economy. The £2 billion Culture Recovery Fund was a crucial government support that prevented the permanent closure of many of the precious cultural businesses and spaces that have long defined and reflected our national identity. The National Theatre was the recipient of a £20m repayable loan from the Fund and I would like to express our gratitude for this support.

Lisa Burger, the outgoing Chief Executive of the National Theatre, was a key advocate for the Culture Recovery Fund's creation, using her deep knowledge of the sector to paint a detailed picture of what it would take for theatres and theatre-makers across the country to survive. It was an extraordinary final flourish in a career at the National Theatre that started in 2001 as Finance Director - I was delighted to see her leadership recognised with a CBE for services to the arts and a Special Olivier Award. Throughout her tenure at the National Theatre, Lisa tirelessly furthered its mission to make theatre for everyone - empowering artists, investing in new talent and skills, and reaching audiences right across the UK and around the world. Lisa was instrumental in expanding the NT's outreach, from establishing NT Live in 2009, to the creation of National Theatre at Home in 2020. This wide view of what the National Theatre should be speaks clearly to the same strengths that make the Creative Industries an essential sector for the UK economy.

WHO WE ARE AND WHAT WE DO

Following a full open, and competitive recruitment process, we were delighted to alight upon and appoint an exceptional candidate, Kate Varah, to succeed Lisa Burger as Executive Director of the NT. Kate worked closely with Lisa on a thorough and extensive handover, before taking up the post of Executive Director in April 2022.

A handwritten signature in dark ink, reading "Damon M. Buffini". The signature is written in a cursive, slightly slanted style.

Sir Damon Buffini
Chair, The Royal National Theatre

Date: 31 January 2023

WHO WE ARE AND WHAT WE DO

MISSION & STRATEGY

MISSION

At the National, we make world-class theatre that is entertaining, challenging and inspiring. And we make it for everyone.

VISION

Theatre can lead to extraordinary moments of shared imagination. It enables us to stand in another's shoes to better understand ourselves and the world around us. It shows us who we are, who we have been, who we could be. The NT delivers on this promise through a world-class programme of performance, reinvigorating existing work and exploring progressive new voices and forms.

We make theatre with as wide a range of artists as possible, seeking always to find fresh perspectives on the stories that we tell. On our stages in London, and through tours, partnerships, digital and broadcast, we share this work with a large, diverse and evolving audience, throughout the UK and around the world.

We aim to provide leadership and advocacy for theatre across the country. Our work is shaped by the world around us, and we seek to be constantly engaged with the wider national conversation. Through the work we make and our world-leading learning programme, we want to engage all audiences with the power and potential of theatre.

We are a theatre for the whole nation, a theatre for everyone.

OUR STRATEGY

A four-year business plan for the period 2018-2022 marked the opportunity to set new strategic objectives for the National Theatre with effect from 2018-2019. The hallmark of this is a continuing commitment to excellence and ambition in our artistic work, but sitting alongside this a growing social purpose for the National.

Our plan came at a time when we saw declining opportunities for children and young people to participate in drama at school, a falling off in audiences for drama at many venues around the country, a decline in local authority funding and uncertainty around other public funding. However, it is striking that individual creativity and ambition for what theatre can achieve remains strong. Digital presents new ways of making work as well as a channel for wide distribution, and internationally there is a growing audience for our work as well as a strong appetite to collaborate and make work at the NT.

Against this backdrop of challenge and opportunity we saw a leading role for the NT as the largest producer of theatre in the UK, and with the real possibility of changing lives through our work. This is a role which we relish and has driven our business planning.

We set ourselves five key aims:

- 1. To make theatre that resonates with contemporary audiences, by developing new voices and forms and reinvigorating existing work**
- 2. To increase opportunities for all to experience the transformative power of theatre**
- 3. To use the National's leadership position to advocate for the importance of the arts in society and support the health of the sector**
- 4. To expand the National's international reach and impact**
- 5. To deliver in a financial and socially sustainable way**

Clearly, since the on-set of lockdown in March 2020, we have had to reassess our aims and what we can and cannot deliver. We believe, however, that these aims remain largely appropriate in any post-Covid environment; although clearly they need to be flexed as differing circumstances prevail.

In 2022-2023 we embarked on a review of our strategy to clarify our purpose, vision and mission and re-focus our activities, in order to deliver the maximum impact to our beneficiaries within our reduced financial resources. The financial context for this is set out at the Future Financial Sustainability section of this report on page 33. This strategy will be reviewed by our Board in March 2023 and will inform our activity plans for the following four years.

Aim 1. To make theatre that resonates with contemporary audiences, by developing new voices and forms and reinvigorating existing work

1.1 DEVELOPING A BROAD RANGE OF AMBITIOUS WORK

Returning to the stage

After Life, a new play adapted for the stage by award-winning writer Jack Thorne, reopened the Dorfman theatre to critical acclaim, after 15 months of closure. Adapted from the 1998 film of the same name by Japanese filmmaker Hirokazu Kore-eda, the play takes place somewhere between life and death and asks the people passing through it to pick one special memory that they will live in for eternity. Following this ***Rockets and Blue Lights*** by Winsome Pinnock, played in the Dorfman theatre from August to October 2021. Winsome developed the play on attachment at the Studio, and it was first staged at the Royal Exchange Theatre in Manchester; the play explores the legacy of slavery in Britain through a painting by JMW Turner.

The Olivier Theatre was reconfigured in-the-round to enable socially distanced performances, ***Under Milk Wood*** by Dylan Thomas, a poetic masterpiece featuring Michael Sheen, Karl Johnson and Siân Phillips opened the Olivier theatre after 15 months of closure. This was followed by ***Paradise***, a new version of *Philoctetes* by Sophocles, written by Kae Tempest, which played in the Olivier theatre after a year of delays due to the pandemic. It was received wonderfully by critics and audiences alike; Kae Tempest themselves told the Guardian that they have loved working on the production.

The final production to be in-the-round in the Olivier was ***The Normal Heart***, Larry Kramer's largely autobiographical play about the AIDS crisis in 1980s New York. Dominic Cooke directed this ground-breaking play, resulting in 4 Olivier Award nominations, including Best Revival, Best Actor and Best Actor in a Supporting Role and a win for Liz Carr in the Best Actress in a Supporting Role category.

Lyttelton film releases

As part of our adaption to the challenges of the pandemic, the Lyttelton Theatre was brought into operation as a filming space for two new films and an interview series, allowing us to continue to produce work for our audiences regardless of changes in the choppy opening environment. The Lyttelton Theatre was the last of our theatres to reopen and remained in use as a film studio for the first four months of this financial year.

Presented by Sky Arts, PBS Great Performances and No Guarantees, ***Romeo & Juliet*** was produced by the National Theatre, in association with Sabel Productions and Cuba Pictures. *Romeo & Juliet* was captured in just 17 days in December 2020 – an extremely quick turn-around for the average film.

The film premiered on Easter Sunday in the UK on Sky Arts and 23 April 2021 on PBS in the USA, before moving to catch up and NOW TV services. In the months since, the film has been released in UK cinemas, and subsequently on our streaming platform, National Theatre at Home. *Romeo & Juliet* has now been seen by over 300,000 people and won The Stage Award for Best Digital Project.

The ***Life in Stages*** interview series featured interviews between two or three actors/creatives, speaking candidly about their theatrical careers. These long-form conversations were made for YouTube and covered a range of topics including memorable career moments and advice for people entering the industry. There were 6.6m views of clips across the NT's social media channels, and 500,000 full episode views. The series has also subsequently been added to the National Theatre at Home streaming platform.

The film of ***Death of England: Face to Face*** filmed throughout Spring 2021, premiered at an exclusive screening on 26 October in London and was broadcast on Sky Arts on 25 November. Following its broadcast, the film has enjoyed great critical acclaim. It received four and five-star reviews in major British newspapers such as The Guardian, The Telegraph and The i and was shortlisted for the 2021 Visionary Honours theatre play of the year and a BAFTA nomination. The Visionary Honours awards celebrate culture, media and entertainment that have inspired social change and debate – from inclusion, diversity, equality and mental health to climate change and political injustices around the world.

Back in full operation

All three theatres at our South Bank home were open, in their regular configurations, as of October 2021. Since then, productions have included:

- ***East is East***, Ayub Khan Din's much-loved comedy drama, adapted into a BAFTA Award-winning film, reopened the Lyttelton theatre as part of a 25th anniversary tour, directed by Iqbal Khan.
- ***Wuthering Heights***, A co-production with Wise Children, Bristol Old Vic and York Theatre Royal, adapted by Emma Rice who transforms Emily Brontë's masterpiece into a passionate, powerful and uniquely theatrical experience.
- ***Trouble in Mind***, Alice Childress' exploration of the fight for racial equality in 1950s America played out in rehearsals for a new Broadway play.
- ***Manor*** by Moira Buffini, featuring Nancy Carroll and Shaun Evans is a darkly comic new play.
- ***Small Island***, the acclaimed, five-star production of Andrea Levy's prize-winning novel, *Small Island*, returned. *Small Island* follows the interconnected stories of British and Jamaican characters through the Second World War until the arrival of HMT Empire Windrush at Tilbury, where hopes for the future soon meet the stubborn reality of post-war Britain. Adapted by Helen Edmundson and directed by Rufus Norris.
- Unfortunately, our new musical, ***Hex***, by Tanya Ronder, Jim Fortune and Rufus Norris lost three weeks of performances due to an outbreak of the new Covid omicron variant throughout December 2021 and into January 2022. We have decided to remount *Hex* later this year, to give it the chance to have a full run, and so will have a press night then.

- ***Our Generation***, the new play from writer of *London Road*, Alecky Blythe, opened in the Dorfman theatre in February 2022. *Our Generation* is a verbatim play that tells the stories of a generation. Created from five years of interviews with 12 young people from across the UK, *Our Generation* is a captivating portrait of their journey into adulthood.

Number of productions performed in the Year (Number of productions produced in the Year)	2021-22		2020-21		2019-20		2018-19		2017-18	
Olivier	4	(4)	2	(0)	7	(6)	8	(6)	7	(5)
Lyttelton	3	(3)	0	(0)	8	(6)	9	(7)	7	(5)
Dorfman	5	(5)	0	(0)	9	(8)	11	(9)	8	(7)
TOTAL	12	(12)	2	(0)	24	(20)	28	(22)	22	(17)

Excellence and innovation

Many of our productions are now rapidly available on National Theatre at Home after their runs. This significant shift into online distribution has meant that the titles we capture have far greater diversity and variety than what we were able to capture for distribution via NT Live. Attracting tens of thousands of subscribers in the first year, with 52 titles (all captioned, 23 audio-described, 1 BSL), we returned over £1m to theatre-makers in fees & royalties.

All our staged South Bank productions have also been part of the scope of our first year working with the Theatre Green Book - a new guideline for making sustainable theatre - and working towards achieving the baseline standard. Reusing and recycling are at the heart of this commitment, with 50% of materials needing to have had a previous life, and 65% needing to be repurposed or recycled at the end. We're calculating the carbon footprint of every new item or material, including deliveries, and reducing the use of harmful chemicals. This ambitious work requires sustainable thinking to be woven into the conceptualisation of productions from the start.

The National Theatre's Immersive Storytelling Studio explores how virtual reality, 360° film, augmented reality and other cutting-edge technologies can be used to pioneer dramatic storytelling. All Kinds of Limbo is an immersive musical performance that was developed in the studio alongside our 2019 production of Andrea Levy's award-winning novel Small Island. Written by Nubiya Brandon, All Kinds of Limbo was inspired by the influence of Caribbean culture on the UK's music scene and sees Nubiya tell her own story of a life in limbo across the genres of reggae, grime, classical and calypso. In January 2022, for the very first time, audiences were able to experience a performance of this ground-breaking work wherever they were in the world. Audiences could watch a performance in a virtual reality headset, on their phone or tablet as augmented reality, or in video game mode on a computer.

1.2 SUPPORTING THE CREATIVE CASE FOR DIVERSITY

We believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount. This begins with the work on our stages and our responsibility to tell stories that represent the whole country, that resonate with the wider national conversation and from a broad and diverse range of voices.

We set targets in 2015 to see the National Theatre through a period of evolution towards better representation of women and people from the global majority as writers, directors and performers on our stages, with the aim that lasting change could be achieved by 2021. Our planned 2020-21 season would have exceeded our five-year targets, the first year in which all of these targets would have been met simultaneously. This programme of work was, in the event, not delivered due to impact of the Covid global pandemic. In our 2020-21 report, we emphasised the difficulty of immediately achieving these targets simultaneously again over the following two years due to artist availability and practical reconsiderations around reopening. Nonetheless, we have largely achieved these targets for 2021-22.

Targets for core programme	2020-21 targets and 2021-22 targets	2020-21 (as programmed)	2021-22 (achieved)
% female living writers	50%	60%	50%
% female directors	50%	50%	36%
% female performers	50%	n/a	50%
% writers global majority	20%	22%	35%

% directors global majority	20%	30%	29%
% performers global majority	>25%	n/a	36%

1.3 **DEVELOPING NEW VOICES FOR OUR STAGES**

Pre-pandemic, our New Work department was already a major creative hub for writers, directors and storytellers, with over 100 projects on the development slate at any one time. The pandemic proved the world's hunger for stories and the need for new voices and fresh perspectives is more prescient than ever before.

Since reopening our South bank theatres in June 2021, 60% of our programme has been new plays or adaptations. 2022 will see a number of new plays also featured in our programming, demonstrating our continued commitment to developing new work and telling a range of stories on our stages.

Generate

The NT's New Work Department has significantly increased its partnerships with artists, venues and producers throughout Britain through a new programme called Generate.

Generate has seen a third of the department's annual resource focused on developing ideas for productions to be produced outside of London. The programme will unlock subsidy for artist fees, studio hire, travel, and accommodation, as well as access to the NT's costume and props stores, the costs of which can often hamper creativity and the development process of new productions. Generate will offer theatre practitioners the chance to learn and share best theatre-making practice and empower artists to create world-leading work. It will also open the NT's doors to new artists and voices from all backgrounds to ensure that theatre is a viable career choice, no matter where they're from.

This new initiative will support the talent pipeline for the next generation of theatre leaders and visionaries. In years to come, productions that were supported through the Generate programme will enjoy premieres across the country.

Directors Course

Our two-week annual directors course ran at the end of 2021 and brought together a selection of the best and brightest emerging directors. Being a director can be an isolating experience and the course is an incredible opportunity for a generation of directors to meet each other and forge relationships that we hope will last for years to come.

This year ten directors participated, all of whom represent a wide range of directing practices, backgrounds and who are making work in different areas of the country. Some of them have already made main stage regional shows; others are making their work at a high standard in London's fringe and studio venues.

The line-up for the course included sessions with directors, Lyndsey Turner, Katie Mitchell, Ned Bennett and Sacha Wares. Abdul Shayek, the new Artistic Director of Tara Theatre, talked to the group about leading buildings, instigating change and how to get through the Artistic Director application process. Clint Dyer, our Deputy Artistic Director led the group in a session that explained some of the joys, and complexities of programming the three stages of the National Theatre. There were also theatre visits, sessions with our wonderful voice team and Q&As with our Casting Department.

Aim 2. To increase opportunities for all to experience the transformative power of theatre

2.1 REACHING AUDIENCES NATIONWIDE THROUGH TOURING AND PARTICIPATION

Returning to touring

2021-22 marked a return to touring after the long hiatus of the pandemic and the period of instability that made touring work risky. *The Curious Incident of the Dog in the Night-Time* toured to 16 venues across the UK from January 2022, through year end, up to May 2022. 127,600 people saw this production, many returning for the first time since the pandemic.

In addition, three other productions on our stages played at other venues across the country through co-production arrangements. *East is East* ran in partnership with the Birmingham Rep, *Our Generation* with the Chichester Festival Theatre, and *Wuthering Heights* in partnership with Wise Children, Theatre Royal York and Bristol Old Vic.

Theatre Nation Partnership (TNP) relationships

TNP is our network of theatres & venues located in 6 areas of England with low levels of cultural engagement. Through touring, digital, learning & community programming we engage under-served audiences, build relationships with local communities, young people & schools, develop theatres as vibrant community hubs & extend local reach, & test approaches to audience development. Theatre Nation Partnerships has become a crucial programme to the mission of the National Theatre, which influences our wider approach to working in priority areas across the UK with strategic partner theatres, cinemas, schools, and community organisations.

After much disruption due to Covid, the Public Acts team began working towards a new production at Cast for August 2021 - an immersive community cabaret inspired by a forgotten Doncastrian myth called *The Tale of Wild Heather*. Written by Jasmin Mandi-Ghomi and designed by Hannah Sibai, the story was co-created by the community company and features performances from local artists. *The Magic of Wild Heather* at Cast marked the resumption of live activity through the TNP network. The National Theatre production of *Beginning* by David Eldridge ran at the Queen's Theatre Hornchurch for three weeks. The pilot phase of Speak Up in schools in Wakefield, Sunderland and Greater Manchester is demonstrating the potential for a programme co-created with young people to build connection and confidence. Evan Placey's radical re-imagining of *Jekyll & Hyde*, directed by Kirsty Hously, toured to state secondary schools in the TNP network.

Following confirmation of a new round of Arts Council England investment, Theatre Nation Partnerships will extend to 5 new areas in 2023-26, which include levelling up places. The development of this new bid and new potential partnerships has been a key activity of the last year.

Targeted activity: *Romeo & Juliet*

The National Theatre also created variety of learning resources around the *Romeo & Juliet* film, enabling teachers to deliver a number of dynamic and engaging lessons around *Romeo & Juliet* to support the Drama curriculum.

- 50 schools received the free stream, digital resources, and an R&J crate (including replica props, scripts, art materials and resource books)
- 30 schools received the free stream and digital resources
- An average of 223 students per school watched the film (based on the sample of schools who responded to the survey)
- Total of 17,840 young people engaged in the R&J project overall

Creating these resources for schools was a way for the National Theatre to have a presence in schools when we could not physically visit due to Covid and enabled schools to feel connected to our work remotely, and by delivering this project we've discovered there is a growing appetite for "behind-the-scenes" and fun, engaging digital content, to show how National Theatre productions are made and what life is like offstage.

Targeted activity: touring into schools with *Jekyll & Hyde* and *Hamlet*

In Spring 2022, we had two schools' productions of *Jekyll & Hyde* and *Hamlet* tour the country. These tours are used as a way to engage young people whilst providing them with a professional theatre production. Our schools' tours are used to educate school pupils in a creative and accessible way.

Jekyll and Hyde

This production is designed to support pupils' creative learning following disruption caused by the pandemic. With support from our partner theatres, the 8-week tour reached over 10,500 secondary school pupils nationwide. The tour visited Outer East London, Wakefield, Doncaster, Sunderland, Wolverhampton and Greater Manchester. We performed a total of 41 shows across the six locations and reached 7,008 audience members.

Hamlet

Our *Hamlet* schools tour is an inspiring programme for state primary schools which offers children in years 4 to 6 a thrilling experience of Shakespeare in performance, underpinned by a creative literacy programme. The tour went to Liverpool, Wolverhampton, South Essex and Sunderland where we engaged 3,556 pupils. Whilst on tour, we delivered a total of 40 workshops which provided the pupils with a different way of learning.

The show also came to our Dorfman Theatre and 1,542 children from 20 London primary schools saw the production, they also had a workshop and participated in the full Primary Theatre programme. 574 children from high-priority schools in London saw *Hamlet* at a reduced ticket price of £3 with a bursary offer. 2,448 members of the public saw *Hamlet* independently with an estimated two thirds being children of the target age group (approx. 1,632). We also delivered 40 workshops in the Dorfman bringing the total number of workshops to 80. In total 8,120 audience members saw *Hamlet*.

2.2 DEVELOPING PUBLIC ACTS, OUR THEATRE AND COMMUNITY PROGRAMME

Public Acts is the National Theatre's nationwide initiative to create extraordinary acts of theatre and community. The programme creates ambitious new works of participatory theatre and is built on sustained partnerships with theatres and community organisations across the UK who share our vision of theatre as a force for change. Over the last three years, we have been working with five community groups in Doncaster to create Public Acts' third production in partnership with local communities including LGBT+ youth, adults with mental health issues, isolated or older people, and refugees and asylum seekers.

We had planned to work with them to create a new adaptation of Bertolt Brecht's *The Caucasian Chalk Circle*, to be staged at Cast in Doncaster in August 2020. It became clear that the pandemic and the restrictions imposed would prevent us from carrying out our plans meaning that the production in August could not go ahead as planned. As an alternative, we designed two new years of engagement and participation activity that 'bridged' activity with and for our social change partners – this primarily included the Doncaster community, but the first year also involved the Public Acts communities in London and Hornchurch. This programme of work has engaged 296 participants from Doncaster and Hornchurch, and 27 freelance creatives.

In 2021-22, we ran creative workshops online (for example, in singing, dancing, puppetry and creative writing), organised regular Zoom socials and watch-alongs of filmed productions, and sent hard copy creative activity packs to combat digital exclusion.

In August 2021, the Doncaster Public Acts community came together to create *The Magic of Wild Heather*, a smaller-scale live community production, rebuilding confidence and connection among the community. Following an open call-out, *The Magic of Wild Heather* was written by Yorkshire-based playwright Jasmin Mandi-Ghomi. The production featured storytelling, audience interaction and music, and everyone was invited onto the stage to share food together. *The Magic of Wild Heather* was Cast's re-opening production, and 240 audience members attended *Wild Heather* in person, with many more audience members from Doncaster and beyond engaging with the work in a digital format if they couldn't attend. *Doncaster Free Press* said the production was "warm, wholesome and magical... I can't wait to see what Public Acts brings to Doncaster next time".

Moving into 2022, the Doncaster groups began working towards the much-delayed production of *The Doncastrian Chalk Circle*. This production went ahead at Cast in August 2022.

Public Acts is inclusive, empowering and celebratory, using theatre as a force for change. Research by Royal Holloway University found that:

- 100% of partner organisations observed positive changes in participants, including decreased social isolation and increased confidence.
- 90% participants said that Public Acts made them more positive about their future.

2.3 INCREASING PARTICIPATION IN DRAMA AND THEATRE-MAKING IN UK SCHOOLS

National participation programmes

Let's Play & Story Seekers

Let's Play aims to transform drama and theatre-making in primary schools by providing teachers with a toolkit to stage plays that inspire learning across the curriculum. It provides a portfolio of new plays and music for children to explore through both performing and backstage roles. The programme promotes creative learning projects, resources and teacher Continuing Professional Development opportunities for UK primary schools, helping them place drama and creativity at the heart of the curriculum and teaching practice.

- The creative learning approach allows pupils with a range of learning styles and abilities an opportunity to succeed and to enjoy learning
- Pupils gain confidence, self-esteem and core skills such as empathy, teamwork and leadership
- Pupils learn to be creative problem solvers
- Pupils have an opportunity to gain an Arts Award

In the autumn and spring terms of 2021-22, we had a total of 133 Primary School groups working with us on the programme. All 133 of the Primary Schools are state schools and 72% of them are in disadvantaged areas.

Story Seekers is a free six-week creative literacy project in partnership with the Unicorn Theatre, the UK's leading theatre for children and young people. It includes filmed theatre performances directed by Justin Audibert to guide pupils through a quest, alongside workshops and performances by professional storytellers and training and resources to support teachers to lead the project. Story Seekers, available to state schools in the UK, focuses on supporting children to develop their communication and language skills post-pandemic, promoting self-expression and well-being. The project also supports teachers to reconnect children with learning and their school community in a fun and creative way.

"As a teacher I was a little nervous due to the fact we have some behaviourally challenging children this year. However, all the children have thrived in these lessons which gives me confidence to do more projects like this as I think they get so much out of it" - Year 5 teacher.

New Views

New Views supports 14 to 18 year-olds to write short plays with support from professional writers. In 2021, we saw more first drafts of scripts submitted to the competition than ever before and the programme received 400 entries from across 74 schools and colleges.

The winner was 17-year-old Mackenzie Welfare from Hampshire with his play *Perspective*. The play was inspired by Mackenzie's own experiences of autism and is told through conversations between two teenage boys Leo and his best friend Shaun. The characters big imagination fills the stage as he considers his place in the world. Mackenzie's play was performed in July 2021 in the Dorfman Theatre by professional actors. The play was streamed to participating schools across the UK, alongside rehearsed readings of seven shortlisted plays as part of the digital festival of new writing. Following the production, Mackenzie also took part in a live streamed Q&A about his play alongside the director.

In March 2022, we teamed up with Audible to bring four new plays that were originally written for the NT's New Views scheme alive. Three of the plays were selected from the 2021 New Views shortlist (Mia Galanti, Jamila Salim and Ellie Jayne Sharman) alongside the winner of the 2018 New Views Programme (Alice Schofield). These are now available to listen to and showcase the work of talented young playwrights who have taken part in our New Views playwriting programme ensuring the voices of the next generation are heard far and wide.

99 schools from across the country have been involved in New Views in 2022 and we hosted the festival, in person, at the beginning of July 2022 for the first time since the pandemic began.

Connections

Connections is the National Theatre's annual nationwide youth theatre festival. Each year we commission ten new plays for young people to perform, bringing together some of the UK's most exciting writers with the theatre makers of tomorrow. The 2021 Connections cycle launched in Autumn 2021, with a flexible on and offline approach, to adapt to the constantly changing environment of the 2020-21 school year. A digital Directors Weekend gave directors the opportunity to work with the writer of their chosen play before starting rehearsals. Zoom sessions also connected Connections playwrights with the young people performing their play.

Despite the challenges and disruption young people and theatres have faced due to the pandemic, this year 3,200 young people have taken part in Connections, performing plays that explored issues including climate change, mental health, racism and identity. Youth theatre companies and school groups bring these playscripts to life on stage, performing the new plays in live and digital festivals at 29 regional theatres across the UK.

The young people who took part in Connections reported increased feelings of confidence in their abilities and pride in sharing their performances. With most young people out of school and reporting increased feelings of isolation, these digital connections have helped to maintain the community and support that is so intrinsic to theatre making. Indeed, a teacher in West Sussex fed back that *‘in such terrible times for the arts, Connections was truly a lifeline, a candle in the dark for schools and kids that without it might have missed a whole year of performing.’*

Speak Up

We are currently in the pilot phase of Speak Up in schools which has demonstrated the potential for this programme. Speak Up projects are co-created with young people in the most deprived areas of the country and will enable positive change in their lives, their schools and their local communities. This project is unique in deliberately having open artistic outcomes. The confidence, influencing and communication skills developed during the creative process, along with the networks built, will have a legacy in participants’ professional and personal futures.

Pilot phase 1 took place between September and December 2021 with three of our partners - Greater Manchester with The Lowry, Wakefield with Theatre Royal Wakefield and Sunderland with Sunderland Empire and Sunderland Culture. The project engaged 175 participants from 7 different schools.

Pilot phase 2 ran from January 2022 to July 2022. In this phase we worked with three more of our partners; Doncaster, with Cast, Wolverhampton with Wolverhampton Grand Theatre and Outer East London with Queen’s Theatre Hornchurch – and expanded the reach of our current partners. We are now in conversations with over 35 schools to continue the process of rolling out the programme.

2.4 REACHING MORE PEOPLE THROUGH DIGITAL DISTRIBUTION

National Theatre Live

National Theatre Live is our UK and International broadcast programme which shares the best of British Theatre through cinemas and community screens of all shapes and sizes. 2021-22 saw NT Live return to cinemas, at first with existing titles as a means of supporting our cinema partners, and later with two new productions: *Leopoldstadt* by Tom Stoppard from the West End, and *Book of Dust: La Belle Sauvage* adapted by Bryony Lavery for the Bridge Theatre. Across the year 5 titles screened 2,941 times in the UK to audiences of 98,256; internationally 22 titles were screened 640 times to 51,563 people.

National Theatre at Home

National Theatre at Home offers an exclusive collection of unforgettable British theatre – available to watch anytime, anywhere - with more fantastic plays added every month. This new digital strand of our distribution work has enabled a major shift in how we are able to share the productions which run on

our South Bank stages in London: in the last year, we have been able to add nearly all of our staged productions for audiences worldwide very soon after their runs in London. This wasn't possible when the distribution method was broadcast via NT Live, due to the cost per production – which in turn had an impact on the variety of work being shared for a wider audience. By contrast, under the streaming model, we've been able to return over £1m to theatre-makers in fees and royalties from the 52 titles available on NT at Home this year. The accessibility of productions is also improved, as all are captioned and at least half are available with audio-description.

National Theatre Collection

Launched in September 2019, the National Theatre Collection provides schools with access to high-quality recordings of 30 world-class productions, alongside supplementary learning materials. The productions draw from 10 years of NT Live broadcasts, including productions from a range of renowned British theatres, and never before released recordings from the National Theatre's Archive. NT Collection content is accessible via two distribution partners – Bloomsbury Publishing's Drama Online (a standalone platform) and ProQuest (an integrated solution for universities and libraries). The Collection is free for UK state-funded schools and Further Education colleges; private schools and international education institutions can access the commercial collection via a one-time payment or an annual subscription.

As of December 2021, 4,300 (74%) UK state schools were signed up alongside 4% of state primary schools (the titles were suitable mainly for secondary schools, pending the launch of a collection of primary titles in Autumn 2022). At a time of stretched school budgets and pressures on the curriculum this free resource is a very relevant and accessible classroom aid.

In April 2021, we launched the pilot year of NT Collection in New York City public schools with 30 schools; the start of a three-year programme. Working in collaboration with the New York Department of Education and Bloomsbury Publishing, NT Collection is now available free of charge for students in approximately 90 New York City public middle and high schools across the five boroughs of NYC.

Social Media

The National Theatre's social media estate continued to grow enormously. This trend was supported by the emphasis on film and digital work in this year, which made our productions much more accessible to audiences around the country and around the world. There were around 4million substantive engagements across the estate, and we gained an additional 2.2 million followers, a 9% growth on 2020. Videos of key, standalone speeches from rehearsals travelled widely; clips of filmed productions performed particularly well on TikTok, where our newest and youngest audience is. Sharing the song 'Hello' from *Hex* was an unexpected success for a production without famous cast members with over 1.3 million views on Facebook.

2.5 INCREASING ATTENDANCE BY UNDER-REPRESENTED GROUPS ON THE SOUTH BANK

South Bank audience diversity

24% of bookers were aged 16 to 35, with audience surveys suggesting that 44% of attendees were 35 or younger. This increase of under 35 bookers is a jump up from our pre-pandemic 5-year average of 19%; it reflects a wider trend in older audiences and NT members being slower to return to the theatre following the pandemic, resulting in greater ticket availability for younger audiences. Similarly, 37% of bookers were visiting for the first time.

Based on audience surveys, 17% of audience members said they were from non-white or global majority backgrounds. We saw particular success in welcoming ethnically diverse audiences for a number of productions which centred stories and artists from Global Majority backgrounds: 31% for *Trouble in Mind* and *East is East*, and 35% for *Rockets and Blue Lights*.

Aim 3. To use the National's leadership position to advocate for the importance of the arts in society and support the health of the sector

3.1 ADVOCATING FOR THE IMPORTANCE OF THE ARTS AND STORYTELLING ECONOMY

2021-22 was a second year of enhanced demands on our policymaking and funding objectives. Where 2020-21 dealt with the existential threat of the pandemic and the development of industry knowledge in government that would lead to the Cultural Recovery Fund, the 2021-22 work has been to deepen this understanding so that policymakers can recognise that there are continued financial, skills and operational challenges facing the theatre sector. Alongside the development of our 2023-2027 business plan, we revisited our messaging and evidencing around the national reach of the NT's work; we are now more prepared both to demonstrate and develop activity in priority and levelling up areas. In expectation of a cut to Arts Council England investment for large and London-based organisations like the NT, we also began a campaign of work with individual MPs and ministers demonstrating how the NT's business model leverages investment in London to spend a larger amount around the country on nationwide work.

We developed relationships with the then Secretary of State for DCMS, Nadine Dorries, and the then Arts & Heritage Minister, Lord Parkinson, through correspondence, meetings, and invitations to see our work around the country. We developed and shared a showcase of digital work for the G7 intergovernmental political forum meeting in April 2021 - an opportunity to demonstrate both the soft power benefits of theatre, and the wide economic and social impact of the industry's work. Rishi Sunak visited the NT as part of the Culture Recovery Fund celebration, deepening his engagement with and knowledge of the sector. We also hosted the first in-person event by the newly merged Creative UK sector support body, attended by the Secretary of State for DCMS and the Mayor of London.

Outgoing Executive Director, Lisa Burger, was recognised for her significant contributions to the creation of the Cultural Recovery Fund and wider advocacy for the sector through an MBE in the 2022 New Year's Honours, and a Special Recognition Olivier Award.

3.2 ADVOCATING FOR AND SUPPORTING THEATRE, DRAMA, AND CREATIVE EDUCATION IN SCHOOLS

Advocacy for Creative Education

The Times Education Commission was set up to examine the future of education in light of the Covid crisis, declining social mobility, new technology and the changing nature of work. The National Theatre was asked to contribute to one of the evidence gathering sessions which culminated in the release of an interim report in 2022. Following the NT's verbal evidence submission, Rufus Norris penned a supporting opinion column in The Times advocating for creative skills to be valued as part of a well-rounded education.

The schools tours of *Hamlet* and *Jekyll & Hyde* both achieved substantial press coverage, locally and nationally (80 pieces between them). National features with interviews with cast, pupils, teachers and NT spokespeople landed key messaging: Rachel Sylvester of The Times wrote a piece titled 'This is Levelling Up in Action'. MPs were also invited to attend performances taking place in their constituencies; Dame Rosie Winterton, Labour MP for Doncaster Central, attended and engaged with NT spokespeople around the breadth of our national work.

Supporting Creative Education in Schools

NT Collection

Unprecedented demand from learning institutions across the globe saw the launch of a new wave of titles on our National Theatre Collection education streaming platform, brought forward from 2023-24 to the 2021-22 academic year. In both September 2021 and February 2022, we expanded the Collection with an additional 10 titles each time, taking the total up to 50: including contemporary titles, 20th century American dramas and Shakespeare with supporting resources.

In the UK, it has become clear that we need to provide more productions and bespoke learning resources for young audiences and expand our reach in primary schools. This year we will partner with literacy specialists on a new platform to support primary-aged children's creative learning and literacy. We launched the Primary Collection in September 2022 with eight titles, with plans to add additional titles from current NT shows within the next year, as well as relevant productions and resources from other organisations who specialise in children's theatre too: for example, The Unicorn and Polka Theatre. Our aim is for this platform to reach 10% of all state primaries after three years, a total of 2,083 schools.

Schools touring

Touring directly into schools is a strategic intervention by the National Theatre in priority areas such as our TNP partner areas, and our local and priority London boroughs. Schools touring is often the first experience of theatre for young people – these tours reenergize relationships between school leadership and local theatres.

- **Primary tour** - the primary production is a 90-minute version of Shakespeare's *Hamlet*, specially adapted for children aged 8 to 12. In the spring term of 2022, *Hamlet* visited schools in five areas of low arts engagement and social economic challenge across the country in a mix of rural and built-up areas. In total 90 schools saw *Hamlet* either on tour or in the Dorfman, meaning over 5,000 young people saw the production.
- **Secondary tour** – a new 90-minute re-imagining of *Jekyll & Hyde* by Evan Placey, specially adapted for schools. In a mash-up of Victorian England and the modern day, the story explored how the repression of female voices was as prevalent in the 19th century as it is today. Despite delays and challenges from the Omicron variant outbreak, the production reached 6,692 students and 457 teachers in 46 schools.

Participation programmes

All of our participation programmes are increasingly targeted to high-priority areas and schools, aiming to increase accessibility through inclusive practice and bursaries, and building up crucial skills among teachers and young people.

- **Connections** – of the 243 companies participating in Connections, 31% of companies are new to Connections, and 31% are high priority state schools. We were focused on extending our reach into more areas of low arts access or high deprivation and targeted recruitment in areas such as Inverclyde, Cheshire East, Dorset, and the surrounding areas. In the Autumn term of 2021, we welcomed 304 group leaders and teachers to the NT for the Directors' Weekend, which equips our directors to deliver high quality theatre-based learning in their home towns to the thousands of young people taking part in Connections 2022. More than 1,500 young people from across the UK were able to attend a workshop with the writer of their play and share their reactions to and thoughts about the scripts and rehearsal process. This year we have piloted additional support for certain companies, including online welcome meetings, a peer-to-peer support sessions, workshops and mentoring for individual groups.
- **New Views** – for the 2020-21 New Views cycle, 74 schools took part across England, 40% of which were high priority state schools. This equates to almost 1,000 young people and nearly 100 teachers. Over 450 students submitted first drafts in February – the highest number of first draft submissions ever received – and throughout March, mentor playwrights delivered 1:1 feedback remotely to students to help refine their scripts and develop their skills. In April, over 400 students entered final submissions. For the current New Views cycle (2021-22), we received 497 submissions from young people aged between 12 to 19 years old.
- **Let's Play** – the offering focuses on the use of drama as a pedagogy across the primary curriculum and addresses different learning styles and abilities. The programme is specifically designed that way so that schools see Let's Play as supporting the curriculum rather than an additional element to fit in. Our approach is very popular with high priority schools as often they have a cohort of children who have a wider range of learning styles and needs. Reports from teachers from high priority schools indicate that our projects serve these children better than the 'academic' approach to the curriculum. Over the Autumn term, Let's Play continued its partnerships with the Liverpool Empire and Creative Connections around the Commonwealth Games in Birmingham, where we ran our first in-person CPD sessions since March 2020 with teachers from local schools and home learning networks. Teachers then took this learning into their schools and worked on creating performances of the Let's Play portfolio plays between February and April 2022. In addition, part of the Let's Play offering, Story Seekers, supports teachers to address specific communication, language and teamwork skills that have affected young pupils due to the isolation of the pandemic.
- **Speak Up** – this new programme is aimed at young people most affected by the pandemic in schools in our strategic partnership areas. Schools are selected by our partner theatres on the basis of local need, considering factors such as socio-economic dynamics in the area, proportion of students with free school meals, and specific provisions including SEND. Within the schools, we worked with teachers to ensure that the

programme was taken up primarily by young people who wouldn't normally pursue creative opportunities and are facing challenges in the school environment – for instance, some schools have identified these students with a 'nurture group'. The pilot has reached nearly 1,000 students so far. As the pilot phase is wrapping up, some groups have progressed to produce work together: such as a mural created with visual artist Emma Hardaker in Wakefield which will be painted within the school. In Sunderland students have been working with a range of artists such as comedians, animators, typographers, creative writers and a graffiti painter. In Greater Manchester, students in Rochdale are creating a piece of theatre based upon stereotypes put onto young people. Speak Up has now launched fully across 40 schools in 8 areas of the country, working with 6 partners: Wigan, Rochdale and Salford, with The Lowry in Greater Manchester; Havering with Queens Theatre Hornchurch, Doncaster with Cast; Wolverhampton with the Grand Theatre; Wakefield with the Theatre Royal and Sunderland with the Empire and Sunderland Culture. From January the programme extends to a further 15 schools in three new areas: Stoke-on-Trent, Leicester and North Devon.

- **Drama Teacher Conference** - we welcomed teachers to our annual Drama Teachers Conference. Teachers were able to work with some of the artists, makers, and companies in theatre, and explore new ways of sharing theatre with young people across the country. Artists provided masterclasses and workshops covering an exciting range of topics. By offering extensive bursaries and only charging £5 per session, we made sure that the conference was accessible to as many teachers as possible.

3.3 SHARING LEARNING AND EXPERTISE WITH THE SECTOR

The growing shift towards partnership working across many of our new work, broadcast, touring and participation programmes is making sharing learning and expertise with the sector a foundational element of our work. We are also learning from our partner colleagues about their practice and how they utilise their deep local connections to help shape decision making at all levels.

New Work

In the New Work Department, a wide commissioning and development programme, and the Directors training programme, means the NT directly works with a range of mobile talent who go on to work elsewhere. These normal processes also include some co-commissioning and co-producing with theatres and companies around the country, as well as a proportion of our developed work ultimately going on to be staged at other UK theatres.

Additionally, the Generate programme is a tangible opportunity for theatres and companies of all scales working around the UK to access development time and resources at the NT Studio. Part of our support is the option for dramaturgical support from the New Work team, and support testing ideas that rest on a particular technical element that might be difficult to explore in less well-resourced environments.

Theatre Nation Partnerships

In 2021-22, we developed our plans and Arts Council England bid for a second phase of investment in Theatre Nation Partnerships, our strategic audience development network which facilitates targeted relationships and programmes of work and skills sharing and collaboration between partners. This bid was successful, and the new phase of Theatre Nation Partnerships for 2023-26 includes ten partnership areas (building on the existing six), all of which are priority or levelling up areas.

Sustainable production

Sharing our work and learnings with the sector on embedding the principles of the Theatre Green Book into our production processes is an important strand of our strategy. Following a year of significant work trialling new methods, materials and carbon budgeting processes, the NT will begin more actively sharing these strategies and promoting productive conversation within the sector. This started with a major sector conference held in June 2022 at the NT; attended by 532 in-person attendees and 333 online attendees. Attendees feedback was extremely positive, it was regarded as useful, informative, insightful and educational.

"The real lesson of the day was the realisation that theatre, so often viewed as an archaic medium, is actually in the vanguard when it comes to collectively pursuing a radical green agenda." - Michael Billington, Guardian.

Aim 4. To expand the National's international reach and impact

4.1 DEEPENING OUR PRESENCE IN KEY INTERNATIONAL TERRITORIES AND INCREASING INTERNATIONAL AUDIENCES

International broadcast and streaming

National Theatre Collection

Working in collaboration with the New York Department of Education, we aim to make the National Theatre Collection freely available in New York City public schools, where around 75% of New York's public schools are in low socio-economic areas. We will reach approximately 30,000 students in 80 to 100 schools across five New York City boroughs. In April 2020, we began piloting the Collection and its resources with 20 teachers from a broad range of schools, such as SEND schools and schools for students with criminal records, who use theatre to aid rehabilitation. Our pilot group of teachers were integral to the development of our resources and lesson plans for the New York City curriculum ahead of the full project roll out that took place in Autumn 2021.

Romeo & Juliet

As well as being broadcast for free via PBS in the US, we wanted to ensure that young people have the chance to experience this unique piece of theatre as part of their education. The *Romeo & Juliet* company made a video diary of the film-making process and developed extensive pre- and post-show resources including workshops, live Q&As with the creative team, and classroom education packs for studying the text. Students across the globe can access the film and accompanying digital learning resources via our online educational platform, NT Collection.

NT Live returns

The National Theatre Live programme of broadcasts to cinemas around the world returned in 2021-22 after the pandemic hiatus. Many international cinemas had the appetite to reopen with older titles from our back-catalogue – as a result, a range of 22 titles were screened 640 times. The total international audience for the programme in 2021-22 was 51,563 people.

International performing

Directed by Academy Award, Tony Award and Golden Globe winner Sam Mendes, *The Lehman Trilogy* transferred to Broadway in 2021, starred Simon Russell Beale, Adam Godley and Adrian Lester as the Lehman brothers, their sons, and grandsons. *The Lehman Trilogy* is this year's most Tony-nominated play acknowledging the entire creative team with 8 nominations and 5 wins:

- Best Play – The Lehman Trilogy by Stefano Massini and Ben Power (winner)
- Best Performance by a Leading Actor in a Play – Simon Russell Beale (winner)

- Best Performance by a Leading Actor in a Play – Adam Godley
- Best Performance by a Leading Actor in a Play – Adrian Lester
- Best Scenic Design of a Play – Es Devlin (winner)
- Best Lighting Design of a Play – Jon Clark (winner)
- Best Sound Design of a Play - Nick Powell and Dominic Bilkey
- Best Direction of a Play – Sam Mendes (winner)

The production also appeared at the Ahmanson Theatre in Los Angeles in a limited engagement from 3 March 2022 through 10 April 2022, with Godley, Beale, and Howard W. Overshown (Miles' understudy from the Broadway production). In August 2019, it was announced that Hadestown would begin a national tour in 2020. Due to the Covid pandemic, the tour was postponed to 2021. The tour launched at the John F. Kennedy Center for the Performing Arts in Washington, D.C., and ran for three weeks starting in mid-October 2021. Prior to the tour launch, the production had a try-out at the Peace Center in Greenville, South Carolina, from 5 to 10 October 2021.

Aim 5. To deliver in a financial and socially sustainable way

5.1 ORGANISATIONAL RESILIENCE AND CAPACITY

Governance & Risk Management

During the year, the Board continued to meet regularly and followed the Board rolling annual agenda, with in depth-discussions on all key areas of strategy, mission, and key operational and governance matters. Subsidiary Boards and Board Committees also met on a regular basis.

To enhance the Boards oversight of some areas of risk a Board champion was appointed for Health & Safety and another for Safeguarding. Their role is to have close oversight of both of these areas so that they can interrogate Health & Safety and Safeguarding Board reports in detail.

Compliance

We continued to update our Health & Safety policy and procedures with a focus on Fire Policy and Evacuation Plans, contractor management and the management of the control of substances hazardous to health (COSHH). We have reviewed and updated our Safe Working Groups processes to enable regular consultation with staff and freelancers on health and safety. The Safeguarding Group has been monitoring compliance and reporting issues to the Finance and Audit Committee. A new mandatory Safeguarding training module was launched on our e-learning software and the majority of staff have completed it to ensure that safeguarding is considered at the planning stage of all our activities. Covid safety was a continued focus in 2021-22 as we continued to provide a Covid safe environment for all staff, freelancers and audiences in accordance with government and sector regulations and guidelines.

IT Strategy

We have embedded our new IT governance arrangements with the IT Strategy Group and three new steering groups: Audiences & Digital; Production & Planning and Operations & Security meeting regularly. We completed the project to update the purchase pathway for ticket sales via our web site, increasing our resilience and ability to cope with large on sales. We also completed a project to migrate data storage into the Cloud and have begun the process of upgrading our HR and payroll software to Cloud based solutions. To support our cybersecurity arrangements all staff have completed cybersecurity training which will be refreshed annually.

Security

Our Security environment has continued to be strengthened through continued development of our Security Systems and CCTV Control Room capability ensuring monitoring, incident follow up, and intelligence sharing with neighbours and police remains at the forefront of our Security operations to aid in managing Security risks. We have restructured the Security Contract to provide additional focus and resources in our Front of House Security operations and entrance management controls to enhance our ability to provide a safe, secure and welcoming environment for all.

5.2 STAFF RESILIENCE AND CAPACITY

Staff Resilience

We continued to supplement the work of our in-house Welfare Counselling service with our external Employee Assistance Programme for all workers, giving access to 24/7, 365-day support. Courses to support wellbeing, stress management and financial management were added to our e-learning platform.

We updated the processes that support our Health Surveillance programme for teams that work with potential hazards or who are required to wear PPE. This has increased participation from staff significantly.

As we reopened after the various Covid lockdowns, we introduced a formal hybrid working policy to reflect changing working practice for our desk-based staff.

Staff Training

All staff were encouraged to take training courses via our e-learning platform. We have continued to develop internally created courses alongside hosting external content and now have 200 different courses available to staff. Several mandatory compliance training courses were rolled out via this platform, including payment card industry (PCI) compliance, cybersecurity and safeguarding, and were accessed by at least 75% of the target staff groups.

We have also delivered in-person training on a range of subjects to support staff welfare and Equity, Diversity and Inclusion that include understanding Neurodiversity, “it’s About Race” training and “Trauma-Informed Approach to Training”. In addition, we devised and delivered a programme called “60 Minute Skills”, delivered to 60 staff members and focusing on skills to negotiate returning to the office and working in a hybrid workplace.

Those staff undertaking People Management Apprentices all passed their End Point Assessments, and one staff member completed their Chartered Management Degree Apprenticeship while one staff member commenced on a Senior Leadership Level 7 apprenticeship.

We supported all 2019-2020 apprentices through their Covid interrupted programmes. All the entry level apprentices successfully completed by March 2022. We re-launched our entry level apprenticeship recruitment in February 2022 and, in addition, contributed a portion of our apprenticeship levy to fund a Technical Theatre apprenticeship at the New Victoria Theatre, Stoke. We also took on 4 Kickstart placements, 2 of whom have remained at the NT and 2 of whom have gone onto education or other work.

Technical skills and compliance

An ongoing training and refreshment programme is in place in order to ensure that our circa 250 technical staff are kept up to date in key competencies, including core compliance and safety training, and specific training licences.

5.3 EMBEDDING ENVIRONMENTAL SUSTAINABILITY AT THE HEART OF OUR PRACTICE

In October 2019, the NT declared a climate emergency, saying that we recognise that climate change needs to be tackled urgently and making commitments as an organisation to address it. The key themes of our Environmental strategy are: People, Place and Production.

People

Covid continued to disrupt our work and many staff and freelancers continued to work from home disrupting our progress in this area. Previous and on-going progress includes:

- An Environmental Handbook for staff, that is designed to help drive change in our working areas and at home.
- Providing regular environmental updates at Company Meetings and via the Intranet giving opportunities for people leading on sustainability across the NT to update us on their work.

Place

We continued to operate with full building closures due to Covid during the financial year. As with the 2019-20 financial year, this been positive in terms of our direct environmental impact. Previous progress in this area includes:

- We recycled 54% of non-production waste, 30% of production waste and reduced total waste tonnage by 68%
- We exceeded our 2021-22 target to reduce energy and water carbon emissions by 20% achieving a 42% reduction as a result of a number of projects including:
 - A project to fit LED lighting in the Olivier and Lyttelton theatres and front of house areas
 - Improvements to the management of our Building Management System.
 - Upgrading pump and fan controls for our heating and ventilation systems.
 - We have begun to review our Scope 3 impact in order to look to implement Scope 3 reductions in 2022/2023
 - We have committed to Lambeth Councils climate action plan and applied for membership of the Lambeth Climate Action Group

Production

- We started working towards the Theatre Green Book baseline standards for productions across all productions on the South bank.
- Our production teams have developed and started to trial a production-based carbon calculator
- Creative teams are encouraged to work in a sustainable way, creating productions with consideration to environmental sustainability.
- We continue to use our off-site storage capacity to reduce scenery waste and improve re-cycling.

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR) imposed by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2020-21 and 2021-22.

Scope 1: Emissions from combustion of Gas tCO ₂ e:	
	2022: 1,194 tCO ₂ e (Energy consumption: Gas 4,507,407 Kwh)
	2021: 659 tCO ₂ e (Energy consumption: Gas 3,585,113 Kwh)
Methodology: tCO ₂ e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'	
Scope 2: Emissions from purchased electricity tCO ₂ e:	
	2022: 950 tCO ₂ e (Energy consumption: Electricity 6,731,367 Kwh)
	2021: 1,370 tCO ₂ e (Energy consumption: Electricity 2,968,333 Kwh)
Methodology: tCO ₂ e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'	
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO ₂ e :	
	2022: 1.93811 tCO ₂ e
	2021: 1.0 tCO ₂ e
Methodology: tCO ₂ e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type	
Intensity Ratio: tCO ₂ e gross figure based from mandatory fields (tCO ₂ e/m ²):	
	2022: 0.038 TCO ₂ e/m ²
	2021: 0.024 tCO ₂ e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO ₂ e per total square metres of useful floor area	

FINANCIAL SUSTAINABILITY

In 2021-2022, income of £80.8m and expenditure of £80.1m generated a positive movement in total group funds of £0.7m. This reflects the return of audiences post pandemic and box office income for NT productions at the South Bank and the successful achievement of our 2-year Covid recovery Major Funding Campaign.

There was a positive movement in unrestricted operational funds of £8.1m (before transfers), reflecting funding received in respect of our Major Funding Campaign relating to urgent technical production capital need, to be spent in the following 12-24 months. Our unrestricted operational fund is a deficit of £4.0m; this comprises cash and current asset investments of £19.8m, offset by other net liabilities of £23.8m - which includes the long-term loan liability (the Culture Recovery Fund loan of £20.1m repayable at annual repayments of circa £1.5m pa (including interest) over 20 years from 2025). Our unrestricted reserves target is to hold a minimum of the equivalent of three months of core, normalised operating expenditure in operational reserves, which is circa £15m. Excluding the long-term loan liability, our unrestricted cash reserves are in line with our reserves policy.

The NT's Arts Council England core revenue grant funding, which in 2021-22 was £17.0m, is critical to support the risk inherent within, and the breadth of, our artistic aims. As part of the government's levelling up agenda, it required Arts Council England to re-direct 10% of its London based funding to National Portfolio Organisations outside of London. The NT was advised, in October 2022, that it will receive a 5% cut to its annual grant funding with effect from 2023-24, reducing it to £16.15m pa.

The Royal National Theatre has also become increasingly dependent in recent years on Theatre, Film and TV tax credits, which in 2021-22 amounted to £3.2m.

Following the Government closure of our theatres on 16 March 2020 in response to the Covid pandemic, in 2020-21 we identified an additional funding requirement of £80m across 2020-21 and 2021-22 to support our long-term survival and to enable us to meet the needs of our beneficiaries by continuing with activity where we could: by extending our digital offering to audiences, presenting live socially-distanced performances when Covid restrictions allowed, and converting our Learning programmes into digital offerings to support both students/ young people and teachers.

In the summer of 2020 we implemented an £80m Recovery Plan to address this funding shortfall, comprising three planks:

- Self-help (excluding philanthropy) - £20m – 25%
- Philanthropy - £40m – 50%
- Government Loan - £19.7m – 25%.

The self-help measures and Government support were secured as at March 2021. The Major Fundraising Campaign achieved its target within the 2021-22 financial year, with £7m of income recorded in the 2021-22 financial statements.

Future financial sustainability

In support of our Government loan application process, in September 2020 we were required to produce a five-year financial plan demonstrating how, among other things, we could return to financial sustainability by March 2022 and also support loan repayments of circa £1.5m per annum by 2024-2025. This plan was predicated on continued staff cost and efficiency savings, the growth of new digital income streams, growth in trading net income, and continued strong philanthropic support.

In May 2022, as part of our Arts Council England funding agreement application process for the three year period 2023-2024 to 2025-2026, we updated our Business Plan. This included NT planned activity across this period in support of Arts Council England Let's Create Strategy (Creative People, Cultural Communities and a Creative and Cultural Country) and its Investment Principles (Ambition and Quality, Inclusivity and Relevance, Environmental Responsibility and Dynamism). This demonstrated that the NT would return to a break-even model by 2025-2026 and support its Cultural Recovery Fund loan repayment commitments, with sufficient funding in its designated risk reserves to support the planned deficits arising during this period.

Since then, the current high rates of inflation and increasing energy costs is having, and we anticipate will continue to have, a significant impact on our cost base. 38% of our expenditure relates to people, and we are mindful of the impact of the 'cost of living crisis' on our staff and freelancers, and our ability to attract and retain staff and freelancers. Our Arts Council England grant has been cut by £0.85m pa with effect from 2023-2024. Our audiences have not yet returned to pre-pandemic levels; being circa c12% down. Audience and consumer confidence is likely to be impacted by the 'cost of living' crisis. The country is now in economic recession. To the positive, during the last recession in 2008, we note that the theatre sector was less badly affected than many other sectors.

In response to these financial impacts we are reviewing our four-year plan, and have identified opportunities, with supporting investment, to set more demanding growth targets for digital income streams, commercial exploitation of our productions, trading net revenue and philanthropic support. At the same time, we are carrying out a Strategy Review, to hone our key aims and objectives. We recognise that for the next three to four years, at least, we will need to reduce activity levels in order to ensure financial sustainability, whilst ensuring that we continue to deliver to our mission, meet the needs of our audiences, our donors, our funders and other stakeholders and beneficiaries, and support the future health of the sector in our role as a sector leader.

Following the pandemic-related closure periods of the National Theatre to non-ticket holders, in September 2021 we re-opened our food and drink services to audiences and the public with an out-sourced catering provider, the model having previously been run in-house. Our aim is to bring in external food and drink expertise to deliver a high quality service, and to grow revenue and profit from these areas; by creating the National Theatre as a destination for food and drink, working in partnership with the provider and alongside two highly credible independent restaurateurs to run our two restaurants, and with a range of street food traders to expand our casual dining, café and grab and go offerings

We currently remain confident about our future, but these are very challenging times for us, the cultural sector and society in general; and are likely to remain so for quite some time to come.

2022-23 Objectives

Our areas of focus in 2022-23 aim to support the recovery of the NT, our theatre sector, young people and our wider communities nationwide, from the many impacts of the pandemic, and to set a pathway for our collective ability to thrive in the future. They are:

- To strive for excellence and diversity on our stages, to tell resonant and relevant stories that speak to the nation and to attract greater diversity in our audience.
- To engage with our freelance workforce and build new ways of working that recognise their needs following Covid and to support the future talent pipeline.
- To deliver learning and participation activity on a national scale, with a focus on young people and addressing inequality in access to the arts.
- To reach more audiences, young people and communities through digital means, developing the digital advances made over the past 24 months.
- To rebuild audiences and attract a wide range of visitors to enjoy our building on the South Bank, with a creative and inclusive welcome, our new innovative and diverse Food & Drink offers and associated refurbishment of those spaces, and the creative animation of our front of house spaces.
- To continue to advocate for the wider theatre sector and especially the creative freelance community.
- To embark on a major cultural change programme to create a fully inclusive and safe organisation, that supports the well-being, resilience and development of all staff and freelancers.
- To make progress against our environmental sustainability aims and through adoption of the Theatre Green Book test new ways of making productions to increase sustainability in show making.
- To build a post Covid sustainable business model and Business Plans for 2023-2026, embedding ACE Investment Principles and Let's Create outcomes.

Our Approach to Fundraising

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as The Royal National Theatre's corporate policies, such as Anti-Bribery. The Royal National Theatre voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. One minor issue of non-compliance with this code occurred during the year (2020-21: two minor issues). An email was sent to our Development Board where the individuals email addresses were viewable by the full group, rather than blind copied. The email went to the intended recipients, but they should not have had access to the other individual email addresses. No complaints were received about this and there was no requirement to report to the Information Commissioner's Office because the breach was unlikely to result in a high risk to the rights and freedoms of natural persons.

All our fundraising activity is delivered in-house by our Development team and we ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We do not engage a professional fund-raiser or commercial participator. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to Trustees at regular board meetings. There are processes in place to manage and identify risks to protect The Royal National Theatre's income, assets and reputation. In addition to the

successful completion of the Major Fundraising Campaign in the year, internal objectives are set by the Development team each year as part of the RNT's budgeting process; these funding goals have been largely met in 2021-22.

An internal audit review of fundraising was undertaken in 2018-19 with no substantive control issues raised. No complaints with regard to our fundraising practices were received during the year (2020-21: none).

It is possible that our fundraisers may come into contact with vulnerable people. We are especially careful and sensitive when engaging with vulnerable people, and have a safeguarding policy, procedures and processes in place to ensure we are doing all we can to protect vulnerable people. This area was subject to an Internal Audit review in 2018-19 and no substantive issues were raised.

SELF EVALUATION

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

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

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

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. Over the past five years we have dramatically increased our understanding of audiences by expanding our programme of insight and analysis. Our bespoke audience segmentation, which draws together attitudinal and behavioural factors, has been used for several years to aid understanding of audience groups. In tandem, our Audience Insight programme, comprising quantitative and qualitative research, is used to examine who is attending and inform audience projections for our future programme. We currently collect and analyse over 25,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation. In addition, we began using Arts Council England's Impact and Insight Toolkit, bringing together audience and peer feedback to evaluate responses against stated objectives for productions.

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In addition, we continued with a number of external research partnerships into the impacts of our programme, working with the Centre for Cultural Value on Speak Up and with Professor Helen Nicholson from Royal Holloway, University of London, and a number of partner

universities including Sunderland and Bath Spa on the next phase of Public Acts. The department is developing a Theory of Change approach to shape and measure the impact of its work with young people nationwide.

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

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

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

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

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

Trustees developed the National Theatre's strategic objectives (page 6 of this report) as part of a long-term strategy to create world-class theatre for everyone; to develop talent for the creative health of the nation, representing and celebrating our country's diversity; to change lives through participation and create opportunities for every child to experience theatre. The needs of our beneficiaries: our audiences, future audiences and especially young people and those of our other key stakeholders: our employees, our freelancers, the Arts Council England and donors, form the bedrock of our strategic plans.

Decisions regarding our 2021-22 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience-diversity aim, *The Curious Incident of the Dog in the Night-Time* toured to 16 venues across the UK from January 2022 to May 2022, and three other productions on our stages played at other venues across the country through co-production arrangements. *East is East* ran in partnership with the Birmingham Rep, *Our Generation* with the Chichester Festival Theatre, and *Wuthering Heights* in partnership with Wise Children, Theatre Royal York and Bristol Old Vic.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 48 to 51 of this report.

b. The interests of the charity's employees

Our staff are crucial to our success. Trustees consider and protect the interests of our staff to support the National Theatre's on-going success. Trustees and Executive Management ensure, through regular staff engagement, that we maintain an understanding of employee needs to inform our strategy and aims. Our decision-making process considers the impact of potential decisions on our staff. For example, all staff whose roles can be performed from home were consulted to inform our hybrid working policy.

We recognise three trade unions whom we regularly consult with on key aspects of business planning. For example, our annual cost of living employee pay award is agreed in consultation with those unions.

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

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

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

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

We regularly seek and evaluate feedback from the young people and teachers who engage in our Learning programmes; this feedback is fed into the development of these programmes and future activity plans. Examples include regular consultation with teachers which have informed the development of learning resources alongside the productions on NT Collection. More information on how we seek feedback from our beneficiaries can be found on page 37 of this report.

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

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

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 30 to 31 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

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

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviour. Areas covered include fundraising (our fundraising practices are discussed on pages 34 and 35 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

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

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

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Racial Equity Group, created in 2020-21 in light of the Black Lives Matter movement and murder of George Floyd in 2020 – comprises representatives from ethnically diverse staff at all levels, the Board, Senior Leadership Team, Executive Committee and the Artistic Director and Executive Director. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and have informed the Equity, Diversity and Inclusion policy for 2021-22.

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

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

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

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

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

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

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

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

As part of our aims to support the health of the theatre sector and be as accessible as possible, we have established strategic partnerships with six regional theatres under our Theatre Nation Partnership initiative. More information on this can be found on pages 13 to 15 of this report.

Our Associates, a group of 13 freelancers attached to The Royal National Theatre, meet regularly to discuss and objectively assess the strengths and weaknesses of our repertoire, to support the Artistic Director and Chief Executive in developing forward looking creative strategy, and to represent the interests of the creative freelance community on whom we depend to create and present the work on our stages.

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

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

STRATEGIC REPORT

PRODUCTIONS PRESENTED IN 2021-22



AFTER LIFE
by Jack Thorne, adapted from the film by
Hirokazu Kore-eda, concept by Bunny Christie,
Jeremy Herrin and Jack Thorne
Dorfman Theatre, 2 June 2021

Director **Jeremy Herrin**
Set & Costume Designer **Bunny Christie**
Lighting Designer **Neil Austin**
Sound Designer **Tom Gibbons**
Movement Director **Shelley Maxwell**
Music **Orlando Weeks**
Video Designer **Max Spielbichler**
Company Voice Work **Jeannette Nelson**
Staff Director **TD Moyo**



UNDER MILK WOOD
by Dylan Thomas
additional material by Sian Owen
Olivier Theatre, 16 June 2021

Director **Lyndsey Turner**
Set & Costume Designer **Merle Hensel**
Lighting Designer **Tim Lutkin**
Sound Designer and additional compositions **Donato Wharton**
Composer **Edward-Rhys Harry**
Movement Director **Imogen Knight**
Associate Director **Tom Bellerby**



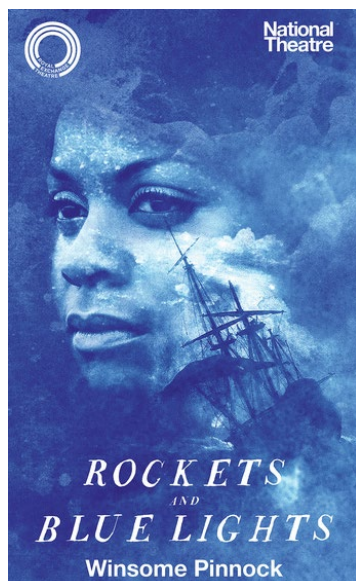
DEATH OF ENGLAND: FACE TO FACE
by Roy Williams and Clint Dyer
Lyttleton Studios, shooting ended 11 June 2021

Director **Clint Dyer**
Designer **Sam Harley**
Associate Director **Emily Burns**
Sound and Music **Pete Malkin**
Sound and Music **Benjamin Grant**
Wigs, Hair and Make-up Designer **Giuseppe Cannas**
Lead Producer **David Sabel**
Executive Producer (Cuba Pictures) **Dixie Linder**
Producer/Co-Chief Executive NT **Rufus Norris**
Director of Photography (DOP) **Sashi Kissoon**



PARADISE
by Kae Tempest
Olivier Theatre, 4 August 2021

Director **Ian Rickson**
Set & Costume Designer **Rae Smith**
Lighting Designer **Mark Henderson**
Music **ESKA**
Music **Stephen Warbeck**
Movement Director **Coral Messam**
Sound Designer **Christopher Shutt**
Fight Director **Terry King**
Associate Set Director **Catherine Morgan**
Associate Costume Designer **Johanna Coe**
Staff Director **Danielle Baker-Charles**
Classical Advisor **Helen Eastman**
Sound and Music Associate **Joel Price**
Sound and Music Associate **Jonas Roebuck**
Casting Director **Amy Ball**

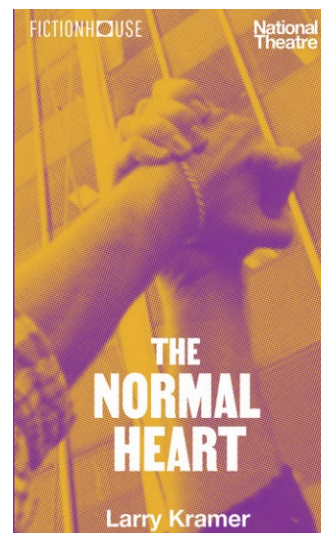


ROCKETS AND BLUE LIGHTS

by Winsome Pinnock

Dorfman Theatre, 25 August 2021

Director **Miranda Cromwell**
 Set & Costume Designer **Laura Hopkins**
 Lighting Designer **Amy Mae**
 Composition and Music Direction **Femi Temowo**
 Sound Designer **Elena Peña**
 Music **Orlando Weeks**
 Movement Director **Annie-Lunnette Deakin-Foster**
 Fight Director **Yarit Dor**
 Associate Set and Costume Designer **Charlotte Henery**
 Original Lighting Designer **Jessica Hung Han Yun**
 Dialect Coach **Hazel Holder**
 Music Coordinator **Tim Sutton**
 Casting Director **Vicky Richardson**
 Staff Director **Mumba Dodwell**

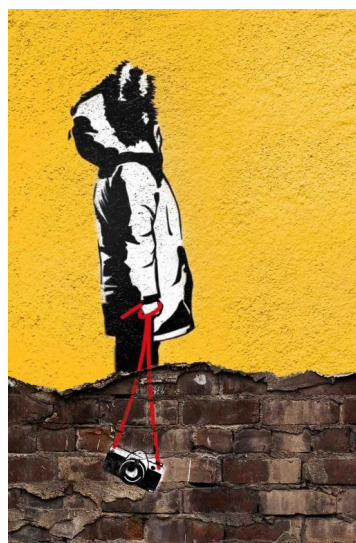


THE NORMAL HEART

by Larry Kramer

Olivier Theatre, 23 September 2021

Director **Dominic Cooke**
 Set Designer **Vicki Mortimer**
 Costume Designer **Lisa Duncan**
 Lightning Designer **Paule Constable**
 Sound Designer **Carolyn Downing**
 Fight Director **Brett Yount**
 Dialect Coach **Penny Dyer**
 Associate Director **Josh Seymour**



EAST IS EAST

by Ayub Khan Din

Lyttelton Theatre, 7 October 2021

Director **Iqbal Khan**
 Set, Projection & Lighting Designer **Bretta Gerecke**
 Costume Designer **Susan Kulkami**
 Composer **Felix Dubs**
 Sound Designer **Jon Nicholls**
 Fight Director **Rachel Bown-Williams of Rc-Annie Ltd**
 Fight Director **Ruth Cooper-Brown of Rc-Annie Ltd**
 Vocal Coach **Abi Lumb**
 Associate Projection Designer **Max White**
 Associate Costume Designer **Suzanna Knight**
 Make-up and Hair Designer **Jojo Dutton**
 Casting Director **Stewart Burt CDG**
 Associate Director **Natasha Kathi-Chandra**



MANOR

by Moira Buffini

Lyttelton Theatre, 16 November 2021

Director **Fiona Buffini**
 Set & Costume Designer **Lez Brotherston**
 Lighting Designer **Jon Clark**
 Composer and Sound Designer **Jon Nicholls**
 Video Designer **Nina Dunn**
 Fight Director **Kate Waters**
 Intimacy Coordinator **Ita O'Brien**
 Dialect Work **Majella Hurley**
 Associate Set Director **Louie Whitmore**
 Associate Costume Designer **Diane Williams**
 Associate Sound Designer **Beth Duke**
 Casting **Sam Jones CDG**
 Casting **Isabella Odoffin CDG**
 Staff Director **Sepy Baghaei**



TROUBLE IN MIND

by **Alice Childress**

Dorfman Theatre, 2 December 2021

Director **Nancy Medina**

Set & Costume Designer **Rajha Shakiry**

Lighting Designer **Nao Nagai**

Music **Nubiya Imani Brandon**

Music **Raffi Bushman**

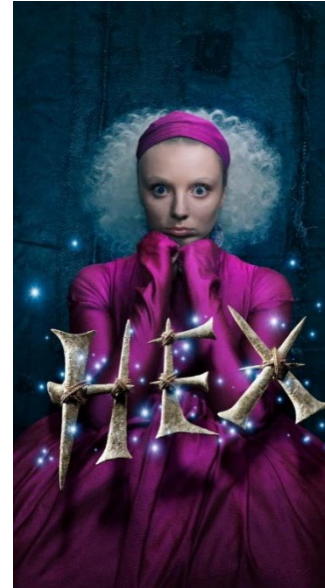
Sound Designer **Elena Peña**

Movement Director **Rachael Nanyonjo**

Staff Director **Lakesha Arie-Angelo**

Drama therapist **Samantha Adams**

Dialect Coach **Hazel Holder**



HEX

book by **Tanya Ronder**

music by **Jim Fortune** and lyrics by **Rufus Norris**

Olivier Theatre, 4 December 2021

Director **Rufus Norris**

Set & Costume Designer **Katrina Lindsay**

Choreographer **Jade Hackett**

Music Supervision and Vocal Arrangements **Marc**

Tritschler

Orchestrations **Simona Hale**

Music Director **Tarek Merchant**

Lighting Designer **Paul Anderson**

Video Designer **Ash J Woodward**

Sound Designer **Simon Baker**

Consultant Choreographer **Bill Dreamer**

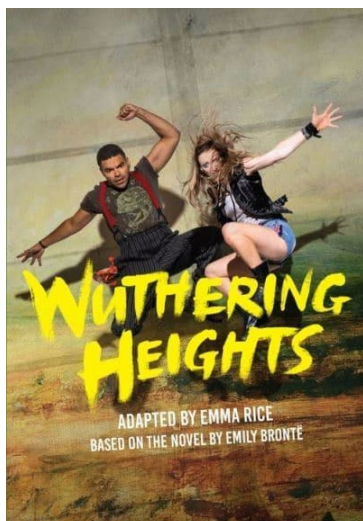
Associate Director **Emily Burns**

Associate Director **Séimí Campbell**

Associate Choreographer **Bradley Charles**

Associate Music Director **Cat Beveridge**

Company Singing Coach **Dane Chalfin**



WUTHERING HEIGHTS

based on the novel by Emily Bronte

adapted by Emma Rice

Lyttelton Theatre, 3 February 2022

Director **Emma Rice**

Composer **Ian Ross**

Set & Costume Designer **Vicki Mortimer**

Sound and Video **Simon Baker**

Lighting Designer **Jai Morjaria**

Movement and Choreography **Etta Murrfitt**

Puppetry Director **John Leader**

Associate Director **Laura Keefe**

Associate Choreography **Nandi Bhebhe**

Fight Director **Kev McCurdy**

Voice Coach **Simon Money**

Lighting Programme and Associate **Victoria Brennan**

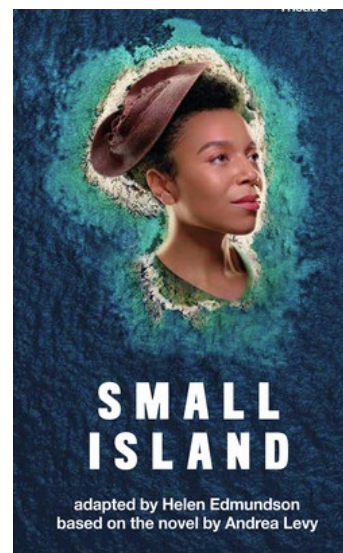
Music Supervisor **Tom Knowles**

Costume Supervisor **Anna Lewis**

Wigs, Hair and Make Up Supervisor **Dominique Hamilton**

Wigs, Hair and Make Up Associate **Carly Roberts**

Musical Director **Nadine Lee**



SMALL ISLAND

adapted by Helen Edmundson

based on the novel by Andrea Levy

Olivier Theatre, 24 February 2022

Director **Rufus Norris**

Set & Costume Designer **Katrina Lindsay**

Projection Designer **Jon Driscoll**

Lighting Designer **Paul Anderson**

Composer **Benjamin Kwasi Burrell**

Sound Designer **Ian Dickinson for Autograph**

Fight Director **Kate Waters**

Choreographer **Jade Hackett**

Music Consultant **Gary Crosby**

Dialect Coach **Hazel Holder**

Associate Director **Denzel Westley-Sanderson**

Associate Projection Designer **Gino Ricardo Green**

Associate Sound Designer **Jonas Roebuck**

Casting **Isabella Odoffin CDG**

Casting (Children) **Verity Naughton CDG**

Staff Director **Leian John Baptiste**

Financial Summary

Financial Review – 2021-2022

In 2021-2022, income £80.8 million and expenditure of £80.1 million generated a positive net movement in total group funds of £0.7 million. This compares to an increase of £4.7million in 2020-21. This positive movement relates mainly to the success and receipt of funds relating to our 2-year – Covid recovery Major Funding Campaign.

Income for The Royal National Theatre productions at the South Bank continued to be impacted by Covid. Whilst we returned to all three theatres being open by October 2021 we still saw a slow return by audiences. There were 464 performances across all theatre against c974 pre-pandemic generating a financial capacity of 59.5% versus 74% in 2019-20.

At 27 March 2022, total group funds were £87.7 million, of which negative (£4.0) million are unrestricted operations funds (28 March 2021: £87.0 million and positive £16.0 million, respectively). The unrestricted operations fund of negative (£4.0) million include a long-term liability – the Cultural Recovery Fund concessionary loan of £20.1m (2021: £19.7m). This loan and interest is repayable over a 20 year period with an initial four year repayment holiday, in six-monthly equal instalments of £0.752m, the first instalment being due in February 2025, the final instalment in February 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

Principal Funding Sources

The Royal National Theatre maintains a balance between self-generated income – box office and exploitation of The Royal National Theatre productions in UK and internationally (c50%), catering and front-of-house trading (c7%), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (c22%) and public subsidy from Arts Council England (ACE) (c21%).

Arts Council England

Arts Council revenue funding at £17 million (2020-2021: £17 million), represents c21% of the income received by The Royal National Theatre (2020-2021: c31%).

The Royal National Theatre took a 3% ACE funding cut for the four-year funding period 2018-2022 alongside Southbank Centre, RSC, and Royal Opera House, in order to support the diversification of the National Portfolio Organisations and the investment of funds outside London. With effect from 2018-2019 the grant has been cut by £2.9 million since 2010-2011, a real-terms reduction of 29%. The Grant has been cut by a further 5% for the period 2023-26 to £16.15 million a year.

Fundraising

In response to our 2-year - Covid recovery Major Funding Campaign, the Development department had another strong year raising £18.4 million (vs £21.1 million in 2020-2021), which comprised £17.8 million for revenue activity (vs £19.6 million in 2020-2021) and £0.6 million for capital projects (vs £1.5 million in 2020-2021). £1.6 million of revenue activity (vs £1.1 million in 2020-2021) in relation to commercial Sponsorship is recorded within income from other trading activities.

Box Office Income

Box office income on the South Bank as well as the UK tour of *The Curious Incident of the Dog in the Night-Time*, *Ocean at the End of the Lane* in the West End and NT Live & Digital amounted to £18.3 million (2020-2021: £3.8 million).

Tax Credits

Theatre, Film and TV Tax Credits are a significant contributor to The Royal National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2021-2022 amounted to £3.2 million (2020-2021: £0.8m).

Trading and Other Income

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are principally conducted through The Royal National Theatre's wholly-owned subsidiary Royal National Theatre Enterprises Limited. The car park is operated under a franchise.

The total income generated by Royal National Theatre Enterprises in 2021-2022 was £6.9 million (2020-2021: £1.6 million), including commercial sponsorship income of £1.6 million (2020-2021: £1.1m). The total profit before the management charge payable to The Royal National Theatre was £1.5 million (2020-2021: £0.5 million).

Trading and other income also includes £17.8 million (2020-2021: £2.1 million) comprising licensing fees generated by National Theatre Productions Limited and Royal National Theatre North America LLC, box office and other income generated by Three Brothers Broadway LLC, and a grant from the US Government for the transition of reopening theatres in the USA.

Other income also includes bank interest receivable and income from education activities.

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

In 2020-2021 we benefited from the Government's Coronavirus Job Retention Scheme (CJRS) and received £11.8 million income; in 2021-2022 this balance was £0.5 million and the scheme ceased in September 2021.

Revenue Expenditure

Production COSTS

Production expenditure at The Royal National Theatre, in the West End and on tour totalled £28.0 million (£29.3 million in 2020-2021) and represented 54% (2020-2021: 63%) of total expenditure on charitable activities for the year.

NT LIVE AND DIGITAL

Total expenditure for the year for NT Live and Digital was £7.5 million (£4.4 million in 2020-2021).

NT Learning and Public Engagement

Total expenditure for the year for the NT Learning (education) and public engagement programme was £5.4 million (£3.0 million in 2020-2021). £2.9 million was covered by fundraising and £0.5 million generated through ticket and fee income.

Research and Development

Expenditure on research and development totalled £3.2 million (£2.6 million in 2020-2021), including £1.8 million expenditure in the NT New Work Department.

Support Costs

Support costs cover expenditure on front of house staff responsible for contact with the audience; marketing, box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, HR and IT. These costs are allocated against the activities listed above. Total support costs were £15.7 million (£19.0 million in 2020-2021).

Staff Costs

Staff costs, including social security and pension costs and redundancy costs, totalled £30.6 million (£31.5 million in 2020-2021). Staff numbers decreased on the previous year to 669 (759 in 2020-2021), following the redundancy programme undertaken as part of the NT's Covid Recovery Plan.

Capital Expenditure

Total capital expenditure for the year was £6.9 million (£2.5 million in 2020-2021). This comprised investment in our lighting infrastructure and equipment of £1.8 million; and another £2.3m on our stage systems and equipment. A further £0.3 million was spent on our sound and video systems and equipment. £1.7 million was spent on a number of relatively small building refurbishment projects, IT projects (including PC & IT hardware) and investment in catering equipment. A further £0.8m was spent on panelling and deck rectification work.

The transfer from the operations fund to the designated fund for capital was £17.7 million (£2.1 million in 2020-2021).

Reserves

Unrestricted Operations Fund

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

The Royal National Theatre's unrestricted reserves target is set, in recognition of its inherently risky business model, to ensure that it provides adequate resources to enable the continuity of The Royal National Theatre's operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on trading and fundraising, and economic uncertainty. Following a risk assessed impact review of income and expenditure, we determined that a target equivalent to approximately three months normalised core operating expenditure is appropriate, of £15 million.

As at 27 March 2022, we held negative (£4.0m) in unrestricted reserves and of our designated reserves £31.5m is held in cash and current asset investments. Of the £31.5m, £18.3m is required to address urgent capital works, £8.9m is required to fund the current Business Model's Risk & future Investment, £1.5m is to cover the first repayment instalments of the Cultural Recovery Fund concessionary loan and £2.8m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

Buildings & Equipment Designated Fund

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

NT Future Designated Fund

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

Restricted Funds

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

Internal Control and Risk Management

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

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

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

The key components of The Royal National Theatre's risk management include:

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

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

Principal Risks and Uncertainties

The Covid pandemic was the most significant risk to have impacted The Royal National Theatre since its formation. The Royal National Theatre responded quickly in response to this unprecedented challenge; this included:

- The launch of NT at Home in April 2020 – screening 16 past productions to view for free via You Tube. Following its success, we launched a paid for streaming service in December 2020.
- Switching our face-to-face Learning programmes to digital offerings, to support students/young people and teachers.
- Converting the Olivier Theatre, our largest space, into an 'in-the-round' configuration to improve the financial viability of socially distanced performances.
- We converted the Lyttelton Theatre into a film studio, to produce an innovative form of theatre work devised for the camera.
- A Financial Recovery Plan was established in 2020, including Government loan support of £19.7m as a result of sector wide lobbying, heavily supported by The Royal National Theatre's Executive, and the launch of a £40m Major Funding Campaign in Autumn 2020.
- We implemented policies and procedures, supported by risk assessments, extensive staff training and briefings, to provide a Covid safe working environment for those staff and freelance teams who need to attend the building to support our operations and performances. These policies and procedures continued throughout 2021-22, being updated in line with updates to government guidance.

The Royal National Theatre continues to monitor and take necessary actions to ensure that we come through this period with sufficient reserves to continue to operate on an on-going basis; whilst ensuring we are able to support the needs of our staff, freelancers, donors, audience and other beneficiaries, including in particular students/ young people and teachers, and the theatre sector.

The Royal National Theatre faces the following other principal risks and challenges as at December 2022:

Risk	Area of concern	Mitigation
Financial sustainability	<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 England funding, fundraising revenue and box office income; all of which are dependent to a large extent on maintaining high artistic standards, achieving our artistic ambitions and attracting close to capacity audiences for our productions. • The longer-term impact of Covid on the economy and audience confidence. • The impact of high rates of inflation and significant increase to our energy costs on the NT's cost base, in addition to the knock-on impact on our audiences, customers and other beneficiaries, and our donors and corporate sponsors. • The impact of the UK being in a recession and the effect of this on our cost base, staff and audiences. • The funding of the repayment of the Government's CRF Loan to the NT. • Future cuts to Arts Council England funding (the NT's grant has been cut by 5% with effect from April 2023). 	<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; this includes a review of our current 2023-26 financial plan in light of the 5% cut to our Arts Council England grant, the significant increase to energy costs and inflation on the NT's cost base, and the knock on impact to consumer confidence on our income streams, to identify income growth and cost saving opportunities. This will be finalised by March 2023. • Annual revenue and longer-term capital budgeting • Monthly management reporting against budget and KPIs • On-going evaluation of processes and expenditure • Our audience development and pricing strategy • Customer relationship management and fundraising strategies • Strong stakeholder relations

Reputation	<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 and/or more lucrative TV & film opportunities, resulting in a loss of skills in the sector / NT impacting the quality of output • Health and safety / safeguarding / security / major incident response planning failure • Failure of key customer facing business systems • A data protection breach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention all of which could impact one or more income streams and our ability to attract talent. 	<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 practices in: <ul style="list-style-type: none"> • health and safety • customer care • fundraising • safeguarding • HR policies & practices including staff training and expectation setting, particularly with regard to staff conduct, bullying & harassment. • Capital planning to ensure adequate investment in our key business systems • An effective communications crisis plan
Artistic ambition	<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 	<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
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"> • Covid resulted in a loss to the industry in respect of those freelancers who retrained or switched their careers to more lucrative film and TV work • Challenges of recruiting roles in finance, marketing, HR, IT and safety where salaries in other sectors for the same role are higher • Insufficient or inadequate training pathways 	<p>This risk is mitigated through:</p> <ul style="list-style-type: none"> • A range of talent development initiatives • Creative and workforce diversity strategies • Fair pay • Introduction of a hybrid working policy enabling working from home • Range of initiatives to support staff wellbeing in place. • Growth of NT People department • Creation of NT Culture department led by a new Director of Culture role • Racial Equity Group and staff networks

	<ul style="list-style-type: none"> • Theatre seen as an unstable sector to work in post-Covid • Failure to support staff with protected characteristics • Impact of the cost of living crisis on staff and NT ability to meet salary expectations 	<ul style="list-style-type: none"> • Consultation with our unions on staff pay
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) • The challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London • The potential for a terrorist attack on London • Cyber and ransomware attacks • Safeguarding risks in our work on our stages, on tour and in our Learning and Community Programmes 	<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 • A Major Incident Response plan and communications protocol • Enhanced Cyber security systems and staffing
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 	<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 2022-2023

Financial Policies

Investment Policy

The policy is to hold investments in liquid funds, so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017-18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 28 March 2022, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank interest earned for the year was £0.01m (£0.02m in 2021).

Creditor Payment Policy

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

Remuneration

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

- Has a detailed job evaluation process.
- Ensures all staff are paid the London Living Wage as a minimum.
- Currently pays a dispersion ratio of approximate 1:3 between the highest salary and the median salary.

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

Financial Risk Management

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

Price risk: Payments to employees or individuals represent a significant proportion (circa 38%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures. The Royal National Theatre receives income from the Arts Council (c£17 million); this has been reduced by 5% to £16.15 million for 2023-2034. The Royal National Theatre has freedom over its ticket pricing, and ticket income pre-pandemic normal year represents c43% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

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

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

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

Property Interests

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

See Note 11 of the Financial Statements for details of legal charges.

Subsidiaries and Related Undertakings

Details of the Group's subsidiaries and related undertakings are included in Note 24 of the Financial Statements.

Going Concern

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

The Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activity, the related financial budgets, cash flows and liquidity for the period to March 2024.

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

The Trustees have also considered in their assessment of going concern the impact of a challenging, yet reasonably plausible, downside scenario (sensitivity analysis) on the Group's liquidity position. This comprises (a) reduced audience and visitor numbers, and (b) higher levels of inflation impacting payroll costs and materials and other costs; and increasing energy costs.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2024, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2024 – maintaining a balance between supporting the activity that is crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

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

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2024, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of the financial statements.

Board Members as at date of this report

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

Executive

Rufus Norris, Artistic Director & Chief Executive
Kate Varah, Executive Director

Since the year end, the structure of the management of the National has been reviewed and the information on this page reflects that in place as of the date of approval of this Annual Report.

Further details are set out on pages 107 and 108 of this Annual Report.

Executive Committee

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

Senior Leadership Team

Kash Bennett, Producer, NT Productions
Al Coomer, Head of Casting
Lisa Jonas, Assistant Director, Business & Governance
Angela McDermott, Director of Finance
Chris Murphy, Director of Development
Laura Friedner, Director of People
Matt Ripley, Director of Enterprises
Nina Steiger, Head of Play Development
Nicholas Triantafyllou, Director of Information & Technology
Rachel Twigg, Head of Studio
Jennifer Crook, Director of People
Jo Hornsby, Head of Planning
Rebecca Thompson, General Counsel
Emma Keith, Director of Digital Media
Sara Bakharty, Director of Marketing
Ruth Greenwood, Head of Press
Susie Newbery, Head of Executive Projects

Governing Document

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

Charitable Objects

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

Public Benefit

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

The Board

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

The Board met 6 times between April 2021 and March 2022 with the Executive and Chief Operating Officer present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

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

Trustee Induction and Training

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

The Executive

The Executive comprises the Director*, Rufus Norris and the Executive Director, Lisa Burger; both Joint Chief Executives. Following Lisa Burger's retirement from the NT at the end of March 2022, Kate Varah has been appointed Executive Director from April 2022; and Rufus Norris's title was amended to Artistic Director and Chief Executive. Together the Executive are responsible to the Board for devising and delivering the artistic programme, policies and management of The Royal National Theatre to the strategy agreed with the Board. The Board appoints the Executive, both of whom report to the Board.

Associate Directors* and NT Associates

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

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

Board Membership

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 55. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

Board Committees and Subsidiary Companies

The membership of the Committees is listed on pages 107 and 108 of this Annual Report and details of the subsidiaries are set out in Note 24 to the Financial Statements.

Finance and Audit Committee

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met four times during the year and met the external, Independent Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings.

The Nominations Committee

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

Development Board

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

Connected Charities

Details of Connected Charities are set out in Note 23 to the Financial Statements.

Executive Management at The Royal National Theatre

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

- The Chief Executive and Executive Director hold the overall responsibility for the day to day management of The Royal National Theatre with the assistance of the Executive Committee and the Senior Leadership Team.
- The Senior Leadership Team who are responsible for different areas and who report to either a member of the Executive, who in turn report to the Board, or to the Chief Operating Officer who reports to the Executive Director.
- The Executive Committee meets weekly as a decision making group supporting the Chief Executive and Executive Director. In addition to a monthly meeting of the Senior Leadership Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis.
- The key decision-making groups include Producing, Planning, Capital Projects, National Theatre Productions, Enterprises, Health and Safety, and IT Strategy and Steering groups.

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

- All staff are invited to a weekly company meeting led by Rufus Norris and Kate Varah.
- Information from the weekly company meetings and other new developments and policies are available on The Royal National Theatre's intranet.
- Staff briefings, led by the Chief Executive and Executive Director, are held six times a year to brief staff in more detail on various aspects of policy and programming and to provide a forum for discussion.

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

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

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

Trustees' Transactions

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

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement on disclosure of information to the auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' Indemnities

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

Auditors

PricewaterhouseCoopers LLP will continue in office as auditors of The Royal National Theatre for the next financial year.

The Trustees' Report, including the Strategic Report, set out on pages 1 to 60 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 31 January 2023

Company registration number 749504.
Registered charity number 224223.

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

Report on the audit of the financial statements

OPINION

In our opinion, The Royal National Theatre's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 27 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 52-week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated balance sheet and the company balance sheet as at 27 March 2022; the consolidated statement of financial activities (including an income and expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

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

INDEPENDENCE

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Trustees' Report and the Strategic Report included within it, we also considered whether the disclosures required by the Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

STRATEGIC REPORT AND TRUSTEES' REPORT

In our opinion, based on work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 27 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and the Charities Act 2011 and relevant regulations made or having an effect thereunder, including The Charities (Accounts and Reports) Regulations 2008, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to conceal misappropriation of assets or manipulate financial results. Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining confirmations of investments and cash balances at the period end.

GOVERNANCE

- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 31/1/23.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure account)
for the period ended 27 March 2022

	Note(s)	52 weeks ended 27 March 2022					52 weeks ended 28 March 2021				
		Unrestricted funds	Restricted funds			Total	Unrestricted funds	Restricted funds			Total
		Operations	Designated	Projects	Long term	£m	Operations	Designated	Projects	Long term	£m
		£m	£m	£m	£m		£m	£m	£m	£m	
Income and Endowments from:											
Donations & legacies	5(a)/(b)	28.3	-	5.0	0.6	33.9	27.8	-	7.7	1.5	37.0
Charitable activities	5(c)	18.3	-	-	-	18.3	3.8	-	-	-	3.8
Coronavirus Job Retention Scheme	5(c)	0.5	-	-	-	0.5	11.8	-	-	-	11.8
Other trading activities	5(d)	28.1	-	-	-	28.1	3.7	-	-	-	3.7
TOTAL Income & Endowments	19	75.2	-	5.0	0.6	80.8	47.1	-	7.7	1.5	56.3
Expenditure on:											
Raising donations & legacies		(2.1)	-	-	-	(2.1)	(1.5)	-	-	-	(1.5)
Charitable activities	6(a)	(38.9)	(2.3)	(6.9)	(3.8)	(51.9)	(34.5)	(3.3)	(5.1)	(3.8)	(46.7)
Other trading activities	6(b)	(26.1)	-	-	-	(26.1)	(3.4)	-	-	-	(3.4)
Total Expenditure	19	(67.1)	(2.3)	(6.9)	(3.8)	(80.1)	(39.4)	(3.3)	(5.1)	(3.8)	(51.6)
Net Income / (Expenditure)		8.1	(2.3)	(1.9)	(3.2)	0.7	7.7	(3.3)	2.6	(2.3)	4.7
Transfers between Group funds	19	(28.1)	28.1	-	-	-	(1.1)	1.1	-	-	-
Net Movement in Group Funds		(20.0)	25.8	(1.9)	(3.2)	0.7	6.6	(2.2)	2.6	(2.3)	4.7
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	16.0	21.5	2.9	46.6	87.0	9.4	23.7	0.3	48.9	82.3
TOTAL Group Funds carried forward	19/20	(4.0)	47.3	1.0	43.4	87.7	16.0	21.5	2.9	46.6	87.0

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 68 to 106 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
as at 27 March 2022

		As at 27 March 2022	As at 28 March 2021
	Note(s)	£m	£m
Fixed assets			
Tangible assets	11	57.1	56.4
Investments	12	0.2	0.2
TOTAL Fixed Assets		57.3	56.6
Current assets			
Stocks	13	0.3	0.4
Cost of productions not yet opened	14	0.8	0.8
Debtors	15	18.1	17.8
Investments	16	12.6	12.5
Cash at bank and in hand	16	41.6	33.8
TOTAL Current Assets		73.4	65.3
Current liabilities			
Creditors: amounts falling due within one year	17	(22.9)	(15.2)
TOTAL Net Current Assets		50.5	50.1
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	(20.1)	(19.7)
TOTAL Net Assets		87.7	87.0
The Funds of the Group:			
Operating Funds	19/20	(4.0)	16.0
Designated Funds	19/20	47.3	21.5
Restricted Funds	19/20	44.4	49.5
TOTAL Group Funds		87.7	87.0

The Notes on pages 68 to 106 form part of these financial statements.

The financial statements on pages 64 to 106 were approved by the Board of Trustees and signed on its behalf by:

Damon M. Buffini

Sir Damon Buffini (Chair, The Royal National Theatre)

Date: 31/01/2023

COMPANY BALANCE SHEET
as at 27 March 2022

		As at 27 March 2022	As at 28 March 2021
	Note(s)	£m	£m
Fixed assets			
Tangible assets	11	54.8	55.1
Investments	12	0.2	0.2
TOTAL Fixed Assets		55.0	55.3
Current assets			
Stocks	13	0.1	0.1
Cost of productions not yet opened	14	0.7	0.6
Debtors	15	16.2	16.0
Investments	16	12.6	12.5
Cash at bank and in hand	16	37.7	32.4
TOTAL Current Assets		67.3	61.6
Current liabilities			
Creditors: amounts falling due within one year	17	(16.8)	(11.6)
TOTAL Net Current Assets		50.5	50.0
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	(20.1)	(19.7)
TOTAL Net Assets		85.4	85.6
The Funds of the Company:			
Operating Funds	19/20	(6.3)	14.7
Designated Funds	19/20	47.3	21.5
Restricted Funds	19/20	44.4	49.4
TOTAL Company Funds		85.4	85.6

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expense for the Company for the year was £0.2m (2021: net income £5.2m). The Notes on pages 68 to 106 form part of these financial statements.

The financial statements on pages 64 to 106 were approved by the Board of Trustees and signed on its behalf by:

Damon M. Buffini

Sir Damon Buffini (Chair, The Royal National Theatre)

Date: 31/01/2023

CONSOLIDATED STATEMENT OF CASH FLOWS
for the period ended 27 March 2022

		52 weeks ended 27 March 2022	52 weeks ended 28 March 2021
	Note(s)	£m	£m
Cash flows from operating activities			
Net cash provided by operating activities	25	14.8	7.2
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(6.9)	(2.5)
Increase in current asset investments	16	(0.1)	(2.3)
Net cash used in investing activities		(7.0)	(4.8)
Cash flows from financing activities			
Concessionary loan	18	-	19.7
Net cash provided by financing activities		-	19.7
Change in cash and cash equivalents in the reporting period		7.8	22.1
Cash and cash equivalents at the beginning of the reporting period		33.8	11.7
Cash and cash equivalents at the end of the reporting period	16	<u>41.6</u>	<u>33.8</u>

The Group's net debt is a net credit of £21.5m (2021: £14.1m) comprising the Group's cash and cash equivalents of £41.6m (2021: £33.8m) (note 16) less the concessionary loan of £20.1m (2021: £19.7m) (note 18). The movement in the period was solely due to the cash flows of the entity as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 68 to 106 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on pages 5 and 6.

2. STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and in accordance with Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102) and the recommendations of “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland” (the “Charities SORP”).

3. PRINCIPAL ACCOUNTING POLICIES

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

3.1 BASIS OF PREPARATION

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

3.2 GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group’s forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2024, which is a period of at least 12 months from the date of approval of the financial statements.

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

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

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

- There are no further impositions of closures or lockdowns or social distancing measures that would affect the Group and its theatres.
- Audience and visitor numbers return, but box-office and related income is lower than in previous years prior to Covid as a result of reduced demand.
- West End commercial productions and Touring returns to the same level as in previous years prior to Covid.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

- Arts Council England (ACE) grant funding, for the three-year period from March 2023, remains at levels communicated to the Group in October 2022 at £16.15m per annum.
- The ability to continue to attract sponsorship and obtain donations is retained; alongside the support of The Royal National Theatre Foundation.
- Increasing inflation impacting payroll costs and materials and other costs; and increasing energy costs.
- Full management of the Group's fixed and variable cost structure continued staff cost and efficiency savings, the growth of new digital income streams, and growth in trading net income are all achieved.

SENSITIVITY ANALYSIS

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

This comprises:

- Reduced audience and visitor numbers.
- Higher levels of inflation on payroll costs and materials and other costs; and higher energy costs.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2024, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2024.

CONCLUSIONS

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2024, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustee Board has adopted the going concern basis of accounting in the preparation of these financial statements.

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

3.3 EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

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

3.4 BASIS OF CONSOLIDATION

The "Group" financial statements consolidate those of The Royal National Theatre and its wholly owned non-charitable subsidiaries (as set out in Note 24). The National's subsidiaries are entities controlled either directly or indirectly by the National. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Transactions and balances outstanding between the entities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

3.5 FOREIGN CURRENCIES

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

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

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

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

3.6 FUND ACCOUNTING

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

Restricted funds may only be used in accordance with the specific wishes of donors.

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

NOTES TO THE FINANCIAL STATEMENTS

3.7 INCOME & ENDOWMENTS

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

DONATIONS & LEGACIES

Donations and legacies comprise all income from sponsorships, donations, legacies, grants, and membership subscriptions, except for government grants received under the Coronavirus Job Retention Scheme and government grants received from the US government under its Shuttered Venue Operators Grant scheme. Donations, including pledges and legacies, are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities – The Royal National Theatre Foundation and American Associates of the National Theatre - is recognised at the point at which the amount receivable is known.

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

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

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

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

Goods and services received in kind, where significant (>£10k) are included within 'Donations & Legacies' and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are Recognised at an estimated value to the Group at the time of receipt.

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

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

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

All other income:

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

Box office (performance) income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. NT At Home subscriptions are recognised in the Statement of Financial Activities in line with the subscription period. Advance bookings comprise ticket sales for future performances.

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

GOVERNMENT CORONAVIRUS JOB RETENTION SCHEME

The income from the scheme is accounted for gross under charitable activity income as a separate line and is not netted against expenditure. It is accounted for as unrestricted funds as the funds are not received with restriction as to the charitable purposes for which they can be spent. As the scheme is designed to compensate for staff costs, the amounts received are recognised in the Statement of Financial Activities over the same period as the costs to which they relate.

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities and through third party arrangements;
- government grant income received from the US government under its Shuttered Venue Operators Grant scheme; and
- box office, royalty and profit share income generated by other NT subsidiaries (in the UK and USA) from the commercial exploitation of The Royal National Theatre's productions to the extent that the Group is entitled to such income.

Other than government grant income, this income is recognised on a receivable basis. Government grant income referred to above is recognised as qualifying expenditure is incurred.

3.8 EXPENDITURE

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

RAISING DONATIONS & LEGACIES

Expenditure on raising donations and legacies represent the costs of securing sponsorship, donations and grants including the costs of providing membership benefits.

CHARITABLE ACTIVITIES

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

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

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

OTHER TRADING ACTIVITIES

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

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

3.9 LEASE OF THE NATIONAL

The Royal National Theatre holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, The Royal National Theatre is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from The Royal National Theatre's own resources, namely the operations fund, to the building and equipment fund (see Note 19).

3.10 FIXED ASSETS AND DEPRECIATION

Fixed assets are held at cost less accumulated depreciation within the relevant fund. Only assets over £2,000 are capitalised.

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

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

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

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

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

3.11 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

3.12 STOCKS

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

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

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

3.13 COSTS OF PRODUCTIONS NOT YET OPENED

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

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

are expensed as incurred. This represents a change in accounting policy, such that, previously, costs were recognised in the Statement of Financial Activities on the date of press night performance, and now as performances take place.

3.14 CASH AND CURRENT ASSET INVESTMENTS

Cash and current asset investments include cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities. Deposits with original maturities of 3 months or more, or require a similar level of notice before withdrawal, are classified as current asset investments.

3.15 PROVISIONS

Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4.

3.16 REDUNDANCY/TERMINATION BENEFITS

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

3.17 OPERATING LEASES

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

3.18 FINANCIAL INSTRUMENTS

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

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

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

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

3.19 PENSIONS

The Group offers a stakeholder defined contribution pension scheme to its employees and also contributes to defined contribution schemes for certain of its employees. These costs are expensed in the Statement of Financial Activities as they become payable.

3.20 TAXATION

The Royal National Theatre is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and, during the year, VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of charitable activities, where it is incurred. Irrecoverable VAT on capital expenditure has been capitalised

NOTES TO THE FINANCIAL STATEMENTS

PRINCIPAL ACCOUNTING POLICIES (continued)

and will be written off over the life of the assets. The Royal National Theatre is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

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

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

The Group receives creative industry tax credits from HMRC. These are shown as reductions to expenditure within the Statement of Financial Activities. Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

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

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

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 24). Specifically, in applying judgement as to whether to consolidate, the Group has considered the following in respect of the following US entities:

- Curious Incident Broadway LP – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is one of 2 general partners. NTNA LLC holds the casting vote in any decisions made in relation to the LP and, in effect, has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- Three Brothers Broadway LLC – Through Royal National Theatre North America LLC (NTNA LLC which is 100% owned by The Royal National Theatre), the Group is sole general partner of the partnership and the partnership's limited partners, who provided funding to finance the partnership initially, have no decision making powers in relation to the activities of the partnership. Therefore, NTNA LLC has full control over the LLC, and so its results are consolidated in these financial statements.

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are limited estimates in which a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

As noted on pages 28 to 31 of the National's Strategic Report, the Group has five key aims, Aim 5 of which is to deliver in a financial and socially sustainable way by, amongst other things, embedding environmental sustainability at the heart of the Group's practices. The National recognise that climate change needs to be tackled urgently and has made commitments as an organisation to address it. The key themes of the environmental strategy are: People, Place and Production. The Group's specific plans are in the early stages of development and execution and, as a result, no indicators of either asset impairment or a need to changes asset useful economic lives have been identified. This will be kept under review as plans are further developed.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP)

a) Donations & Legacies - Analysis by Fund Type

	Year ended 27 March 2022					Year ended 28 March 2021				
	Unrestricted funds Operations £m	Designated £m	Restricted funds Projects £m	Long Term £m	Total £m	Unrestricted funds Operations £m	Designated £m	Restricted funds Projects £m	Long Term £m	Total £m
Arts Council England (ACE):										
Revenue Grant	17.0	-	-	-	17.0	17.0	-	-	-	17.0
Capital and Other Grants	-	-	0.1	-	0.1	-	-	-	-	-
TOTAL ACE	17.0	-	0.1	-	17.1	17.0	-	-	-	17.0
Other:										
Performances	-	-	0.6	-	0.6	-	-	2.2	-	2.2
NT Live & Digital	-	-	0.8	-	0.8	-	-	0.7	-	0.7
NT Learning & Public Engagement	-	-	2.8	-	2.8	-	-	2.7	-	2.7
NT Studio, Research & Development	-	-	0.5	-	0.5	-	-	0.3	-	0.3
Long Term Projects	-	-	-	0.6	0.6	-	-	-	1.5	1.5
Other Income	-	-	0.2	-	0.2	-	-	1.8	-	1.8
Donations supporting General Activity	11.3	-	-	-	11.3	10.8	-	-	-	10.8
TOTAL Other	11.3	-	4.9	0.6	16.8	10.8	-	7.7	1.5	20.0
TOTAL Donations & Legacies (all UK)	28.3	-	5.0	0.6	33.9	27.8	-	7.7	1.5	37.0

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

b) Donations & Legacies - Analysis by Income Type

	Year ended 27 March 2022				Year ended 28 March 2021			
	Sponsorship £m	Donations, subscriptions & legacies £m	Grants £m	Total £m	Sponsorship £m	Donations, subscriptions & legacies £m	Grants £m	Total £m
Arts Council England (ACE):	-	-	17.1	17.1	-	-	17.0	17.0
Other:								
Performances	-	0.3	0.3	0.6	-	0.5	1.7	2.2
NT Live & Digital	0.6	0.1	0.1	0.8	0.3	0.1	0.3	0.7
NT Learning & Public Engagement	0.3	1.6	0.9	2.8	0.1	0.8	1.8	2.7
NT Studio, Research & Development	0.1	-	0.4	0.5	-	0.1	0.2	0.3
Long Term Projects	-	0.3	0.3	0.6	-	0.4	1.1	1.5
Other Income	-	-	0.2	0.2	0.1	-	1.7	1.8
Donations supporting General Activity	0.6	9.3	1.4	11.3	0.1	10.7	-	10.8
TOTAL Other	1.6	11.6	3.6	16.8	0.6	12.6	6.8	20.0
TOTAL Donations & Legacies (all UK)	1.6	11.6	20.7	33.9	0.6	12.6	23.8	37.0

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

c) Income from Charitable Activities

	2022 Total £m	2021 Total £m
Performances:		
National Theatre	8.7	0.8
West End Commercial Transfers	0.6	-
UK Touring	1.5	-
TOTAL Performances	10.8	0.8
Other Activities:		
NT Live & Digital	6.9	2.6
NT Learning & Public Engagement	0.5	0.4
Other Income	0.1	-
TOTAL Other Activities	7.5	3.0
SUBTOTAL Income from Charitable Activities	18.3	3.8
Coronavirus Job Retention Scheme	0.5	11.8
TOTAL Income from Charitable Activities (all UK)	18.8	15.6

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

During 2021, the Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS) which permitted a large number of staff to be furloughed whose roles were dependent on the theatres being open. CJRS concluded in September 2021.

d) Income from Other Trading Activities

	2022 Total £m	2021 Total £m
West End & UK Touring Box Office Income	3.4	-
Rights, Royalties & Exploitations – United States of America	10.5	2.1
Grant – United States of America	7.3	-
Rights, Royalties & Exploitations - West End	0.1	-
Catering & Hospitality	3.6	-
Retail & Prop and Costume Hires	0.9	0.2
Car Park	0.6	0.3
Tours & Events	0.1	-
Sponsorship Income	1.6	1.1
TOTAL Income from Trading Activities (all UK, except USA)	28.1	3.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP)

a) Expenditure on Charitable Activities

	Year ended 27 March 2022						Year ended 28 March 2021					
	Unrestricted funds			Restricted funds			Unrestricted funds			Restricted funds		
	Direct £m	Support £m	Designated £m	Projects £m	Long Term £m	Total £m	Direct £m	Support £m	Designated £m	Projects £m	Long Term £m	Total £m
Performances:												
National Theatre	15.7	8.6	-	0.5	-	24.8	12.7	13.7	-	2.1	-	28.5
West End Commercial Transfers	0.1	-	-	-	-	0.1	0.1	0.1	-	-	-	0.2
UK Touring	2.3	0.7	-	-	-	3.0	-	-	-	-	-	-
International Touring	0.1	-	-	-	-	0.1	0.3	0.2	-	0.1	-	0.6
TOTAL Performances	18.2	9.3	-	0.5	-	28.0	13.1	14.0	-	2.2	-	29.3
Other Activities:												
NT Live & Digital	4.1	2.6	-	0.8	-	7.5	1.6	2.1	-	0.7	-	4.4
NT Learning & Public Engagement	0.2	1.9	-	3.3	-	5.4	0.1	1.4	-	1.5	-	3.0
NT Major Projects	-	-	0.1	-	-	0.1	-	-	-	-	-	-
Research & Development	0.9	1.7	-	0.6	-	3.2	0.9	1.3	-	0.4	-	2.6
Access & Inclusion	-	-	-	0.1	-	0.1	-	-	-	-	-	-
Other Expenditure	-	-	-	1.6	-	1.6	-	-	-	0.3	-	0.3
TOTAL Other Activities	5.2	6.2	0.1	6.4	-	17.9	2.6	4.8	-	2.9	-	10.3
Other:												
Depreciation	-	-	2.2	-	3.8	6.0	-	-	3.3	-	3.8	7.1
TOTAL Other	-	-	2.2	-	3.8	6.0	-	-	3.3	-	3.8	7.1
TOTAL Expenditure on Charitable Activities	23.4	15.5	2.3	6.9	3.8	51.9	15.7	18.8	3.3	5.1	3.8	46.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

b) Expenditure on Other Trading Activities

	2022 Total £m	2021 Total £m
West End & UK Touring	3.2	-
Rights, Royalties & Exploitations - International	17.3	2.2
Catering & Hospitality	4.3	0.9
Retail & Prop and Costume Hires	1.1	0.2
Car Park	0.2	-
Tours & Events	-	0.1
TOTAL Expenditure on Trading Activities	26.1	3.4

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

c) Analysis of Support Costs

	Year ended 27 March 2022				Year ended 28 March 2021			
	Promotion £m	Theatre Operations £m	Support Services £m	Total £m	Promotion £m	Theatre Operations £m	Support Services £m	Total £m
Raising Donations & Legacies	-	-	0.3	0.3	-	-	0.2	0.2
Charitable Activities:								
Performances:								
National Theatre	1.5	3.9	3.2	8.6	1.5	4.1	8.1	13.7
West End Commercial Transfers	-	-	-	-	-	-	0.1	0.1
UK Touring	0.2	-	0.5	0.7	-	-	-	-
International Touring	-	-	-	-	-	-	0.2	0.2
Other Activities:								
NT Live & Digital	0.5	1.1	1.0	2.6	0.2	0.6	1.3	2.1
NT Learning & Public Engagement	0.3	0.9	0.7	1.9	0.2	0.4	0.8	1.4
Research & Development	0.3	0.8	0.6	1.7	0.1	0.4	0.8	1.3
TOTAL Charitable Activities	2.8	6.7	6.0	15.5	2.0	5.5	11.3	18.8
Other Trading Activities	-	0.1	0.1	0.2	-	-	-	-
TOTAL Support Costs	2.8	6.8	6.1	15.7	2.0	5.5	11.5	19.0

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

* Governance costs for the year were £0.1m (2021: £0.1m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £93k (2021: £122k (of which £89k related to 2021 and £33k related to 2020)). Fees for tax compliance services of £7k (2021: £7k) due to PricewaterhouseCoopers LLP.

NOTES TO THE FINANCIAL STATEMENTS

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

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group	Group	Company	Company
	2022	2021	2022	2021
	£m	£m	£m	£m
Wages and salaries	27.0	24.9	27.0	24.9
Social security costs	2.3	2.4	2.3	2.4
Other pension costs	1.0	1.1	1.0	1.1
Redundancy costs	0.3	3.1	0.3	3.1
	<u>30.6</u>	<u>31.5</u>	<u>30.6</u>	<u>31.5</u>

Average monthly full-time equivalents employed in the year *:

	Group	Group	Company	Company
	2022	2021	2022	2021
	Number	Number	Number	Number
Artistic	121	81	121	81
Technical and production	268	307	268	307
Trading and front of house	85	162	85	162
Education, touring, New Work dept and other projects	46	46	46	46
Marketing and box office	38	49	38	49
Support services	59	62	59	62
Engineering	21	22	21	22
Fundraising	31	30	31	30
	<u>669</u>	<u>759</u>	<u>669</u>	<u>759</u>

* All staff excluding actors are employed by The Royal National Theatre and the cost of their employment is recharged to the Company's subsidiaries where relevant.

NOTES TO THE FINANCIAL STATEMENTS

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

In addition to the above, the Group's consolidated US entities incurred staff costs of £4.8m (comprising wages and salaries of £4.3m and social security costs of £0.5m) (2021: nil) in respect of 185 individuals who were employed on productions during the year.

Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £1.2m (comprising £1.1m wages and salaries and £0.1m social security costs) (2021: nil) in respect of 124 individuals who were employed by the third party during the year.

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

	2022 Number	2021 Number
£60,000 - £70,000	21	10
£70,001 - £80,000	3	9
£80,001 - £90,000	7	15
£90,001 - £100,000	6	-
£100,001 - £110,000	1	3
£110,001 - £120,000	-	4
£120,001 - £130,000	-	1
£130,001 - £140,000	1	2
£160,001 - £170,000	2	-
£170,001 - £180,000	1	-
	42	44

Pension contributions of £0.2m (2021: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.9m (2021: £1.6m), comprising the Director and joint Chief Executive, the Executive Director and joint Chief Executive, and the majority of the Senior Management Team (all as so defined at 27 March 2022) which is 17 (2021:15) members of staff.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

No Trustees of the Company received any remuneration during the year or in the previous year in respect of their position as Trustees. No expenses for travel and entertainment (2021: nil) were incurred while on the Company's business and were reimbursed during the year. Trustees are offered two free tickets for each production to enable them to carry out their duties.

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 27 March 2022 was £19k (2021: £13k). The Company's governing documents permit such a payment to Trustees and was approved by the Board.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.0m (2021: £1.1m) with £0.2m (2021: £0.1m) payable at the balance sheet date. The Group charge for the year was £1.0m (2021: £1.1m) with £0.2m (2021: £0.1m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in Notes 19 and 24.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £3.2m (2021: £0.8m).

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

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS - GROUP

	Freehold Land & Buildings £m	Leasehold Improvements (20 years) £m	Leasehold Improvements (10 years) £m	Leasehold Improvements (5 years) £m	Equipment (10 years) £m	Equipment (5 years) £m	Equipment (3 years) £m	Work in Progress (Restricted) £m	Work in Progress (Un- restricted) £m	Total £m
Cost										
At 29 March 2021	6.6	59.9	38.6	0.5	10.7	3.8	48.3	0.1	2.1	170.6
Additions	-	-	-	-	-	-	-	-	6.9	6.9
Disposals	-	-	(0.3)	-	-	-	-	-	-	(0.3)
Transfers from work in progress	-	0.1	0.5	0.1	3.2	0.5	0.5	-	(4.9)	-
At 27 March 2022	6.6	60.0	38.8	0.6	13.9	4.3	48.8	0.1	4.1	177.2
Depreciation										
At 29 March 2021	1.6	20.5	35.7	0.4	6.2	2.9	46.9	-	-	114.2
Charge for period	0.1	3.0	0.6	0.1	1.0	0.3	0.9	-	-	6.0
Disposals	-	-	(0.1)	-	-	-	-	-	-	(0.1)
At 27 March 2022	1.7	23.5	36.2	0.5	7.2	3.2	47.8	-	-	120.1
Net book value										
At 27 March 2022	4.9	36.5	2.6	0.1	6.7	1.1	1.0	0.1	4.1	57.1
At 28 March 2021	5.0	39.4	2.9	0.1	4.5	0.9	1.4	0.1	2.1	56.4

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS – COMPANY

	Freehold Land & Buildings £m	Leasehold Improvements (20 years) £m	Leasehold Improvements (10 years) £m	Leasehold Improvements (5 years) £m	Equipment (10 years) £m	Equipment (5 years) £m	Equipment (3 years) £m	Work in Progress (Restricted) £m	Work In Progress (Un- restricted) £m	Total £m
Cost										
At 29 March 2021	6.6	59.9	38.6	0.5	8.1	3.3	46.9	0.1	2.1	166.1
Additions	-	-	-	-	-	-	-	-	5.6	5.6
Disposals	-	-	(0.3)	-	-	-	-	-	-	(0.3)
Transfers from work in progress	-	0.1	0.5	0.1	2.1	0.3	0.5	-	(3.6)	-
At 27 March 2022	6.6	60.0	38.8	0.6	10.2	3.6	47.4	0.1	4.1	171.4
Depreciation										
At 29 March 2021	1.6	20.5	35.7	0.4	4.8	2.5	45.5	-	-	111.0
Charge for period	0.1	3.0	0.6	0.1	0.8	0.2	0.9	-	-	5.7
Disposals	-	-	(0.1)	-	-	-	-	-	-	(0.1)
At 27 March 2022	1.7	23.5	36.2	0.5	5.6	2.7	46.4	-	-	116.6
Net book value										
At 27 March 2022	<u>4.9</u>	<u>36.5</u>	<u>2.6</u>	<u>0.1</u>	<u>4.6</u>	<u>0.9</u>	<u>1.0</u>	<u>0.1</u>	<u>4.1</u>	<u>54.8</u>
At 28 March 2021	<u>5.0</u>	<u>39.4</u>	<u>2.9</u>	<u>0.1</u>	<u>3.3</u>	<u>0.8</u>	<u>1.4</u>	<u>0.1</u>	<u>2.1</u>	<u>55.1</u>

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (continued)

Freehold land and buildings include NT Studio land at a cost of £0.7m (2021: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2021: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

Fixed and floating charges over The Royal National Theatre's leasehold registered offices at Upper Ground, London SE1 9PX was provided to:

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge is being released

12. INVESTMENTS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

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

See Note 24 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Consumable Items	0.1	0.1	0.1	0.1
Goods for resale	0.2	0.3	-	-
	<u>0.3</u>	<u>0.4</u>	<u>0.1</u>	<u>0.1</u>

NOTES TO THE FINANCIAL STATEMENTS

14. COST OF PRODUCTIONS NOT YET OPENED

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
National Theatre – Productions	0.7	0.8	0.7	0.6
NT Live screenings scheduled 2022-23	0.1	-	-	-
	<u>0.8</u>	<u>0.8</u>	<u>0.7</u>	<u>0.6</u>

15. DEBTORS

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Due within one year				
Trade debtors	2.1	1.0	1.2	1.0
Amounts owed by group undertakings	-	-	6.4	4.2
Other debtors	1.1	0.7	0.7	0.5
Prepayments and accrued income	9.3	9.9	6.4	9.3
Tax recoverable	5.6	6.2	1.5	1.0
	<u>18.1</u>	<u>17.8</u>	<u>16.2</u>	<u>16.0</u>

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

NOTES TO THE FINANCIAL STATEMENTS

16. CASH AND BANK DEPOSITS

	Group 27 March 2022 £m	Group 28 March 2021 £m	Company 27 March 2022 £m	Company 28 March 2021 £m
Current asset investments:				
Bank deposits with maturity > 3 months	12.6	12.5	12.6	
Cash at bank and in hand:				
Cash and bank balances	41.6	33.8	37.7	

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 27 March 2022 £m	Group 28 March 2021 £m	Company 27 March 2022 £m	Company 28 March 2021 £m
Amounts falling due within one year:				
Trade creditors	1.9	0.8	1.6	0.6
Amounts owed to group undertakings	-	-	0.7	0.3
Advance bookings	3.0	-	3.0	-
Taxation and social security	0.7	0.6	0.7	0.5
Other creditors and accruals	14.3	11.0	9.6	8.3
Deferred income (all utilised in year)	3.0	2.8	1.2	1.9
	22.9	15.2	16.8	11.6

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

NOTES TO THE FINANCIAL STATEMENTS

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

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Concessionary loan	<u>20.1</u>	<u>19.7</u>	<u>20.1</u>	<u>19.7</u>

Consequent on the impact of Covid on the Group's finances, in December 2020, The Royal National Theatre, successfully secured a term repayable finance facility of £19.7m from the Government, via its Cultural Recovery Fund, to support the Group's funding shortfall across the period 2020 to 2022, so that the Group could seek to return to financially sustainable operations by 31 March 2022.

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

The interest charge for the year was £0.4m (2021: < £0.1m).

The principal loan balance falls due between one and five years of £2.4m and after more than five years of £17.3m.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY

	Balance at 29 March 2021 £m	Income £m	Expenditure £m	Transfers £m	Balance at 27 March 2022 £m	Balance at 30 March 2020 £m	Income £m	Expenditure £m	Transfers £m	Balance at 28 March 2021 £m
UNRESTRICTED:										
Unrestricted operations fund*	16.0	75.2	(67.1)	(28.1)	(4.0)	9.4	47.1	(39.4)	(1.1)	16.0
Unrestricted designated										
NT Future Fund	6.7	-	(0.5)	-	6.2	6.3	-	(0.5)	0.9	6.7
Touring Fund	-	-	-	-	-	0.9	-	-	(0.9)	-
Building & Equipment Fund	14.4	-	(1.7)	17.7	30.4	15.0	-	(2.7)	2.1	14.4
Digital Projects Fund	-	-	-	-	-	0.2	-	-	(0.2)	-
Security Fund	0.4	-	(0.1)	-	0.3	0.7	-	(0.1)	(0.2)	0.4
Loan Repayment Fund	-	-	-	1.5	1.5	-	-	-	-	-
Risk Fund	-	-	-	4.9	4.9	-	-	-	-	-
Investment Fund	-	-	-	1.0	1.0	-	-	-	-	-
Programme Development Fund	-	-	-	3.0	3.0	0.6	-	-	(0.6)	-
TOTAL unrestricted designated funds	21.5	-	(2.3)	28.1	47.3	23.7	-	(3.3)	1.1	21.5
TOTAL unrestricted funds	37.5	75.2	(69.4)	-	43.3	33.1	47.1	(42.7)	-	37.5

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (contd.)

	Balance at 29 March 2021 £m	Income £m	Expenditure £m	Transfers £m	Balance at 27 March 2022 £m	Balance at 30 March 2020 £m	Income £m	Expenditure £m	Transfers £m	Balance at 28 March 2021 £m
RESTRICTED: Project funds										
NT Performance	0.1	0.6	(0.5)	-	0.2	0.1	2.2	(2.2)	-	0.1
NT Live & Digital	-	0.8	(0.8)	-	-	-	0.7	(0.7)	-	-
NT Learning & Public Engagement	1.2	2.9	(3.3)	-	0.8	-	2.7	(1.5)	-	1.2
NT Studio (Research & Development)	0.1	0.5	(0.6)	-	-	0.1	0.4	(0.4)	-	0.1
NT Access & Inclusion	-	0.1	(0.1)	-	-	-	-	-	-	-
NT Touring	-	-	-	-	-	0.1	-	(0.1)	-	-
General Activity	1.5	0.1	(1.6)	-	-	-	1.7	(0.2)	-	1.5
TOTAL restricted project funds	2.9	5.0	(6.9)	-	1.0	0.3	7.7	(5.1)	-	2.9
RESTRICTED: Long term funds										
NT Future Fund	25.6	-	(2.5)	-	23.1	28.2	-	(2.6)	-	25.6
ACE NT Future Fund	13.3	-	(1.0)	-	12.3	14.4	-	(1.1)	-	13.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.1	-	(0.1)	-	4.0	4.2	-	(0.1)	-	4.1
Drum Revolve Fund	0.3	-	(0.1)	-	0.2	0.3	-	-	-	0.3
Staging Technology Fund	1.0	0.5	(0.1)	-	1.4	0.6	0.4	-	-	1.0
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long Term Fund	1.2	0.1	-	-	1.3	0.1	1.1	-	-	1.2
TOTAL long-term funds	46.6	0.6	(3.8)	-	43.4	48.9	1.5	(3.8)	-	46.6
TOTAL restricted funds	49.5	5.6	(10.7)	-	44.4	49.2	9.2	(8.9)	-	49.5
TOTAL Group Funds	87.0	80.8	(80.1)	-	87.7	82.3	56.3	(51.6)	-	87.0

NOTES TO THE FINANCIAL STATEMENTS

* Analysis of the difference between the unrestricted operations fund held by the Company and its subsidiaries:

Company unrestricted operations fund (as disclosed in the Company Balance Sheet)

Unrestricted retained surplus held by trading subsidiaries (Note 24(c))

Group unrestricted operations fund (as disclosed above)

At 27 March 2022 £m	At 28 March 2021 £m
(6.3)	14.7
2.3	1.3
(4.0)	16.0

DESIGNATED FUNDS

NT Future Fund

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

Touring Fund

The touring fund has been set up to support the touring of The Royal National Theatre productions within the UK.

Building & Equipment Fund

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

£17.7m (2021: £2.1m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Digital Projects

The digital projects fund is a designated fund set aside by the Trustees in order to enable monies to be made available to support the investment in The Royal National Theatre's broadcasting and digital initiatives, including the exploitation of digital archive content and associated rights costs.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

Security Fund

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

Loan Repayment Fund

The loan repayment fund is a designated fund set aside by the Trustees in order to support one year of the Culture Recovery Fund concessionary loan repayment in the event of difficulties in meeting this loan repayment obligation in any one year.

Risk Fund

The risk fund is a designated fund set aside by the Trustees to mitigate against the on-going impact of Covid and cost of living impacts on our audiences and customers, and inflationary pressures to our costs, particularly in relation to staff remuneration and energy costs.

Investment Fund

The investment fund is a designated fund set aside by the Trustees to support investment in National Theatre productions that transfer to the West End and/or tour nationally.

Programme Development Fund

The programme development fund is a designated fund set aside by the Trustees in order to enable monies to ensure that The Royal National Theatre can continue the constant revitalisation of the great traditions of the British Stage and to expand the horizons of audiences and artists alike, presenting a balanced artistic programme with a specific responsibility for creating new work and representing the widest range of voices, including support of new writing and directing initiatives.

RESTRICTED FUNDS: PROJECT FUNDS

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

NT Fund

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

NT Live & Digital

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

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

NT Learning & Public Engagement Projects

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

NT Studio Projects (Research & Development)

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

ACE UK Touring

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

NT Access and Inclusion

NT Access and Inclusion Fund represents restricted funding for smart capture glasses.

General Activity

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

RESTRICTED FUNDS: LONG TERM FUNDS

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

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.5m (2021: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2021: £1.1m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

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

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY (continued)

Studio Refurbishment Fund

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

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology.

Expendable Endowment

The fund represents the Group's investment of £0.2m in a 20-year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12.

Other Long-Term Fund

Within this fund is £1.0m granted from the Royal National Theatre Foundation to upgrade the National Theatre's costume workshop.

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	As at 27 March 2022				As at 28 March 2021			
	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m
UNRESTRICTED:								
Operations fund	-	19.8	(23.8)	(4.0)	-	33.4	(17.4)	16.0
Unrestricted designated								
NT Future Fund	3.4	2.8	-	6.2	3.7	3.0	-	6.7
Building & Equipment Fund	12.1	18.3	-	30.4	7.4	7.0	-	14.4
Security Fund	0.3	-	-	0.3	0.4	-	-	0.4
Loan Repayment Fund	-	1.5	-	1.5	-	-	-	-
Risk Fund	-	4.9	-	4.9	-	-	-	-
Investment Fund	-	1.0	-	1.0	-	-	-	-
Programme Development Fund	-	3.0	-	3.0	-	-	-	-
TOTAL unrestricted designated funds	15.8	31.5	-	47.3	11.5	10.0	-	21.5
TOTAL unrestricted funds	15.8	51.3	(23.8)	43.3	11.5	43.4	(17.4)	37.5

Note: Other net assets/(liabilities) includes the Cultural Recovery Fund concessionary loan of £20.1m (2021: £19.7m). This loan and interest is repayable over a 20 year period with an initial four year repayment holiday, in six-monthly equal instalments of £0.752m, the first instalment being due in February 2025, the final instalment in February 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP) (continued)

	As at 27 March 2022				As at 28 March 2021			
	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m	Tangible fixed assets £m	Cash & current asset investments £m	Other net assets / (liabilities) £m	Total net asset £m
RESTRICTED: Project funds								
NT Performance	-	0.2	-	0.2	-	-	0.1	0.1
NT Live & Digital	-	-	-	-	-	0.2	(0.2)	-
NT Learning & Public Engagement	-	0.9	(0.1)	0.8	-	0.4	0.8	1.2
NT Studio (Research & Development)	-	0.1	(0.1)	-	-	0.2	(0.1)	0.1
General Activity	-	-	-	-	-	1.5	-	1.5
TOTAL restricted project funds	-	1.2	(0.2)	1.0	-	2.3	0.6	2.9
RESTRICTED: Long term funds								
NT Future Fund	23.1	-	-	23.1	25.6	-	-	25.6
ACE NT Future Fund	12.3	-	-	12.3	13.3	-	-	13.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	4.0	-	-	4.0	4.1	-	-	4.1
Drum Revolve Fund	0.2	-	-	0.2	0.3	-	-	0.3
Staging Technology Fund	0.6	0.6	0.2	1.4	0.5	0.5	-	1.0
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
Other Long-Term Fund	0.2	1.1	-	1.3	0.2	0.1	0.9	1.2
TOTAL long-term funds	41.3	1.7	0.4	43.4	44.9	0.6	1.1	46.6
TOTAL restricted funds	41.3	2.9	0.2	44.4	44.9	2.9	1.7	49.5
TOTAL Group Funds	57.1	54.2	(23.6)	87.7	56.4	46.3	(15.7)	87.0

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS (GROUP & COMPANY)

	Group 27 March	Group 28 March	Company 27 March	Company 28 March
	2022	2021	2022	2021
	£m	£m	£m	£m
Commitments:				
Lighting Control Consoles	-	0.3	-	0.3
ROH Paging system	-	0.3	-	0.3
Tessitura RAMP	-	0.1	-	0.1
Theatre Sound Console	0.1	-	0.1	-
Other commitments (<£100k)	0.5	0.7	0.5	0.7
	0.6	1.4	0.6	1.4

The amount payable within one year is £0.6m (2021: £1.4m).

22. OPERATING LEASE COMMITMENTS

At the year-end, the Group was committed under non-cancellable operating leases to make the following payments:

	Group 27 March	Group 28 March
	2022	2021
	£m	£m
Within one year	0.2	0.2
In two to five years	0.2	0.3
	0.4	0.5

Expenditure within the period on operating leases was £0.3m (2021: £0.3m).

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

THE ROYAL NATIONAL THEATRE FOUNDATION

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

The Royal National Theatre entered into a joint arrangement to create an endowment fund within The Royal National Theatre Foundation to further The Royal National Theatre’s national remit in terms of education, new work and productions, and for capital and general purposes. A legacy campaign has been launched by The Royal National Theatre and all unrestricted legacies directed to The Royal National Theatre will go to The Royal National Theatre Foundation and the donations will be held in appropriately named sub-funds of the endowment fund.

During the period, The Royal National Theatre received legacy income of £1.2m (2021: £0.4m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £139k (2021: £3.7m) for The Royal National Theatre’s work with: Voice Project Research £15.8k, Welfare £63.2k and Peter Hall Award £38k. The Foundation made £22k benevolent grants to members and former members of the staff and Company. In 2021, the £3.7m principally comprised grants for freelancers of £1.0m, communities of £1.1m, capital of £1.0m, underwrite of box office of £0.5m, and other grants of £0.1m.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of The Royal National Theatre (the “AANT”) is an independent not-for-profit charity registered in New York, USA. During the period, \$4.86m (2021: \$4.1m) was raised by the AANT for The Royal National Theatre.

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £867k (2021: £427k).

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

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

NOTES TO THE FINANCIAL STATEMENTS

23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (continued)

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22. As a writer of a new production at the National she received royalties of £18k based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions. The production was also programmed to be performed in 2022-23 and the royalties received for this production will be disclosed in the 2022-23 financial statements.

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £2.2m (2021: £0.1m owes to). This represents the balance of operational transactions and other operational transactions.

The Royal National Theatre (RNT) owes the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2021: £0.3m). This represents the balance of operational transactions between The Royal National Theatre & RNTE, including a charge catering provided for Events £0.4m (2021: £nil). This is offset by the RNTE Management Fee £0.2m (2021: £nil) and the Gift Aid of profit £1.3m (2021: £0.4m) to its parent company.

The Royal National Theatre (RNT) owes the National Theatre Live Limited (NTLL) a net balance of £0.1m (2021: £0.1m owed by). This represents the balance of the Commissioning Fee payable by RNT of £1.8m (2021: £2.0m) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £3.3m (2021: £3.8m). This represents the balance of the Commissioning Fee payable by RNT of £22.6m (2021: £3.0m) and the operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTA) a net balance £0.9m (2021: £0.3m). This represents the balance of operational transactions.

See Note 24 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 27 March 2022, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

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

The Royal National Theatre (Registered number: 749504)

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

b) JOINT ARRANGEMENTS & GENERAL PARTNERSHIPS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

c) FINANCIAL INFORMATION

The financial results and position for the period were:

Company Number:	Royal National Theatre Enterprises Limited (01247285)		National Theatre Productions Limited (01817002)		National Theatre Staging Limited (07884772)		National Theatre Live Limited (09541676)		Royal National Theatre North America LLC N/A		Three Brothers Broadway LLC N/A	
	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m	2022 £'m	2021 £'m
Income	6.9	1.6	5.2	0.4	22.6	3.1	1.8	2.0	0.5	-	17.3	1.6
Expenditure+	(5.6)	(1.2)	(5.2)	(0.1)	(24.4)	(4.0)	(2.1)	(2.4)	-	-	(17.3)	(1.6)
Net Surplus / (Deficit)	1.3	0.4	-	0.3	(1.8)	(0.9)	(0.3)	(0.4)	0.5	-	-	-
Gift Aid/Profit distribution due to parent company	(1.3)	(0.4)	-	(0.3)	-	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	2.8	0.4	0.3	0.4	-	-	-	-
Retained in the subsidiary	-	-	-	-	1.0	(0.5)	-	-	0.5	-	-	-
Assets	1.2	1.1	3.2	0.3	5.5	5.1	1.0	1.5	0.7	0.2	2.7	1.4
(Liabilities)	(1.2)	(1.1)	(3.2)	(0.3)	(3.2)	(3.8)	(1.0)	(1.5)	(0.7)	(0.2)	(2.7)	(1.4)
Net Assets	-	-	-	-	2.3	1.3	-	-	-	-	-	-

24. SUBSIDIARIES & RELATED UNDERTAKINGS (continued)

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

	Basis (circa)	Payable to the National	
		2022 £m	2021 £m
Royal National Theatre Enterprises Limited *	Turnover (0.3%)	0.2	-
National Theatre Productions Limited +	Turnover (0.1%)	-	-
Royal National Theatre North America LLC +	Turnover (0.1%)	-	-
		0.2	-

* The charge above in 2021 is less than £0.1m.

+ The charge above in 2022 and 2021 in each case is less than £0.1m.

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

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

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

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

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

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £m	Group 2021 £m
Net income for the period (as per Statement of Financial Activities)	0.7	4.7
Adjustments for:		
Depreciation	6.0	7.1
Loss on disposal of tangible fixed assets	0.2	1.0
Loan interest	0.4	-
Working capital movements:		
Decrease in stocks	0.1	0.1
(Increase) in work in progress	-	(0.3)
(Increase) in debtors	(0.3)	(2.9)
Increase/(decrease) in creditors	7.7	(2.5)
Net cash provided by operating activities	14.8	7.2

ACKNOWLEDGEMENTS

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 29 MARCH 2021 to 27 MARCH 2022

The Royal National Theatre Board

Sir Damon Buffini (Chair)
Sabine Chalmers
Louise Charlton
Sir Lenny Henry
Vikki Heywood CBE
Simon Minty
Vicki Mortimer
Elizabeth Pryce
Dame Karen Pierce
Melanie Richards CBE
Tim Score
Farrah Storr (appointed 5 April 2021)
Simon Warshaw

Finance & Audit Committee

Tim Score (Chair)
Sir Damon Buffini
Sabine Chalmers
Melanie Richards CBE

Nominations Committee

Elizabeth Offord (Co Chair)
Simon Warshaw (Co Chair)
Sir Damon Buffini
Sir Lenny Henry

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
Alex Bayley
Lisa Burger (resigned 15 April 2022)
Louise Durant (appointed 16 April 2021)
Sarah Fellingham-Adkin (resigned 9 July 2021)
Liz Fosbury
Huw Gott
John Langley
Geoffrey Matthews
Kate Booth (née Varah) (appointed 19 April 2022)

National Theatre Productions Limited Board

Vikki Heywood CBE (Chair)
Ruth Bennett
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Linda James
Tim Score
Farrah Storr (appointed 1 June 2021)
Kate Booth (née Varah) (appointed 19 April 2022)
Michael Harrison (appointed 14 June 2022)

National Theatre Staging Limited Board

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Rebecca Thompson
Kate Booth (née Varah) (appointed 19 April 2022)

National Theatre Live Limited Board

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury
Rebecca Thompson
Kate Booth (née Varah) (appointed 19 April 2022)

Royal National Theatre North America LLC

Vikki Heywood CBE (Chair)
Lisa Burger (resigned 15 April 2022)
Liz Fosbury

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Development Board

Elizabeth Pryce (Chair)
Graham Barker (resigned June 2021)
Nick Barnes
Sujata Bhatia
Alan Bookbinder
Sir Damon Buffini
Louise Durant
James Garvey
Robin Geffen
Kate Groes
Kitty Harris
Madeleine Hodgkin (resigned October 2021)
Steven Larcombe
Jonathan Lenson
Hannah Lewis
George Marcotte
Rafael Marquez
Sheryl Needham
Sinead Ní Mhuircheartaigh
John Owen
Elizabeth Rantzen
Maria Sebastian
Phil Smith
Charlotte Warshaw
Simon Warshaw
Coram Williams
Alex Wilmot-Sitwell (resigned October 2021)
Jacqueline Worswick

Executive

Artistic Director and Chief Executive:
Rufus Norris
Executive Director:
Kate Booth (née Varah) (appointed 15 April 2022)
Executive Director and Joint Chief Executive:
Lisa Burger (resigned 15 April 2022)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

The annual report is available to download at
www.nationaltheatre.org.uk/annualreport

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

Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.