

The Royal National Theatre

Annual Report

2023/2024

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

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

THE YEAR IN SUMMARY

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

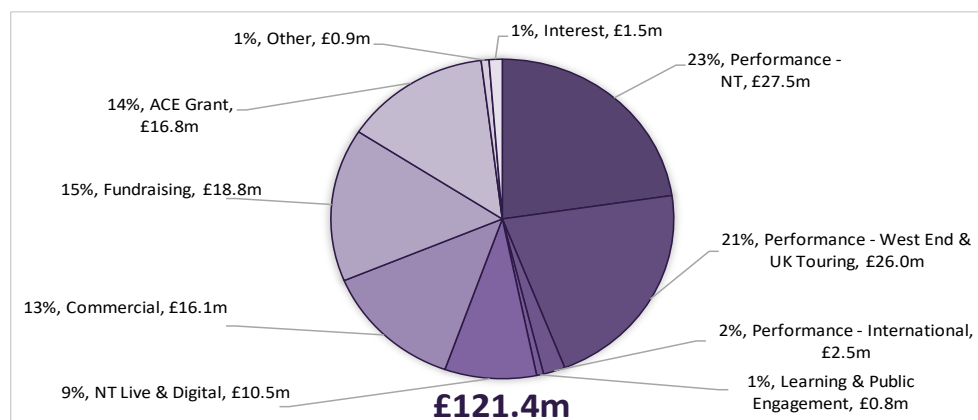
INTRODUCTION

FINANCIAL SUMMARY

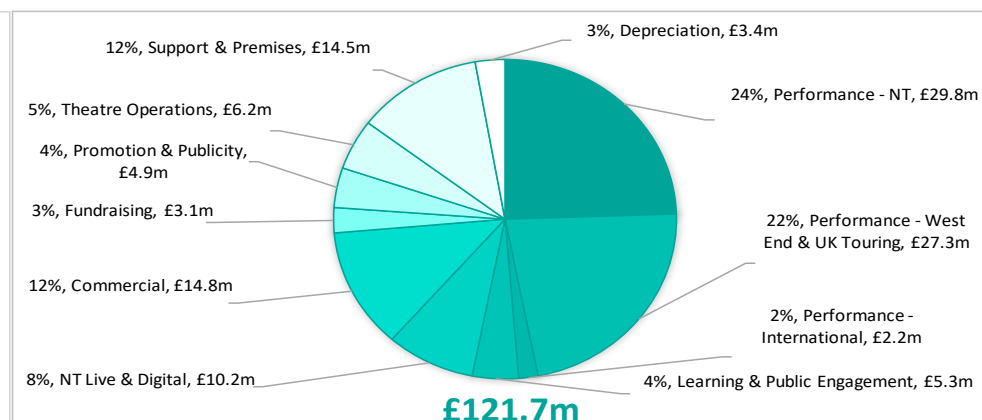
The charts below show total income and expenditure on group funds, excluding long-term restricted funds (which comprise the National Theatre's building-related fundraising income and depreciation). The amounts and percentages are subject to rounding.

INCOME

2023-2024

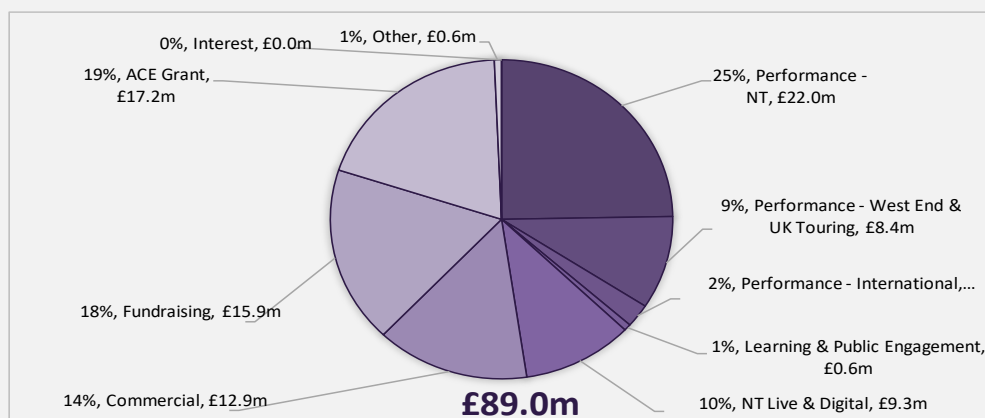


EXPENDITURE

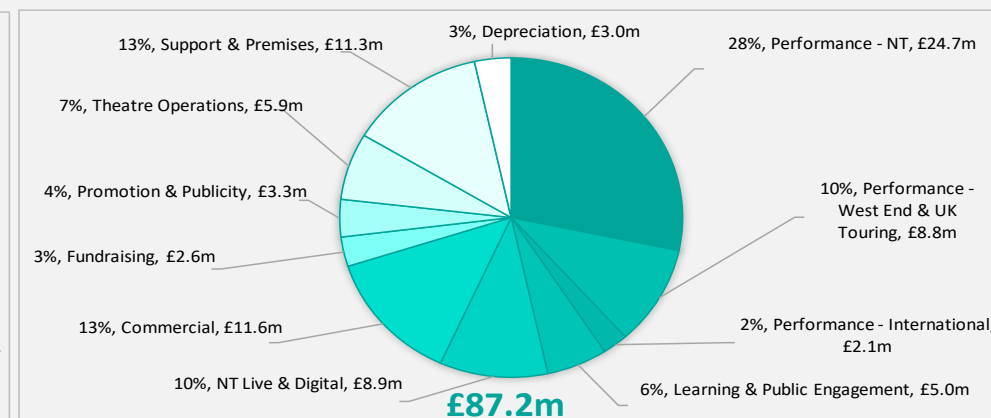


INCOME

2022-2023



EXPENDITURE



CHAIR'S STATEMENT

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

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

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

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

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

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

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

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

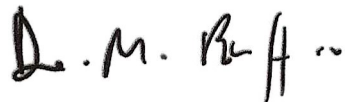
STRATEGIC REPORT

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

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

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

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



Sir Damon Buffini
Chair, The Royal National Theatre

Date: 19/9/24

ENTERTAIN AND INSPIRE: OUR STRATEGY

INTRODUCTION

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

FINANCIAL CONTEXT

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

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

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

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

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

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

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

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

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

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

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

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

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

OUR FOUR KEY OBJECTIVES

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

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

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

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

WHO WE WILL DO IT FOR

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

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

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

HOW WE WILL DO IT

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

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

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

Achievements against our objectives

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

Our theatres on the South Bank

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

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

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

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

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

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

Sharing work beyond the South Bank

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

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

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

Theatre Nation Partnerships

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

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

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

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

Generate

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

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

National Theatre Live

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

National Theatre at Home

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

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

National Theatre Collection

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

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

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

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

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

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

Skills Centre

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

Work in communities in North Kensington

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

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

Connections

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

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

New Views

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

Speak Up

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

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

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

Touring to schools

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

Public Acts

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

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

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

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

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

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

Making theatre sustainably

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

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

Productions

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

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

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

Operations

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

Buildings

Streamlined Energy and Carbon Reporting (SECR)

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

Scope 1: Emissions from combustion of Gas tCO2e:	
	2024: 1,021 tCO2e (Energy consumption: Gas 5,581,358 Kwh)
	2023: 1,135 tCO2e (Energy consumption: Gas 6,217,890 Kwh)
Methodology: tCO2e 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 tCO2e:	
	2024: 1,269 tCO2e (Energy consumption: Electricity 5,640,827 Kwh)
	2023: 1,036 tCO2e (Energy consumption: Electricity 4,909,225 Kwh)
Methodology: tCO2e 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 tCO2e :	
	2024: 4.2 tCO2e
	2023: 1.8 tCO2e
Methodology: tCO2e 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: tCO2e gross figure based from mandatory fields (tCO2e/m ²):	
	2024: 0.038 TCO2e/m ²
	2023: 0.036 TCO2e/m ²
Methodology: The intensity ratio stated above has been calculated as Tonnes of CO2e per total square metres of useful floor area	

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

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

Financial sustainability

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

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

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

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

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

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

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

Future financial sustainability

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

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

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

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

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

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

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

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

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

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

Capital needs

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

The plan includes:

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

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

Our culture

Inclusion Working Group

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

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

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

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

Our values

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

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

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

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

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

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

Equality, Diversity and Inclusion (EDI) Training

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

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

Diversity targets

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

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

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

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

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

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

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

PRODUCTIONS PRESENTED IN 2023/24

Olivier Theatre

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

Lyttelton Theatre

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

Dorfman Theatre

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

Beyond the South Bank

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

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

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

2024/25 Commitments

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

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

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

Innovate to expand our audience

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

Inspire creativity and boost skills

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

Be sustainable – economically, environmentally, socially

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

Attract the best collaborators

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

Our approach to fundraising

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

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

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

Self-evaluation

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

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

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

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

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

Section 172 (1) statement

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

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

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

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

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

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

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

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

b) The interests of the charity's employees

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

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

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

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

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

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

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

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

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

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

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

Our reputation is fundamental to our future success.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks

Internal Control and Risk Management

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

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

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

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

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

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

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

Principal risks and uncertainties

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

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

Risk	Area of concern	Mitigation
Artistic	Presenting new writing on our two main stages can be challenging given: <ul style="list-style-type: none"> • The size and associated challenges of the Olivier and Lyttelton theatres • Our reliance on strong box office sales • Our aim to grow our audience reach • The draw of creatives to work in the more lucrative film and TV sectors. 	We aim to mitigate this risk through: <ul style="list-style-type: none"> • Seeking and developing talent • Ongoing development work within our New Work Department • Effective customer relationship management and marketing • A refreshed programming process and programming group that is planning two years ahead.

Reputational, communication and advocacy risks	<p>Our reputation can be impacted by:</p> <ul style="list-style-type: none"> • Our London location failing to reflect our national remit and reach • Negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention • Ineffective communications handling or response to incidents. <p>All of which could impact one or more income streams and our ability to attract talent.</p>	<p>We aim to mitigate this risk by:</p> <ul style="list-style-type: none"> • Weaving national reach into the 2023–2027 National Theatre Strategy and Business Plan • Creating a clear story of our national and international reach to funders, Government etc • Advocacy activity with Government, Mayor of London and ACE • Undertaking due diligence on donors and investors following our Donor and Investor Acceptance policies • Careful consideration of internal and external and pro-active and reactive messaging, alongside a Communications Crisis Plan • Setting out clear standards of behaviour for staff, freelancers and audiences including Dignity and Respect at work and Social Media Policies.
Compliance	<p>Compliance risks arise in four key areas:</p> <ul style="list-style-type: none"> • The inherent health and safety risks involved in theatre production and presentation (e.g., working at height, noise, manual handling) • A data protection breach (GDPR) • A cyber or ransomware attack • Safeguarding risks in our work on our stages, on tour and in our Learning and Community programmes. 	<p>We mitigate these risks by:</p> <ul style="list-style-type: none"> • Maintaining best practice in health and safety including a robust management structure for safety, a competency framework, staff training, investigation of near misses and incidents and Safe-Working Groups • GDPR policy and procedures that are monitored by a steering group and supported by a tested Data Breach Process • Enhanced cyber security systems including dedicated staffing, staff training, system scans, enhanced passwords and access authentication • Robust safeguarding policy and procedures that are regularly reviewed and supported by our Safeguarding Steering Group, staff training and Finance and Audit Committee oversight.

Business planning and management risks	<p>There are a number of areas where we face risks that will either prevent us from operating our business, or make it more difficult to operate our business:</p> <ul style="list-style-type: none"> • Terrorism and the potential for a terrorist attack on London • Failure of key customer-facing business systems such as the website and ticket booking platform • A major incident arising from the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London • Failing to support our growing organisational and artistic ambitions due to capacity overstretch • Being unable to recruit and retain staff of the calibre required to support our standards of excellence and innovation across our artistic, operational and commercial teams. 	<p>We mitigate these risks through:</p> <ul style="list-style-type: none"> • Maintaining best practice, technology and training for our security team • Building strong relationships with neighbours, neighbourhood groups and the police • Up to date and resilient business systems including a cloud-based ticketing system and robust website • A Major Incident Plan that is being updated and that is supported by plans for specific incident types • The 2023–2027 Strategy and Business plans that sets out the scope of our activities and ensures that they are properly resourced; supported by a capable and experienced Executive Management and Senior Leadership Team. • The strengthening of our People and Culture teams to promote an inclusive working culture and support the recruitment, retention and development of staff and freelancers.
Financial risks	<p>Insufficient funding at present to support our ten-year capital replacement plan. In addition, insufficient funds would arise if we fail to meet our income targets for Box Office, Fundraising, Digital and Enterprises, and/or to deliver our cost-saving initiatives This could lead to:</p>	<p>We are mitigating these risks with:</p> <ul style="list-style-type: none"> • Carefully developed five-year business plan that shows a path to break even by 2026/2027, including a number of strategies (Commitments) aimed at growing income and reducing expenditure across the next three to five years • Strong Development team and robust fundraising strategy

	<ul style="list-style-type: none"> • An inability to invest adequately in our repertoire and to support new styles of work • An increase to the current shortfall to funding of our ten year capital plan. 	<ul style="list-style-type: none"> • Ten-year capital plan, with an identified funding shortfall across this period, for which a range of options to address this are under consideration • <i>Stories Start Here</i> fundraising campaign that has been supported by a £26m grant from the UK Government • Risk and Programme Development designated funds of £7.9m to support our operating model through this transition period to break-even by 2026/2027 • Strong ACE relationship management and strategic alignment with ACE objectives • Annual operating contingency of £1m.
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Financial summary

Financial review – 2023/24

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

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

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

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

Principal funding sources

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

Arts Council England

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

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

Fundraising

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

Box office income

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

National Theatre Live and Digital

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

Tax credits

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

Trading and other income

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

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

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

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

Expenditure

Production costs

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

National Theatre Live and Digital

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

NT Learning and Public Engagement

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

Research and development

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

Trading activities

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

Support costs

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

Staff costs

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

Capital expenditure

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

Reserves

Unrestricted operations fund

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

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

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

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

Buildings and equipment designated fund

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

NT Future designated fund

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

Restricted funds

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

Financial policies

Reserves policy

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

Investment policy

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

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

Creditor Payment policy

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

Remuneration

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

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

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

Financial Risk Management

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

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

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

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

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

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

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

Property Interests

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

Subsidiaries and Related Undertakings

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

Going Concern

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

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

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

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

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

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

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

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

GOVERNANCE

Board Members up to the date of the report

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

Executive

Rufus Norris, Artistic Director & Chief Executive

Kate Varah, Executive Director

Executive Committee

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

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Governing Document

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

Charitable Objects

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

Public Benefit

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

The Board

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

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

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

Trustee Induction and Training

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

The Executive

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

Associate Directors* and NT Associates

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

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

Board Membership

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

Board Committees and Subsidiary Companies

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

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Finance and Audit Committee

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

The Nominations Committee

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

Development Board

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

Connected Charities

Details of Connected Charities are set out in Note 24 of the Financial Statements.

Executive Management at The Royal National Theatre

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

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

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

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

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

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

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

Trustees' Transactions

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

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the

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financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

Statement on Disclosure of Information to the Auditors

In so far as the Trustees are aware:

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

Trustees’ Indemnities

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

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Auditors

PricewaterhouseCoopers LLP continue in office as auditors of The Royal National Theatre.

Approval

The Trustees' Report, including the Strategic Report, set out on pages 3 to 53 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:

Sir Damon Buffini
Chair, The Royal National Theatre



Date: 19/9/24

Company registration number 749504.
Registered charity number 224223.

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2024; the consolidated statement of financial activities (including an income & expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investments and cash balances at the period end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, and significant contracts and agreements.
- Holding discussions with the trustees and management to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with applicable laws and regulations.

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

GOVERNANCE

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

Date: 19/9/24

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account) for the year ended 31 March 2024

		53 weeks ended 31 March 2024					52 weeks ended 26 March 2023				
		Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
		Operations	Designated	Projects	Long Term		Operations	Designate	Projects	Long Term	
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:	Note(s)										
Donations & legacies	5(a)/(b)	24.7	-	9.4	-	34.1	24.7	-	6.8	-	31.5
Charitable activities	5(c)	66.4	-	-	-	66.4	40.4	-	-	-	40.4
Interest income	5(c)	1.5	-	-	-	1.5	0.5	-	-	-	0.5
Other trading activities	5(d)	19.4	-	-	-	19.4	16.6	-	-	-	16.6
TOTAL Income & Endowments	20	112.0	-	9.4	-	121.4	82.2	-	6.8	-	89.0
Expenditure on:											
Raising donations & legacies		(3.3)	-	-	-	(3.3)	(2.6)	-	-	-	(2.6)
Charitable activities	6 (a)	(91.9)	(3.9)	(6.9)	(3.7)	(106.4)	(62.5)	(3.1)	(5.3)	(3.7)	(74.6)
Other trading activities	6 (b)	(15.7)	-	-	-	(15.7)	(13.7)	-	-	-	(13.7)
TOTAL Expenditure	19	(110.9)	(3.9)	(6.9)	(3.7)	(125.4)	(78.8)	(3.1)	(5.3)	(3.7)	(90.9)
Net Income / (Expenditure)		1.1	(3.9)	2.5	(3.7)	(4.0)	3.4	(3.1)	1.5	(3.7)	(1.9)
Transfers between Group Funds	19	(3.4)	5.2	(1.8)	-	-	(3.1)	5.6	0.4	(2.9)	-
Net Movement in Group Funds		(2.3)	1.3	0.7	(3.7)	(4.0)	0.3	2.5	1.9	(6.6)	(1.9)
Reconciliation of Group Funds:											
Total Funds brought forward	19/20	(3.7)	49.8	2.9	36.8	85.8	(4.0)	47.3	1.0	43.4	87.7
TOTAL Group Funds carried forward	19/20	(6.0)	51.1	3.6	33.1	81.8	(3.7)	49.8	2.9	36.8	85.8

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 61 to 102 form part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS - as at 31 March 2024

		As at 31 March 2024		As at 26 March 2023	
	Note(s)	Group £m	Company £m	Group £m	Company £m
Tangible assets	11	56.2	53.8	57.1	54.2
Investments	12	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		56.4	54.0	57.3	54.4
Current Assets:					
Stocks	13	0.2	-	0.2	-
Cost of productions not yet opened	14	0.2	0.1	1.1	0.2
Debtors	15	30.5	28.6	29.1	28.5
Investments	16	13.3	13.3	12.8	12.8
Cash in bank and in hand	16	31.1	24.8	29.0	26.2
TOTAL Current Assets		75.3	66.8	72.2	67.7
Current Liabilities:					
Creditors: amounts falling due within one year	17	(29.8)	(21.4)	(23.2)	(18.7)
TOTAL Net Current Assets		45.5	45.4	49.0	49.0
Non-Current Liabilities:					
Creditors: amounts falling due after more than one year	18	(20.1)	(20.1)	(20.5)	(20.5)
TOTAL Net Assets		81.8	79.3	85.8	82.9
The Funds of the Group and Company:					
Operations Funds	19/20	(6.0)	(8.5)	(3.7)	(6.6)
Designated Funds	19/20	51.1	51.1	49.8	49.8
Restricted Funds	19/20	36.7	36.7	39.7	39.7
TOTAL Group and Company Funds	19/20	81.8	79.3	85.8	82.9

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expenditure for the Company for the year was £3.6m (PY: £2.9m net expenditure). The Notes on pages 61 to 102 form part of these financial statements. The financial statements on pages 58 to 102 were approved by the Board of Trustees and signed on its behalf by:

Sir Damon Buffini (Chair)

Da. M. hft

Date: 19/9/24

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 31 March 2024

	Note(s)	53 weeks ended 31 March 2024 £m	52 weeks ended 26 March 2023 £m
Cash flows from operating activities			
Net cash provided by / (used in) by operating activities	26	7.6	(6.5)
Cash flows from investing activities:			
Purchase of tangible fixed assets	11	(6.2)	(6.7)
Increase in current asset investments	16	(0.5)	(0.2)
Interest received		1.1	0.5
Net cash used in investing activities		(5.6)	(6.4)
Increase / (Decrease) in cash and cash equivalents in the reporting period		2.0	(12.9)
Cash and cash equivalents at the beginning of the reporting period	16	29.0	41.6
Exchange gains on cash and cash equivalents		0.1	0.3
Cash and cash equivalents at the end of the reporting period	16	31.1	29.0

The Group's net debt is a net credit of £10.2m (2023: £8.5m) comprising the Group's cash and cash equivalents of £31.1m (2023: £29.0m) (note 16) less the concessionary loan (including accrued interest) of £20.9m (2023: £20.5m) (notes 17 and 18). The movement in the period was solely due to the cash flows of the Group as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 61 to 102 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Royal National Theatre (“the National”, “the NT” or “the Company”) is a private company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare. The registered address is Upper Ground, London SE1 9PX. The registered charity number is 224223, and company number is 749504. These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within the Trustees’ report on pages 8 and 9.

2. STATEMENT OF COMPLIANCE

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

The 2023/2024 period covers the 53 weeks ended 31 March 2024; the comparative 2022/2023 period covers the 52 weeks ended 26 March 2023. The financial year is calculated on a 52 week basis, and every 6th year there is a 53 week period.

3. PRINCIPAL ACCOUNTING POLICIES

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

A. BASIS OF PREPARATION

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

B. GOING CONCERN

BACKGROUND

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2026, which is a period of at least 12 months from the date of approval of the financial statements.

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

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

KEY ASSUMPTIONS

The business and financial plans incorporate the following key assumptions:

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

SENSITIVITY ANALYSIS

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

This comprises:

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

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2026, without needing to implement mitigating actions. Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2026.

CONCLUSIONS

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

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

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

C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

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

D. BASIS OF CONSOLIDATION

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

E. FOREIGN CURRENCIES

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

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

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

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

F. FUND ACCOUNTING

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

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

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

G. INCOME & ENDOWMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

DONATIONS & LEGACIES

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

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

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

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

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

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

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

CHARITABLE ACTIVITIES

Charitable activities comprise:

Performance income:

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

All other income:

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

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

OTHER TRADING ACTIVITIES

Other trading activities comprise:

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

This income is recognised on a receivable basis.

INTEREST INCOME

Interest income is recognised using the effective interest rate method.

H. EXPENDITURE

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

RAISING DONATIONS & LEGACIES

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

CHARITABLE ACTIVITIES

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

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

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

OTHER TRADING ACTIVITIES

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

I. LEASE OF THE NATIONAL THEATRE BUILDING

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

J. FIXED ASSETS AND DEPRECIATION

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

K. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less impairment.

L. STOCKS

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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

M. COSTS OF PRODUCTIONS NOT YET OPENED

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

N. CASH AND CURRENT ASSET INVESTMENTS

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

O. PROVISIONS

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

P. REDUNDANCY/TERMINATION BENEFITS

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

Q. OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS

3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

R. FINANCIAL INSTRUMENTS

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

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

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

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

S. PENSIONS

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

T. TAXATION

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

The Group receives creative industry tax credits from HMRC on qualifying expenditure. These are shown as reductions to the related expenditure within the Statement of Financial Activities. Such taxes are calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The Group periodically evaluates, in current and future periods, positions taken in tax returns in respect of situations in which applicable tax regulations are subject to interpretation or in light of correspondence with the relevant tax authority and amends tax amounts, where appropriate, on the basis of amounts expected to be received from or paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

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

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

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

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

B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are made by the Group concerning the future. Therefore, the actual results of the Group, by definition, will rarely be consistent with such accounting estimates, though the Group's activities mean that there are no estimates for which there is a significant risk of a material adjustment to the carrying value of assets or liabilities could occur in the following financial period.

As noted on pages 8 and 9 of the National's Strategic Report, the Group has four key objectives, Objective 3 of which is to be sustainable: economically, environmentally, socially, with the right culture that takes care of the National's people and the world around it. The National recognise that climate change needs to be tackled urgently and has made commitments, as an organisation, to develop a pathway to address it. The key themes of the environmental strategy are: Productions, Operations and Buildings. The Group's specific plans are in the early stages of development and execution and, as a result, no indicators of either asset impairment or a need to changes asset useful economic lives have been identified. This will be kept under review as plans are further developed.

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP)

a) Donations & Legacies – Analysis by Fund Type

	Year ended 31 March 2024					Year ended 26 March 2023				
	Unrestricted Funds		Restricted Funds		Total	Unrestricted Funds		Restricted Funds		Total
	Operations	Designated	Projects	Long Term		Operations	Designated	Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):										
Revenue Grant	16.2	-	-	-	16.2	17.0	-	-	-	17.0
Capital and other Grants	-	-	0.6	-	0.6	-	-	0.2	-	0.2
TOTAL ACE	16.2	-	0.6	-	16.8	17.0	-	0.2	-	17.2
Other:										
Performances	-	-	0.9	-	0.9	-	-	0.8	-	0.8
NT Live & Digital	-	-	0.6	-	0.6	-	-	0.7	-	0.7
NT Learning & Public Engagement	-	-	4.0	-	4.0	-	-	3.5	-	3.5
NT Studio, Research & Development	-	-	0.5	-	0.5	-	-	0.3	-	0.3
Long Term Projects	-	-	2.4	-	2.4	-	-	0.9	-	0.9
Other Income	-	-	-	-	-	-	-	0.1	-	0.1
Donations supporting General Activity	8.5	-	0.4	-	8.9	7.7	-	0.3	-	8.0
TOTAL Other	8.5	-	8.8	-	17.3	7.7	-	6.6	-	14.3
TOTAL Donations & Legacies	24.7	-	9.4	-	34.1	24.7	-	6.8	-	31.5

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

b) Donations & Legacies – Analysis by Income Type

	Year ended 31 March 2024				Year ended 26 March 2023			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):								
Revenue Grant	-	-	16.2	16.2	-	-	17.0	17.0
Capital and Other Grants	-	-	0.6	0.6	-	-	0.2	0.2
Other:								
Performances	-	0.6	0.3	0.9	-	0.5	0.3	0.8
NT Live & Digital	0.4	0.2	-	0.6	0.4	0.2	0.1	0.7
NT Learning & Public Engagement	0.3	0.5	3.2	4.0	0.3	2.3	0.9	3.5
NT Studio, Research & Development	-	0.1	0.4	0.5	-	0.1	0.2	0.3
Long Term Projects	-	0.3	2.1	2.4	-	0.4	0.5	0.9
Other Income	-	-	-	-	0.1	-	-	0.1
Donations supporting General Activity	0.8	7.8	0.3	8.9	2.8	5.0	0.2	8.0
TOTAL Other	1.5	9.5	6.3	17.3	3.6	8.5	2.2	14.3
TOTAL Donations & Legacies (all UK)	1.5	9.5	23.1	34.1	3.6	8.5	19.4	31.5

Recognised within donations and legacies are Gifts in Kind of £0.8m during the year (2023: £0.8m).

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

c) Charitable Activities and Interest Income

	2024 Total £m	2023 Total £m
Performances:		
National Theatre	27.5	22.0
West End Commercial Transfers	22.4	5.6
UK Touring	2.9	2.8
International Touring (principally USA)	1.8	-
TOTAL Performances	54.6	30.4
Other Activities:		
NT Live & Digital	10.5	9.3
NT Learning & Public Engagement	0.5	0.6
Other Income	0.8	0.1
TOTAL Other Activities	11.8	10.0
SUBTOTAL Income from Charitable Activities (all UK, except USA)	66.4	40.4
Interest Income	1.5	0.5
TOTAL Income	67.9	40.9

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

NOTES TO THE FINANCIAL STATEMENTS

5. INCOME & ENDOWMENTS (GROUP) (continued)

d) Other Trading Activities

	2024 Total £m	2023 Total £m
Rights, Royalties & Exploitations – USA	0.7	1.5
Grant – United States of America	-	0.6
Rights, Royalties & Exploitations – West End	0.7	-
Catering & Hospitality	13.1	10.3
Retail & Prop and Costume Hires	1.9	1.7
Car Park	0.7	0.7
Tours & Events	0.4	0.2
Sponsorship Income	1.9	1.6
TOTAL Income from Trading Activities (all UK, except USA)	19.4	16.6

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP)

a) Expenditure on Charitable Activities

	Year ended 31 March 2024						Year ended 26 March 2023					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Performances:												
National Theatre	26.6	9.9	-	1.1	-	37.6	22.0	11.2	-	0.6	-	33.8
West End Commercial Transfers	20.9	4.7	-	-	-	25.6	5.6	1.9	-	-	-	7.5
UK Touring	6.4	1.5	-	-	-	7.9	3.2	1.1	-	-	-	4.3
International Touring	2.2	0.5	-	-	-	2.7	-	-	-	-	-	-
TOTAL Performances	56.1	16.6	-	1.1	-	73.8	30.8	14.2	-	0.6	-	45.6
Other Activities:												
NT Live & Digital	9.6	3.7	-	0.6	-	13.9	8.2	4.1	-	0.7	-	13.0
NT Learning & Public Engagement	0.9	1.9	-	4.4	-	7.2	1.7	0.8	-	3.3	-	5.8
NT Major Projects	-	-	0.5	-	-	0.5	-	-	0.1	-	-	0.1
Research & Development	1.7	1.1	-	0.4	-	3.2	1.8	0.9	-	0.3	-	3.0
Other Expenses	0.3	-	-	0.4	-	0.7	-	-	-	0.4	-	0.4
TOTAL Other Activities	12.5	6.7	0.5	5.8	-	25.5	11.7	5.8	0.1	4.7	-	22.3
Other:												
Depreciation	-	-	3.4	-	3.7	7.1	-	-	3.0	-	3.7	6.7
TOTAL Other	-	-	3.4	-	3.7	7.1	-	-	3.0	-	3.7	6.7
TOTAL Expenditure on Charitable Activities	68.6	23.3	3.9	6.9	3.7	106.4	42.5	20.0	3.1	5.3	3.7	74.6

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

b) Other Trading Activities

	2024 Total £m	2023 Total £m
Rights, Royalties & Exploitations	-	2.1
Catering & Hospitality	12.6	9.2
Retail & Prop and Costume Hires	2.3	1.9
Car Park	0.2	0.2
Tours & Events	0.6	0.3
TOTAL Expenditure on Trading Activities	15.7	13.7

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENDITURE (GROUP) (continued)

c) Analysis of Support Costs

	Year ended 31 March 2024				Year ended 26 March 2023			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.5	0.5	-	-	0.3	0.3
Charitable Activities:								
Performances:								
National Theatre	1.6	3.7	4.6	9.9	1.7	3.9	5.6	11.2
West End Commercial Transfers	1.2	-	3.5	4.7	0.4	-	1.5	1.9
UK Touring	0.4	-	1.1	1.5	0.2	-	0.9	1.1
International Touring	0.1	-	0.4	0.5	-	-	-	-
Other Activities:								
NT Live & Digital	0.6	1.4	1.7	3.7	0.6	1.4	2.1	4.1
NT Learning & Public Engagement	0.3	0.7	0.9	1.9	0.1	0.3	0.4	0.8
Research & Development	0.2	0.4	0.5	1.1	0.1	0.3	0.5	0.9
TOTAL Charitable Activities	4.4	6.2	12.7	23.3	3.1	5.9	11.0	20.0
Other Trading Activities	-	0.1	0.1	0.2	-	0.1	0.1	0.2
TOTAL Support Costs	4.4	6.3	13.3	24.0	3.1	6.0	11.4	20.5

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

* Governance costs for the year were £0.3m (2023: £0.2m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £153k (2023: £110k). The Group audit fee includes £51k (2023: £29k) borne by the RNT on behalf of audit services provided to the subsidiaries. Fees for tax compliance services of £9k (2023: £8k) due to PricewaterhouseCoopers LLP were borne by RNT on behalf of tax services provided to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Wages and salaries	42.4	42.4	33.5	33.5
Social security costs	3.5	3.5	3.0	3.0
Other pension costs	1.5	1.5	1.2	1.2
Redundancy costs	0.2	0.2	0.1	0.1
	47.6	47.6	37.8	37.8

The average number of employees in the year are 933 permanent staff including management (2023: 901) and 130 casual and temporary staff (2023: 215). The Group considers business activities by full-time equivalent staff, further analysis is provided below based on average full-time equivalent staff employed in the year:*

	Group 2024 Number	Company 2024 Number	Group 2023 Number	Company 2023 Number
Artistic	130	130	144	144
Technical and production	368	368	321	321
Trading and front of house	92	92	85	85
Education, touring, New Work dept and other projects	57	57	58	58
Marketing and box office	47	47	43	43
Support services	83	83	69	69
Engineering	26	26	24	24
Fundraising	37	37	34	34
	840	840	778	778

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

NOTES TO THE FINANCIAL STATEMENTS

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

The Group's consolidated US entities incurred staff costs of £nil (2023: £0.5m, comprising wages and salaries in respect of 39 individuals who were employed on productions during the year). Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £4.2m (comprising £3.8m wages and salaries and £0.4m social security and other costs) (2023: £4.1m, comprising £3.7m wages and salaries and £0.4m social security and other costs) in respect of 231 individuals (2023: 199) who were employed by the third party during the year.

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

	2024	2023
	Number	Number
£60,000 - £70,000	33	17
£70,001 - £80,000	10	7
£80,001 - £90,000	6	5
£90,001 - £100,000	4	4
£100,001 - £110,000	3	4
£110,001 - £120,000	5	-
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£160,001 - £170,000	1	1
£170,001 - £180,000	1	1
	65	40

Pension contributions of £0.1m (2023: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.4m (2023: £1.5m), comprising the Executive (Chief Executive and Executive Director) and the Executive Committee.

NOTES TO THE FINANCIAL STATEMENTS

8. TRUSTEES' EMOLUMENTS

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

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 31 March 2024 was £7k (2023: £10k). £11k (2023: £4k) was also paid in relation to royalties on NT at Home and NT Live screenings. The Company's governing documents permit such payments to Trustees and were approved by the Board.

9. PENSION CONTRIBUTIONS

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.5m (2023: £1.2m) with £0.3m (2023: £0.2m) payable at the balance sheet date. The Group charge for the year was £1.5m (2023: £1.2m) with £0.3m (2023: £0.2m) payable at the balance sheet date.

10. TAXATION

The Royal National Theatre's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in National Theatre Staging Limited, disclosed in Notes 19 and 25.

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £9.1m (2023: £7.6m).

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

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (GROUP)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2023	6.6	60.6	39.7	0.6	17.9	5.8	48.1	0.2	2.8	182.3
Additions	-	0.5	0.4	-	0.7	0.4	0.3	0.9	3.0	6.2
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
Transfers from work in progress	-	1.1	0.4	0.1	0.6	0.2	0.1	-	(2.5)	-
As at 31 March 2024	6.6	62.2	40.5	0.7	19.2	6.4	44.1	1.1	3.3	184.1
Accumulated Depreciation										
As at 26 March 2023	1.8	26.5	36.8	0.5	8.9	3.7	47.0	-	-	125.2
Charge for period	0.1	3.1	0.7	-	1.9	0.7	0.6	-	-	7.1
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
As at 31 March 2024	1.9	29.6	37.5	0.5	10.8	4.4	43.2	-	-	127.9
Net book value										
As at 31 March 2024	4.7	32.6	3.0	0.2	8.4	2.0	0.9	1.1	3.3	56.2
As at 26 March 2023	4.8	34.1	2.9	0.1	9.0	2.1	1.1	0.2	2.8	57.1

Freehold land and buildings include NT Studio land at a cost of £0.7m (2023: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2023: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

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

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potential repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co. as security against potential repayment obligations on an overdraft facility in 2014. The facility is no longer held and the charge was released on 30 July 2024.

NOTES TO THE FINANCIAL STATEMENTS

11. TANGIBLE ASSETS (COMPANY) (continued)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2023	6.6	60.6	39.7	0.6	13.3	4.7	46.7	0.2	2.8	175.2
Additions	-	0.5	0.4	-	0.7	0.4	0.2	0.9	3.0	6.1
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
Transfers from work in progress	-	1.1	0.4	0.1	0.6	0.2	0.1	-	(2.5)	-
As at 31 March 2024	6.6	62.2	40.5	0.7	14.6	5.3	42.6	1.1	3.3	176.9
Accumulated Depreciation										
As at 26 March 2023	1.8	26.5	36.8	0.5	6.7	3.1	45.6	-	-	121.0
Charge for period	0.1	3.1	0.7	-	1.4	0.6	0.6	-	-	6.5
Disposals	-	-	-	-	-	-	(4.4)	-	-	(4.4)
As at 31 March 2024	1.9	29.6	37.5	0.5	8.1	3.7	41.8	-	-	123.1
Net book value										
As at 31 March 2024	4.7	32.6	3.0	0.2	6.5	1.6	0.8	1.1	3.3	53.8
As at 26 March 2023	4.8	34.1	2.9	0.1	6.6	1.6	1.1	0.2	2.8	54.2

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	0.2	0.2	0.2	0.2

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

See Note 25 for details of investments in subsidiary undertakings.

13. STOCKS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Goods for resale	0.2	-	0.2	-
	0.2	-	0.2	-

Stock impairment losses charged to the statement of financial activities during the year for the Group were £nil (2023: £0.1m) and for the Company were £nil (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS

14. COST OF PRODUCTIONS NOT YET OPENED

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
National Theatre – Productions	0.1	0.1	0.2	0.2
National Theatre – NT Live screenings scheduled 2024-25	0.1	-	0.9	-
	0.2	0.1	1.1	0.2

These costs relate to productions which are planned to start in the financial period ending 30 March 2025 for which expenditure has been incurred in the period to 31 March 2024.

15. DEBTORS

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Amounts falling due within one year:				
Trade debtors	3.5	2.8	3.6	2.2
Amounts owed by group undertakings	-	21.1	-	14.2
Other debtors	1.5	0.7	1.6	1.4
Tax recoverable	19.1	0.4	13.2	2.4
Prepayments and accrued income	6.4	3.6	10.7	8.3
	30.5	28.6	29.1	28.5

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

Included within tax recoverable is £18.7m (2023: £11.2m) relating to theatre tax relief (TTR) and film tax relief (FTC) claims for the years 2023/24 of £9.1m, and £9.6m relating to prior year claims.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENTS AND CASH AT BANK AND IN HAND

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Current asset investments:				
Bank deposits with maturity > 3 months	13.3	13.3	12.8	12.8
Cash at bank and in hand:				
Cash and bank balances	31.1	24.8	29.0	26.2

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Amounts falling due within one year:				
Trade creditors	1.3	0.7	3.0	2.6
Advance bookings	6.3	6.3	4.3	4.3
Taxation and social security	1.4	1.3	1.0	0.7
Other creditors and accruals	16.8	10.3	12.3	9.6
Deferred income (all utilised in year)	3.2	2.0	2.6	1.5
Concessionary loan (see note 18)	0.8	0.8	-	-
	29.8	21.4	23.2	18.7

NOTES TO THE FINANCIAL STATEMENTS

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

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Concessionary loan	20.1	20.1	20.5	20.5
	20.1	20.1	20.5	20.5

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

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

The interest charge for the year was £0.4m (2023: £0.4m).

The principal loan balance that falls due within one year is £nil, between two and five years is £3.7m, and after more than five years is £16.0m.

The total loan balance of £20.9m (£20.1m in note 18 and £0.8m in note 17) comprises the principal of £19.7m and accrued interest of £1.2m.

NOTES TO THE FINANCIAL STATEMENTS

19. THE FUNDS OF THE GROUP & COMPANY

	Balance at 26 March 2023	Income	Expenditure	Transfers	Balance at 31 March 2024	Balance at 28 March 2022	Income	Expenditure	Transfers	Balance at 26 March 2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:										
Unrestricted operations fund*	(3.7)	112.0	(110.9)	(3.4)	(6.0)	(4.0)	82.2	(78.8)	(3.1)	(3.7)
Unrestricted designated										
NT Future Fund	4.5	-	(0.6)	-	3.9	6.2	-	(0.5)	(1.2)	4.5
Building & Equipment Fund	34.6	-	(3.2)	5.6	37.0	30.4	-	(2.6)	6.8	34.6
Security Fund	0.3	-	(0.1)	-	0.2	0.3	-	-	-	0.3
Loan Repayment Fund	1.5	-	-	-	1.5	1.5	-	-	-	1.5
Risk Fund	4.9	-	-	(0.9)	4.0	4.9	-	-	-	4.9
Investment Fund	1.0	-	-	-	1.0	1.0	-	-	-	1.0
Programme Development Fund	3.0	-	-	-	3.0	3.0	-	-	-	3.0
Digital Future Tech Fund	-	-	-	0.5	0.5	-	-	-	-	-
TOTAL unrestricted designated funds	49.8	-	(3.9)	5.2	51.1	47.3	-	(3.1)	5.6	49.8
TOTAL unrestricted funds	46.1	112.0	(114.8)	1.8	45.1	43.3	82.2	(81.9)	2.5	46.1
RESTRICTED : Project funds										
NT Performance	0.5	0.9	(1.1)	-	0.3	0.2	0.8	(0.5)	-	0.5
NT Live & Digital	-	0.6	(0.6)	-	-	-	0.7	(0.7)	-	-
NT Learning & Public Engagement	1.1	4.0	(3.8)	-	1.3	0.8	3.6	(3.3)	-	1.1
NT Studio Projects (R&D)	-	0.5	(0.4)	-	0.1	-	0.3	(0.3)	-	-
ACE UK Touring	-	0.6	(0.6)	-	-	-	0.2	(0.2)	-	-
General Activity	-	0.4	(0.4)	-	-	-	0.3	(0.3)	-	-
Capital	1.3	2.4	-	(1.8)	1.9	-	0.9	-	0.4	1.3
TOTAL restricted project funds	2.9	9.4	(6.9)	(1.8)	3.6	1.0	6.8	(5.3)	0.4	2.9
RESTRICTED : Long term funds										
NT Future Fund	20.5	-	(2.6)	-	17.9	23.1	-	(2.6)	-	20.5
ACE NT Future Fund	11.3	-	(1.0)	-	10.3	12.3	-	(1.0)	-	11.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	3.9	-	(0.1)	-	3.8	4.0	-	(0.1)	-	3.9
Drum Revolve Fund	-	-	-	-	-	0.2	-	-	(0.2)	-
Staging Technology Fund	-	-	-	-	-	1.4	-	-	(1.4)	-
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long-Term Funds	-	-	-	-	-	1.3	-	-	(1.3)	-
TOTAL long-term funds	36.8	-	(3.7)	-	33.1	43.4	-	(3.7)	(2.9)	36.8
TOTAL restricted funds	39.7	9.4	(10.6)	(1.8)	36.7	44.4	6.8	(9.0)	(2.5)	39.7
TOTAL Group funds	85.8	121.4	(125.4)	-	81.8	87.7	89.0	(90.9)	-	85.8

NOTES TO THE FINANCIAL STATEMENTS

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

	At 31 March 2024 £m	At 26 March 2023 £m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Company unrestricted operations fund (as disclosed in the Company Balance Sheet)	(8.5)	(6.6)
Unrestricted retained surplus held by trading subsidiaries (note 25c)	2.5	2.9
Group unrestricted operations fund	(6.0)	(3.7)

DESIGNATED FUNDS

NT Future Fund

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

Building & Equipment Fund

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

£3.8m (2023: £3.1m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

Security Fund

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

Loan Repayment Fund

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

Risk Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

Investment Fund

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

Programme Development Fund

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

Future Digital Tech Fund

The future digital tech fund is a designated fund set aside by the Trustees to support investment in the NT at Home platform.

RESTRICTED FUNDS: PROJECT FUNDS

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

NT Performance Fund

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

NT Live & Digital Fund

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

NT Learning & Public Engagement Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

NT Studio Projects (Research & Development) Fund

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

ACE UK Touring Fund

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

General Activity Fund

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

Capital Fund

The Capital Fund represents restricted funding for capital projects.

RESTRICTED FUNDS: LONG TERM FUNDS

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

NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.6m (2023: £2.6m) and represents depreciation on NT Future assets.

ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2023: £1.0m) and represents depreciation on NT Future assets and direct project expenditure.

ACE Lottery Fund

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

NOTES TO THE FINANCIAL STATEMENTS

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

Studio Refurbishment Fund

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

Drum Revolve Fund

The Drum's original operating vision has never realised due to limitations in technology at the time it was built. This fund was created to address these limitations in light of new technology. The transfer in the prior year is to the designated Building and Equipment Fund.

Staging Technology Fund

This fund was created to ensure that artistic and production development can support the creative vision, by being at the cutting edge of technology. The transfer in the prior year is to the designated Building and Equipment Fund.

Expendable Endowment

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

NOTES TO THE FINANCIAL STATEMENTS

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	As at 31 March 2024				As at 26 March 2023			
	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets	Tangible fixed assets	Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets
	£m	£m	£m	£m	£m	£m	£m	£m
UNRESTRICTED:								
Operations fund	-	13.9	(19.9)	(6.0)	-	10.1	(13.8)	(3.7)
Unrestricted designed								
NT Future Fund	2.7	1.2	-	3.9	2.7	1.8	-	4.5
Building & Equipment Fund	20.4	16.6	-	37.0	17.5	17.1	-	34.6
Security Fund	0.2	-	-	0.2	0.3	-	-	0.3
Loan Repayment Fund	-	1.5	-	1.5	-	1.5	-	1.5
Risk Fund	-	4.0	-	4.0	-	4.9	-	4.9
Investment Fund	-	1.0	-	1.0	-	1.0	-	1.0
Programme Development Fund	-	3.0	-	3.0	-	3.0	-	3.0
Digital Future Tech Fund	-	0.5	-	0.5	-	-	-	-
TOTAL unrestricted designated funds	23.3	27.8	-	51.1	20.5	29.3	-	49.8
TOTAL unrestricted funds	23.3	41.7	(19.9)	45.1	20.5	39.4	(13.8)	46.1
RESTRICTED : Project funds								
NT Performance	-	0.1	0.2	0.3	-	0.4	0.1	0.5
NT Learning & Public Engagement	-	1.2	0.1	1.3	-	0.7	0.4	1.1
NT Studio (Research & Development)	-	-	0.1	0.1	-	-	-	-
Capital	-	1.4	0.5	1.9	-	1.3	-	1.3
TOTAL restricted project funds	-	2.7	0.9	3.6	-	2.4	0.5	2.9
RESTRICTED : Long term funds								
NT Future Fund	17.9	-	-	17.9	20.5	-	-	20.5
ACE NT Future Fund	10.3	-	-	10.3	11.3	-	-	11.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	3.8	-	-	3.8	3.9	-	-	3.9
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
TOTAL long-term funds	32.9	-	0.2	33.1	36.6	-	0.2	36.8
TOTAL restricted funds	32.9	2.7	1.1	36.7	36.6	2.4	0.7	39.7
TOTAL Group funds	56.2	44.4	(18.8)	81.8	57.1	41.8	(13.1)	85.8

Note: Other net assets/(liabilities) includes the cultural recovery fund concessionary loan of £20.9m (2023: £20.5m). This loan and interest is repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equals instalments of £0.75m, the first instalment being due in March 2025, the final instalment in March 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS (GROUP & COMPANY)

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Commitments:				
Lighting upgrades	1.9	1.9	-	-
Storage unit fit-out	1.4	1.4	-	-
Costume workshops	1.4	1.4		
Other commitments (<£100k)	0.3	0.3	0.2	0.2
	5.0	5.0	0.2	0.2

The amount payable within one year is £5.0m (2023: £0.2m).

22. OPERATING LEASE COMMITMENTS

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

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Within one year	1.1	0.5	0.3	-
In two to five years	5.3	3.2	0.5	-
In more than five years	4.5	3.6	0.3	-
	10.9	7.3	1.1	-

Expenditure within the period on operating leases was £0.6m (2023: £0.4m). The Company entered into a 15 year lease agreement from January 2024 on a commercial property in Bermondsey that will primarily be used for storage. Lease payments are renegotiated every 5 years to reflect market rates. The lease commitment of £7.3m up to the break clause at the end of year 10 has been included above.

23. CONTINGENT LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS

24. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

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

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

During the period, The Royal National Theatre received legacy income of £0.2m (2023: £0.2m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £611k (2023: £623k) for The Royal National Theatre's work with: Capital grants £500k; Legacy Development costs £31k; Welfare £50k and Peter Hall Award £30k. In 2023, the £623k principally comprised grants for Capital grants £500k; Legacy Development costs £43k; Welfare £50k and Peter Hall Award £30k. The Foundation owed The Royal National Theatre £518k at the year-end (2023: £664k). The Foundation also made £77k (2023: £76k) benevolent grants to members and former members of the staff and Company.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of The Royal National Theatre (the "AANT") is an independent not-for-profit charity registered in New York, USA. During the period, \$3.0m (2023: \$3.15m) was raised by the AANT for The Royal National Theatre. The AANT owed The Royal National Theatre £0.9m at the year-end (2023: £1.7m).

OTHER RELATED PARTY TRANSACTIONS

During the period, Trustees donated a total amount of £417k (2023: £276k).

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

The Buffini Chao Foundation (the Chair of the National's Trustee Board, Damon Buffini, and his wife, are two of the five trustees of the Foundation) donated £250,000 (2023: £250,172) (as part of a £1m total commitment over a four-year period 2021-2024) towards the NT's engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER RELATED PARTY TRANSACTIONS (CONTINUED)

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22 and 2022-23. As a writer of a new production at the National she received royalties of £1.6k (2023: £31k) based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions.

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £3.6m (2023: £2.6m). This represents the balance of operational transactions between the entities.

The Royal National Theatre (RNT) owes the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2023: £0.6m owed from). This represents the balance of operational transactions between the entities and includes the RNTE Management Fee £0.2m (2023: £0.2m) and the Gift Aid of profit £3.0m (2023: £2.9m) to its parent company.

The Royal National Theatre (RNT) is owed by the National Theatre Live Limited (NTLL) a net balance of £nil (2023: £1.1m). This represents the balance of the Commissioning Fee payable by RNT of £3.6m (2023: £4.2m) and operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £17.5m (2023: £9.8m). This represents the balance of the Commissioning Fee payable by RNT of £42.3m (2023: £28.5m) and operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTNA LLC) a net balance £0.6m (2023: £0.1m). This represents the balance of operational transactions between the entities.

See Note 25 for details of transactions with subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

25. SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent Company. As at 31 March 2024, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

a) SUBSIDIARIES

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

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

b) PARTNERSHIPS ACCOUNTED FOR AS SUBSIDIARIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

c) FINANCIAL INFORMATION

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		Royal National Theatre North America LLC		Three Brothers Broadway LLC	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Income	18.7	15.0	27.9	8.6	42.3	28.5	3.6	4.2	0.6	0.6	0.1	1.2
Expenditure+	(15.7)	(12.1)	(27.9)	(8.6)	(50.5)	(34.7)	(4.1)	(4.9)	(0.1)	(0.6)	(0.1)	(1.2)
Net Surplus/(Deficit)	3.0	2.9	-	-	(8.2)	(6.2)	(0.5)	(0.7)	0.5	-	-	-
Gift Aid/Profit distribution due to parent company	(3.0)	(2.9)	-	-	-	-	-	-	(0.5)	-	-	-
Tax Credit	-	-	-	-	7.7	6.9	0.5	0.7	-	-	-	-
Retained in the subsidiary	-	-	-	-	(0.5)	0.7	-	-	-	-	-	-
Assets	1.5	1.0	8.9	5.4	20.0	12.8	1.3	2.0	0.7	0.1	0.3	0.3
(Liabilities)	(1.5)	(1.0)	(8.9)	(5.4)	(17.5)	(9.8)	(1.3)	(2.0)	(0.7)	(0.1)	(0.3)	(0.3)
Net Assets	-	-	-	-	2.5	3.0	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

25.SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

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

	Payable to the National	
	Year ended 31 March 2024 £m	Year ended 26 March 2023 £m
Royal National Theatre Enterprises Limited	0.2	0.2
National Theatre Productions Limited *	-	-
Royal National Theatre North America LLC #	-	-
	0.2	0.2

* The charge in 2024 and 2023 has been waived by The Royal National Theatre

The charge above in 2024 and 2023 in each case is less than £0.1m

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

25. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)

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

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

26. NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES

	Group 2024 £m	Group 2023 £m
Net (loss) for period (as per Statement of Financial Activities)	(4.0)	(1.9)
Adjustments for:		
Depreciation	7.1	6.7
Loan interest	0.4	0.4
Interest income	(1.5)	(0.5)
Exchange gains on cash and cash equivalents	(0.1)	(0.3)
Working capital movements:		
Decrease in stocks	-	0.1
Decrease (Increase) in work in progress	0.9	(0.3)
Increase in debtors	(1.4)	(11.0)
Increase in creditors	6.2	0.3
Net cash flow provided by / (used in) by operating activities	7.6	(6.5)

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 27 MARCH 2023 to 31 MARCH 2024

The Royal National Theatre Board

Sir Damon Buffini (Chair)
 Sabine Chalmers
 Louise Charlton (née Durant)
 Dame Vikki Heywood DBE
 Simon Minty
 Vicki Mortimer
 Dame Karen Pierce
 Amanda Pritchard (from 2 October 2023)
 Elizabeth Pryce (née Offord)
 Melanie Richards CBE
 Tim Score
 Farrah Storr
 Simon Warshaw

Finance and Audit Committee

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

Nominations Committee

Elizabeth Pryce (née Offord) (Co Chair)
 Simon Warshaw (Co Chair)
 Sir Damon Buffini
 Farrah Storr
 Dame Karen Pierce

Royal National Theatre Enterprises Limited Board

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

National Theatre Productions Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Linda James (resigned 11 August 2023)
 Tim Score
 Farrah Storr (resigned 31 August 2023)
 Kate Varah (née Booth)
 Michael Harrison
 Kathryn Bennett
 Alain Airth (appointed 16 November 2023)
 Rebecca Rae (appointed 16 November 2023)
 Victoria Hawkins (appointed 12 August 2024)

National Theatre Staging Limited Board

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

National Theatre Live Limited Board

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury
 Rebecca Thompson
 Kate Varah (née Booth)
 Farrah Storr (appointed 1 August 2023)
 Emma Keith (née Davies) (appointed 1 August 2023)

Royal National Theatre North America LLC

Dame Vikki Heywood DBE (Chair)
 Liz Fosbury

ACKNOWLEDGEMENTS

Development Board

Elizabeth Pryce (née Offord) (Chair)
Heather Acton
Nick Barnes
Sujata Bhatia
Sir Damon Buffini
Louise Charlton (née Durant)
Victoria Corcoran
James Garvey
Robin Geffen
Kate Groes
Andrea Harris
Priya Heal
Elizabeth Jack
Steven Larcombe
Hannah Lewis
Rafael Marquez
Emma Marsh
Shifali Mudumba
Sheryl Needham
Marc Polonsky
Elizabeth Rantzen
Francesca Robinson
Maria Sebastian
Phil Smith
Emma Turner
Charlotte Warshaw
Jacqueline Worswick
Anthony Zammit

Executive

Artistic Director and Chief Executive:
Rufus Norris
Executive Director and Chief Executive:
Kate Varah (née Booth) (appointed Co-Chief Executive 29 April 2024)

Artistic Director Designate:
Indhu Rubasingham (appointed 29 April 2024)

Bankers

Coutts & Co
440 Strand, London, WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

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Registered Office & Principal Place of Business:

The Royal National Theatre
Upper Ground
London
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.