

ANNUAL REPORT 2017-18



The Royal National Theatre

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

INTRODUCTION

NT

THE YEAR IN SUMMARY

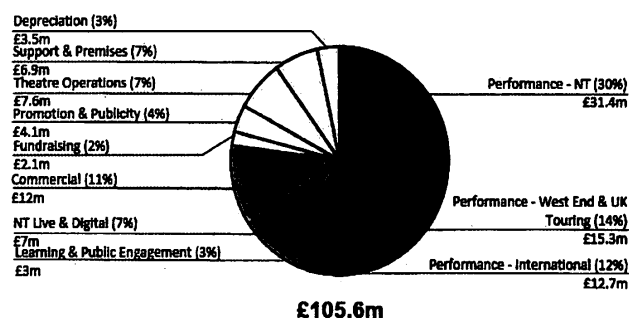
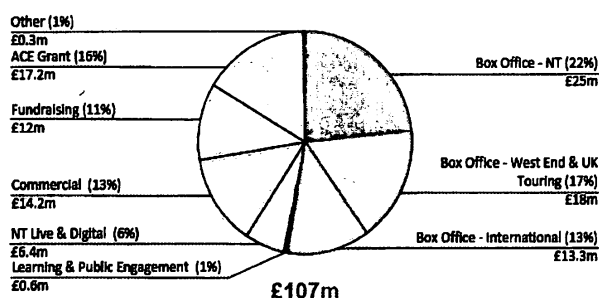
- **3.3M TICKETS SOLD WORLDWIDE, INCLUDING OUR PRODUCTIONS AND NT LIVE BROADCASTS**
- **86 TOUR STOPS ACROSS THE UK, WITH 10 PRODUCTIONS ON THE ROAD FOR 115 TOURING WEEKS**
- **65% OF UK AUDIENCES OUTSIDE OF LONDON -THE HIGHEST EVER PROPORTION, DUE TO OUR TOURING PROGRAMME**
- **91% FULL IN OUR THEATRES ON THE SOUTH BANK FOR OUR BROAD AND POPULAR PROGRAMME**
- **30% OF TICKETS ON THE SOUTH BANK COST £20 OR LESS**

INTRODUCTION

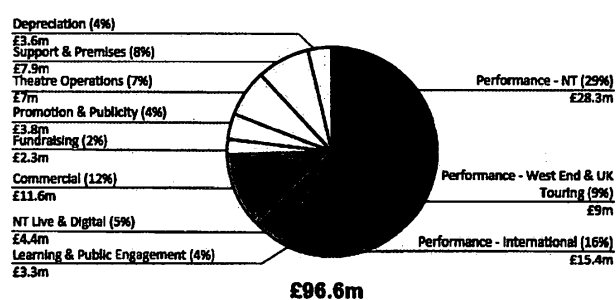
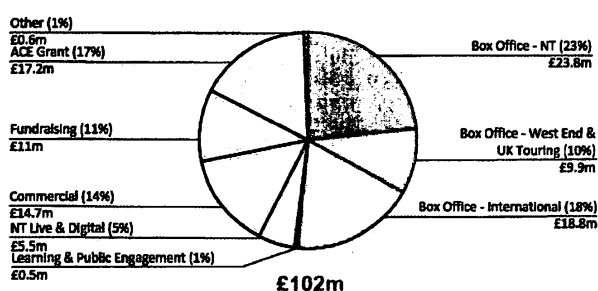
FINANCIAL SUMMARY

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

2017/18



2016/17



WHO WE ARE AND WHAT WE DO

CHAIR'S STATEMENT

2017-18 was another very successful year for the National Theatre. The NT was 91% full at our South Bank home, and we achieved record box office whilst also selling 30% of all tickets at £20 or less. In total we sold 3.3 million tickets globally, with a total reach across live theatre, broadcast, digital, learning and community projects of a record 8 million engagements.

The quality of the NT's productions was recognised at award ceremonies on both sides of the Atlantic, with *Angels in America*, *Network* and *Follies* achieving 22 Oliver Award nominations and 5 wins, and 11 Tony nominations and 3 wins.

NT Live broadcasted some of the best of British theatre in more than 60 countries around the world, and work from the NT's Immersive Storytelling Studio was showcased at film festivals in New York, Texas and Venice, helping to maintain the UK's reputation as world-leaders in creativity and innovation.

On Demand In Schools, our scheme to make NT Live broadcasts available to every school in the country – for free – continued to expand. To date, 58% of state secondary schools have signed up, giving over 3 million children and young people access to these world class productions.

This was all achieved against a backdrop of a funding squeeze. Since 2010 the NT's Arts Council grant has been cut by 27% in real terms and this will be compounded by a further 3% cut to this grant from 2018-19 onwards.

Fundraising now makes an ever more significant contribution to our finances, representing 30% of the net funding of our activities. We therefore owe a huge debt of thanks to our supporters, without whom we could not realise our ambitions.

And finally, thank you to the very many staff, artists, volunteers, Associates and Board members who have created and supported the NT's work this year – several thousand people, each one crucial to the NT's success.

Sir Damon Buffini

WHO WE ARE AND WHAT WE DO

MISSION AND STRATEGY

OUR MISSION

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

And we make it for everyone.

OUR VISION

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

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

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

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

OUR STRATEGY

We have four areas of strategic focus - Productions, Audiences, Learning and Culture - and running through these as priorities are national reach, diversity, and the development of talent.

PRODUCTIONS

We work with some of the world's greatest actors, writers, theatre artists and technicians to make at least 20 productions each year, aspiring always to the levels of excellence that make the NT a world leader.

- **Repertoire:** Our repertoire is broad and inclusive, appealing to the widest possible range of audiences with new plays, musicals, re-imagined classics and work for young audiences. We have a special responsibility to develop talent and to enable creative risk across all our stages.

WHO WE ARE AND WHAT WE DO

- **Reach:** We collaborate with partners from all around the UK - co-producing, touring and supporting the development of work.
- **New Work:** The New Work department collaborates with hundreds of artists each year to develop work for the NT's stages and beyond, exploring a diverse range of progressive new voices and forms and supporting practitioners through development and training.
- **Diversity:** We aim to reflect the diversity of the United Kingdom in our work on stage and amongst our creative teams and performers. We have specific, publicly available targets on gender and ethnicity to help us achieve this ambition and we are working with external partners to develop targets in relation to the employment of performers and creatives with disabilities.

AUDIENCES

We believe that theatre is for everyone and so we aim to share our work as widely as possible, across the UK and internationally, through live theatre, broadcast and digital.

- **Attendance:** We aim for our theatres to be at least 80% full, and we actively work to reach out beyond regular audiences. We have targets to increase attendance by people under-35, and first time attenders, whom we also aim to bring back. These targets are supported by our audience insight programme which allows us to understand our audiences better and deepen our relationship with them. We have established targets to reach BAME audiences.
- **Pricing:** We make hundreds of thousands of cheap tickets available, for young people in particular.
- **Access:** We always aim to meet the needs of audience members with disabilities. When our productions travel, we work with venues to extend this approach to access.
- **Experience:** We strive to make our building as inviting, welcoming and lively as possible, and always provide things to experience or explore for free.

LEARNING

Our learning programmes inspire and develop skills through theatre, enabling people of all ages to discover, explore and deepen their involvement in theatre.

- **Sharing skills:** The NT is a centre of excellence for theatre-making. Our Clore Learning Centre gives schools, teachers, young people, families and adults opportunities to discover and develop skills in theatre.
- **Opening up theatre:** We create opportunities for under-represented and disadvantaged groups to engage with theatre, developing skills and opening up pathways into training or apprenticeships.
- **Young people:** We work in partnership with schools, theatres and youth theatres nationwide to create and extend inspirational opportunities for theatre-making, on and off-stage.
- **Theatre education:** We provide professional development for teachers, youth theatre leaders and theatre education practitioners. We share the work of the NT through high-quality digital resources and publications and by opening up our Archive. *On Demand In Schools* makes NT Live productions available to every school in the UK, free of charge.

WHO WE ARE AND WHAT WE DO

- **Discovering theatre:** Our diverse and innovative programme of talks, exhibitions, debates and events provides fresh perspectives and insights into theatre, culture and society.
- **Leadership and advocacy:** We believe all young people should have the chance to take part in theatre. Our programmes, partnerships, resources and training opportunities support this aim but we also advocate for theatre as a vital part of education and civic life.

CULTURE

We aim to embed our vision and core priorities throughout all areas of the organisation and in our public profile.

- **Leadership:** We have particular responsibility for fostering the health of the whole UK theatre sector, representing our country both at home and internationally. This work consists of advocacy, creative innovation and the development of best practice, including in the area of environmental strategy.
- **Financial sustainability:** As a publicly funded institution that exists for the long term, the National Theatre has a particular responsibility to operate responsibly, prudently and sustainably. We must ensure that our planned activities, whilst delivering our vision for the NT, are also manageable within a balanced budget. We continue to seek to exploit our successes in the West End, nationally and internationally. In building a long-term sustainable financial model we intend to use earnings in excess of a core level as windfalls to be used to build reserves, to invest in capital and seed-fund development projects.
- **Staff:** Our colleagues are integral to our success, and our staff and the artists we work with are amongst the most talented, expert and respected in the industry. We are committed to supporting, nurturing and developing talent and actively seek to draw our staff from the widest and most diverse pool.

STRATEGIC REPORT



OUR PRODUCTIONS & WORK IN 2017-18

REPERTOIRE ON THE SOUTH BANK

Number of productions played (new in brackets)	2017-18		2016-17		2015-16		2014-15		2013-14	
Olivier	7	(5)	7	(6)	8	(6)	8	(7)	8	(6)
Lyttelton	7	(5)	7	(6)	9	(7)	9	(8)	8	(6)
Dorfman / Cottesloe	8	(7)	11	(10)	7	(5)	3	(3)	17	(12)
Temporary Theatre	-	-	1	(1)	11	(9)	5	(3)	-	-
TOTAL	22	(17)	26	(23)	35	(27)	25	(21)	33	(24)

The Temporary Theatre closed in early 2016-17

In 2017-18 we presented high-profile productions and bold new writing in all three theatres for the first time. Major box office and critical hits shared space with artistic risk-taking, and work from every stage subsequently enjoying a revival or a transfer. Landmark productions included *Follies*, *Angels in America* and *Network*, which contributed to our five Olivier Award wins and record 22 nominations, and three Tony Award wins and 11 nominations.

Bold new interpretations of major theatre writing introduced new audiences to great canonical works. *Amadeus* was widely applauded by critics for innovative involvement of Southbank Sinfonia; *Angels in America* was one of the theatre phenomena of the year; and *Macbeth* reimaged Shakespeare's tragedy of ambition and disorder.

It was a strong year for new writing, showcasing the NT's strong relationships with the world's leading and emerging theatre artists. The Dorfman programme engaged with questions of citizenship, belonging, justice and identity, with *Consent* by Nina Raine, *Mosquitoes* by Lucy Kirkwood, *Barber Shop Chronicles* by Inua Ellams, *The Majority* by Rob Drummond, *Beginning* by David Eldridge, *John* by Annie Baker, and *The Great Wave* by Francis Turnley. New writing also took centre stage in the Olivier, with *Salome* by Yael Farber, *Common* by DC Moore and *Saint George and the Dragon* by Rory Mullarkey. In the Lyttelton, new writing interfaced with bold ambition: *Oslo* unpicked the Israel-Palestine peace process; *Network* adapted by Lee Hall and *Ugly Lies the Bone* by Lindsey Ferrentino used cutting-edge video techniques to consider technology in the modern world; and *Pinocchio* and *Jane Eyre* transformed classic texts into playful, fresh pieces of music theatre.

River Stage festival returned for a third year in 2017-18, and is now London's largest free outdoor arts festival. We presented theatre, dance, DJs, outdoor cinema, workshops and live music in collaboration with The Glory, WOMAD, Rambert and HOME.

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Elsewhere in London and the West End

Our production of *The Jungle*, presented at the Young Vic, told the story of migrant communities in the 'jungle' camp in Calais. Three productions from our theatres subsequently transferred to the West End: *Beginning*, *Oslo* and *Consent*. *The Curious Incident of the Dog in the Night-Time* concluded its five-year stint in the West End in June 2017.

REACH

On Tour

In 2017-18 we toured more work around the UK than at any other time in our history. Ten productions toured for a total of 115 touring weeks: *Jane Eyre*, *People, Places & Things*, *My Country*; a work in progress, *The Curious Incident of the Dog in the Night-Time*, *War Horse*, *Hedda Gabler*, *Macbeth* and *The Winter's Tale* schools tours; *Barber Shop Chronicles* played at the West Yorkshire Playhouse; and we supported the UK tour of *This House*.

Theatre Nation Partnerships

Theatre Nation Partnerships is a new three-year project that focuses aspects of our nationwide work into areas where there are challenges to arts engagement, working with local theatres to build a lasting audience – and drawing on combined expertise and resources, and each partner's deep community links. Our partners are Cast in Doncaster, The Lowry in Greater Manchester, Queen's Theatre in Hornchurch, The Empire and The Fire Station in Sunderland, Theatre Royal in Wakefield, and The Grand in Wolverhampton.

In 2017-18, we toured our schools' production of *Macbeth* to Doncaster, Wakefield and Sunderland. We took the tour of *Hedda Gabler* to Wolverhampton, and investment in schools' audiences resulted in significantly increased take up for NT and Wolverhampton Grand schools' work and conferences, teacher CPD, and has positively affected bookings for the 2019 tour of *Macbeth*.

DEVELOPING DIVERSE NEW WORK AND TALENT

We want the NT to offer a broad, world-leading programme, and to significantly increase the diversity of the artists making the work by 2021. The New Work department (NWD) plays an instrumental role in helping us meet both ambitions. Of the 1,000 artists who worked at the NWD in 2017-18, 54% were women, 28% were people of colour, and 2.1% declared a disability.

Supporting the development of diverse talent

- A second full-time staff member was appointed to the Creative Diversity Project which addresses barriers to artistic involvement.
- We launched ProFile Performers, our video database for casting directors designed to champion and showcase d/Deaf and disabled talent. In the first two months ProFile had 6,000 visits from 1,000 unique visitors from across theatre, TV and film.

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- We convened a roundtable with key disability arts figures to help us set targets for d/Deaf and disabled artists.

New Work department initiatives to develop writers/artists from under-represented groups:

- Attachments programme: supports 27 early and mid-career playwrights, a key talent pipeline that will later enhance the diversity of writers under commission.
- Revolution Mix: as an Associate Partner with the NT, we resourced and hosted rehearsed readings of plays by new BAME writers.
- Director in Residence: a two-year pilot scheme for an early to mid-career director for a sustained period of development (Emily Lim is our current Director in Residence).
- Work with artists who specialise in disability arts, improving our expertise and giving them resources and profile.
- Workshops with prominent directors and disabled and non-disabled companies, including exploring the practical process of integration and BSL interpretation.

Diversity on our stages

We believe that a successful theatre is a theatre for everyone, where inclusivity and accessibility are paramount. This begins with the work on our stages and our responsibility to tell stories that represent the whole country and that resonate with the wider national conversation. This means that the people telling those stories must be as diverse as possible.

We have set targets we want to achieve for diversity on our stages over a five-year period and are committed to reporting against those targets at the end of each year. Results for our 2017-18 staged work alongside our targets for 2021 (in brackets):

- | | |
|--|--------------------------------------|
| • 26% new work by female writers (50%) | • 16% new work by BAME writers (20%) |
| • 33% female directors (50%) | • 19% BAME directors (20%) |
| • 44% female performers (50%) | • 35% BAME performers (>25%) |

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AUDIENCES

WORLDWIDE REACH

In 2017-18 we saw 7.97 million engagements with the NT worldwide, including 3.28 million ticketed attendances for theatre; both live at a theatre and broadcast to cinemas. NT Live broadcasts reached 1.2 million people in the UK and internationally, taking the very best of British theatre to a wide audience in 55 countries.

YEAR-ON-YEAR ATTENDANCE

Attendances (thousands)	2017-18	2016-17	2015-16	2014-15	2013-14
	<u>000s</u>	<u>000s</u>	<u>000s</u>	<u>000s</u>	<u>000s</u>
Olivier	320	351	344	361	364
Lyttelton	269	286	274	250	269
Dorfman/Cottesloe	139	114	116	59	75
Temporary Theatre	0	8	47	28	-
West End	212	536	666	710	778
UK Touring	669	96	279	720	392
International Touring	558	578	557	775	869
Other	11	25	25	25	32
Total	2,178	1,994	2,308	2,928	2,779
Number of performances:	2017-18	2016-17	2015-16	2014-15	2013-14
Olivier	336	351	354	364	339
Lyttelton	313	344	348	311	360
Dorfman/ Cottesloe	358	317	348	173	369
Temporary Theatre	0	35	226	139	-
West End	390	510	835	951	1,005
UK Touring	868	119	238	663	251
International Touring	426	294	612	725	727
Other	42	96	96	64	98
Total	2,733	2,066	3,057	3,390	3,149

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NATIONAL REACH

In the UK there were 2.83 million engagements with the NT, combining live performance at the South Bank and on tour, cinema broadcasts, and learning and participation activity. Two-thirds of these engagements were outside central London, a significant increase which reflects our touring work.

- **Touring**
We delivered on our ambition to reach audiences right across the country with our work, by taking more work on the road and into UK theatres and cinemas, and investing in audience development at home and on tour. We reached 669,517 people - an audience almost equal to our audience on the South Bank.
- **NT Live broadcasts**
The number of UK NT Live broadcasts rose from 8 to 13 with 11,130 screenings and 628,324 attendances, up 59% year on year. 75% cultural 'cold spots' are served by at least one venue receiving NT Live broadcasts - 59,905 audience members in these areas watched our work from their local cinema.
- **Television**
My Country; a work in progress was turned into a film for BBC 2 with Cuba Pictures, featuring the original NT and touring cast and directed by Rufus Norris. The film was watched by an estimated 368,500 people.

INTERNATIONAL REACH

We have an important role in representing the UK to the world.

- Our live international audience for 2017-18 totalled 570,847.
- In addition, 563,975 people from 54 countries attended screenings of 35 NT Live titles.

The Curious Incident of the Dog in the Night-Time toured to audiences of 161,300 in Melbourne, Toronto, Amsterdam and Singapore; as well as concluding a US tour of 31 venues, playing to 615,000 people across the period 2016 -18. *Barber Shop Chronicles* toured to audiences of 21,079 at the Melbourne, Sydney and Wellington International Festivals. *My Country; a work in progress* toured to the Holland Festival, and the Mandarin language production of *War Horse* continues to play in China. *People, Places & Things* and *Angels in America* both transferred to Broadway.

DIGITAL

- 4,590,714 views across our YouTube channels. A series of six high quality documentary films about backstage craft reached 90,000.
- 180,579 downloads of 45 new podcasts on our Apple podcast channel, in addition to our audience for the same podcasts on Audioboom.
- We added five new titles to *On Demand In Schools*, our free production streaming service, including *Jane Eyre* and *Antigone* for KS3, and *The Winter's Tale* for KS2. 3,702 schools across the UK have now signed up, including 58% of all state secondary schools, considerably surpassing our 2015 -18 aim to reach 1,000 schools. We now aim to achieve 75% sign up by 2022. Productions were streamed 16,323 times to an estimated audience of 363,736 pupils.

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ATTENDANCE ON THE SOUTH BANK

It was another highly-successful year on the South Bank, with audiences of 707,685 for our core programme. Our auditoriums were on average 91% full across the year, down slightly on 2016-17 at 93%, the highest attendance level since 2004-05.

- **New and diverse audiences**

Attracting new and diverse audiences is enormously important to us. We actively work to bring people to our shows for the first time, and to keep them coming back.

32% of our bookers were first time attenders, the highest number in the last four years.

We saw a marginal increase in attendance of BAME audiences, up from 8% in 2016-17 to 9%. River Stage also continued to play a strong role in attracting attenders from BAME backgrounds (15%).

57,374 bookers were aged under 35. The average age of bookers also went down to 52, closer to the UK average of 46.

- **Access**

15,937 concessionary tickets were sold to disabled people and their companions for NT productions on the South Bank. These included 1,401 patrons using captioning, 486 audience members accessing audio-described performances, and 2,128 wheelchair users and their companions. The remaining 11,589 attended through our Access department and received additional support either before or during their visit.

We launched and began testing **Open Access Smart Capture** - our new closed-captioning smart glasses which show live captioning for d/Deaf and hard of hearing audiences. This technology makes captioning available from any seat in the auditorium and for any performance. Traditional captioned performances must be delivered live, presenting practical and financial barriers – they are currently restricted to a maximum of four performances per production at the NT. When in use, the service will break down significant logistical and social barriers for audiences affected by hearing loss.

- **Pricing**

Accessible ticket pricing remains an important part of sharing our work in London with broad audiences.

- While 30% of tickets cost £20 or less, we also achieved our best ever financial capacity of 84%.
- 66,781 students, children and young people attended ticketed work at the NT.

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- o We doubled the number of subsidised tickets available to young people through Entry Pass, 23,312 people aged 16-25 attended a performance, an extra 2,257 young people on the previous year.

LEARNING AND PARTICIPATION

Participation in Learning activities totalled just under 200,000 engagements nationwide, with more than 45,000 attendees on NT programmes for schools, young people, families and adults.

SHARING SKILLS

The Clore Learning Centre is the base for the NT's young people's and family programmes. This year we launched NT Young Technicians, an in-depth evening course taking place over 18 weeks and introducing 14-18 year olds to aspects of lighting, sound, video and automation. Other highlights include Space to Create, three weeks of collaborative theatre-making for 80 young people over the summer culminating in a series of outdoor performances. For families, new activities included technical days and relaxed workshops for families with additional needs.

OPENING UP THEATRE

In September 2017 we launched Public Acts, an initiative to create extraordinary acts of theatre and community. The programme aims to build sustained partnerships with communities and theatres across the UK, and shifts the way the NT makes work, from creating work for communities, to putting on work with and by communities.

In 2017-18 we began working with the Queen's Theatre, Hornchurch and eight inspirational and diverse community organisations working in Greater London.

Members of these organisations have taken part in a regular programme of workshops, trips and opportunities for an exchange of learnings and experience, and in August 2018 will perform in the National Theatre's first Public Acts production, a new musical adaptation of *Pericles* in the Olivier Theatre.

YOUNG PEOPLE

In March 2018 we launched Let's Play, a collection of five new plays for primary school children to perform, supported by teacher training and digital resources. Further titles will be added as the programme grows.

Connections is the NT's nationwide youth theatre festival, commissioning ten new plays each year for schools and youth theatres to perform. The 2017 programme culminated in the NT's Connections Festival in June 2018, with ten young companies performing in the Dorfman and Olivier theatres. In 2018, 270 young companies

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involving 5,500 young people took part. There were 28 Connections festivals at leading theatres across the UK, giving all participants the chance to perform on a professional stage.

New Views is our annual playwriting programme and competition for secondary schools. The winning play in 2017, produced in the Dorfman Theatre, was *Dead Don't Floss* by Beattie Green, a student at Marylebone High School, London.

THEATRE EDUCATION

A wide range of our activity opens up all aspects of theatre to schools:

- Two productions: a revival of Justin Audibert's production of *Macbeth* for KS4 students and a new production of *The Winter's Tale* for primary schools - toured into schools in Greater London, Wakefield, Sunderland and Doncaster, reaching audiences of more than 9,590 young people from 64 schools.
- We welcomed schools to events including conferences on *Macbeth* and *Jane Eyre* - a day for secondary schools exploring the application of science, maths and technology in theatre, schools matinees of *Pinocchio* for primary and secondary schools and *The Story Fishers* for KS1 children and their families. 845 teachers and youth theatre directors took part in in-depth professional development.
- The NT is a sponsoring partner to Mulberry UTC, a new school in East London which specialises in technical education.

DISCOVERING THEATRE

An estimated 88,000 people attended seven free exhibitions, including *In Visible Ink* – tracing LGBT+ stories at the NT, *Bright Young Things* featuring photography of black theatre practitioners and their work 1979-1982, and a retrospective of NT poster design. Some 21,384 people explored the building through one of the NT's backstage tours.

The NT Archive became the 100th UK archive and the first theatre archive to be awarded accredited status, recognising excellent practice in collection care and public access. The Archive welcomed 4,287 researchers and students in 2017-18, an increase of 19% on 2016-17.

LEADERSHIP AND ADVOCACY

Creative education is under particular pressure at the moment – since 2010, 28% fewer pupils taking arts GCSEs. As well as reducing access to the arts that we believe all children and young people are entitled to, this also presents a troubling picture for the future diversity of our industry, and the future skills of the UK workforce as a whole.

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- **Collaboration with the sector**

We met with London head teachers to draw together an evidence base for the issues facing schools around creative education, and collated this with other on-the-ground evidence from twelve UK partner theatres. We collaborated with other campaigning organisations, including Creative Industries Federation, The Edge Foundation, and What Next? and we have initiated a cross-sector education round table to help cultural educators articulate specific and collectively agreed policy recommendations for government.

- **Leveraging media opportunities**

We have used many of the media opportunities open to the National Theatre and Rufus Norris in the last year to raise the issue of creative education, including the *Today Programme* and *The Times Saturday Review* interviews. Rufus Norris penned an opinion article about creative education for the Guardian; on the day of its release, the article trended on Twitter, reaching 1,003,522 unique users.

- **Meetings with government**

A number of meetings have been held with ministers from the Department for Education, the Department for Digital, Culture, Media and Sport, and the Shadow Cabinet to support the concerns of the creative industries and the value of arts in education.

CULTURE

LEADERSHIP

We take our responsibility to the sector very seriously. We aim to provide nationwide leadership and support of theatre going and learning activity and to share our expertise with the sector, whilst advocating to government and other influencers on behalf of British theatre.

Through board memberships and professional networks, we are connected to a wide variety of organisations, with a range of specialisms, across the arts sector and beyond. At both an individual and a collective level we seek to deliver and share best practice within the NT and across the wider sector.

Theatre Nation has and will continue to involve significant partnership working with the wider sector, sharing skills with and between partner organisations representing a cornerstone of any future success.

STAFF

One of our key focuses continues to be effective staff communication and engagement, in response to the growth of the company, and feedback on communication through the staff survey.

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The new regular staff meetings for the whole company had their third full year. Of the six meetings in 2017-18, one was focused on a major programming update, and two were dedicated to security and health and safety. One of the meetings piloted a new format and was dedicated to questions submitted by staff; this proved to be popular, giving insight on key concerns and issues, and aiding a sense of transparency and dialogue between senior management and staff.

We launched the new staff intranet, which offers a substantial improvement in functionality and content to existing users. We began to roll out access to the intranet to staff members who didn't previously have access through the new mobile-friendly site and registration for acting and production teams and customer service assistants.

At a management level, Tonic's Lucy Kerbel created and ran Project Rendezvous, a programme of training and support to help management improve the way meetings are run, aiming to enhance creativity and encourage diversity of voices.

Diversity and Inclusion

Diversity in all its forms is at the heart of the National Theatre's vision and integral to its success. We aim to develop a culture where diversity is hard-wired into the NT's activity, understood by all staff, and discussed openly and productively.

Against our 2021 targets for our permanent workforce:

- 50% of staff female
- 12% of staff from BAME backgrounds (target 20%)
- 5% declared disability
- Gender Pay Gap: median is 0.5% in favour of men, mean 0.14% in favour of women - effectively zero (6.75% in 2016-17).

At entry-level, the NT Apprenticeship programme continues to mature and develop. In 2017-18,19 apprenticeships were supported in areas as diverse as wigs, hair and make-up, IT, scenic carpentry and audience data analysis; 84% of these apprentices were from groups not normally represented in their chosen profession, in terms of race, gender or socio-economic group. We also employed seven Creative Access paid interns in 2017-18, working with a total of 20 interns across 2015-18.

The NT is on the steering groups for a new Creative Venue Technician apprenticeship, Level 4 Diploma in Production and Technical, and the creation of a new National College for Creative and Cultural Industries.

We worked with The Prince's Trust, Southwark Works, The Camden Society and Employ SE1 on recruitment days and inductions for Commercial Operations, actively encouraging applications from all walks of life including those with learning difficulties. 4.4% CSAs have declared themselves to have a disability (up from 2.5% in 2014-15).

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At a mid-career level, our Step Change programme supported its eighth cohort of arts and culture professionals seeking a change of direction, to progress or develop their careers in the management of the performing arts across the country.

Twenty people participated in the second cohort of Accelerate, our new leadership programme for BAME and d/Deaf and disabled staff, co-created with the South Bank Centre and in partnership with the Royal Opera House; five of these participants were from the National Theatre.

We believe that creating an inclusive and supportive working environment for all staff is a crucial element in recruiting and retaining a diverse workforce.

Staff Diversity Working Group became further embedded into processes at the NT including the creation of our 2018-2022 Equality Action Plan.

Our three staff networks for BAME, LGBT+ and female staff completed their second year, as did our festival of training and talks for all staff around diversity and inclusion, We Need to Talk. An estimated 270 staff attended 19 talks.

In order to encourage openness on the subject of mental health, we engaged staff in a programme of advice and events for Mental Health Awareness at Work, as well as recruiting our first cohort of Mental Health First Aiders.

We became strategic partners for Parents in Performing Arts, and Rufus Norris joined the campaign as an Ambassador. We also announced the development of new long-term and flexible stage management contracts, to support those with childcare and caring responsibilities.

We worked to support staff in response to #metoo, with measures including a new harassment policy and reporting channels, and the development of a new Inclusive Workplace programme. We also signed up to participate in and support Equity's Safe Space Initiative for the rehearsal room.

STRATEGIC REPORT

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 undertake to comply with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as the National Theatre's corporate policies, such as Anti-Bribery. The NT voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. All our fundraising activity is delivered in-house and we ensure our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance.

In 2017-18 we started to deliver a significant project to make sure our use of data complies with the new General Data Protection Regulation, which came into effect in May 2018. In addition, an internal audit review of fundraising was undertaken in 2017-18. The recommended actions arising from this were either addressed and completed during the year, or were well underway at the end of the year. These include formalising due diligence procedures for major gifts and updating all data processing for GDPR requirements.

No complaints with regard to our fundraising practices were received during the year.

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

FINANCIAL SUSTAINABILITY

Unrestricted income of £102.8 million was 4% higher than the previous year (despite the closure of *The Curious Incident of the Dog in the Night-Time* in the West End in June 2017), reflecting the highest ever box office income achieved for NT productions at the South Bank and significant growth to our UK touring activity.

The net movement in unrestricted operational funds was £0.2 million, taking operational reserves to £11.7 million; equivalent to just over two months of core operating expenditure. Our target is to hold a minimum of the equivalent of three months of core operating expenditure in operational reserves, which is circa £15 million.

The NT's Arts Council England grant funding, which in 2017-18 was £17.2 million, is critical to support the risk inherent within and breadth of its artistic aims. Our funding settlement for the following four years to 2021-22 was confirmed in 2017 but has been reduced to £16.7 million per annum, a cash reduction of 3% in 2018-19 on the previous year. Our grant has been cut by £2.9 million since 2010-11, a real terms reduction of 30%. The Strategic Touring grant of £1.166 million over the first three years of the funding period is fundamental to support one of key aims, our Theatre Nation programme. The NT has also become increasingly dependent in recent years on Theatre and Film tax credits, which in 2017-18 amounted to £4.6 million.

The NT has prepared a new four-year business plan for the period 2018-22 which identifies our strategic aims and objectives and looks in detail at potential opportunities and challenges for the organisation, with a plan to support financial sustainability.

Over the four-year plan period, our ACE grant contributes 17% of our income, and a hugely significant 47% of the net funding (contribution) required to support our activities; the balance of funding required is self-generated, comprising development net income at 32%, trading activities net income at 9%, and net contributions from NT Live and our commercial transfers and touring activities each at 6%.

STRATEGIC REPORT

Our challenge is to find a way to bridge the gap between the real term decline in ACE funding and the additional investment we require to strengthen our operational resilience - in recognition of the challenges to further growth in box office, development and commercial trading income and within a climate of expected inflationary pressure on all our costs.

We see the solution to this in finding new income streams, with particular focus on digital distribution into the education market (*On Demand In Schools 2* or *ODIS II*), international broadcast expansion and digital development opportunities, and further investment in our on-site commercial catering and hospitality facilities.

The NT initially coped with cuts to its ACE funding and delivered activity growth by increasing its commercial transfer earnings. In 2014-15, £5 million of net commercial earnings was used to fund core activity. We subsequently reviewed our financial model to reduce reliance for core activity funding on this uncertain income source to an achievable annual target of circa £1.5 million per annum. Good progress has been made in delivering this through a range of income-generating and cost-saving measures and, despite a deficit budget of £0.5 million in 2018-19, our aim is to deliver a break-even position going forward.

We continue to consider the potential for further commercial exploitation of all shows presented at the NT both to extend our reach, provide much needed funding to support capital and development projects and to strengthen longer term financial sustainability through building our reserves.

Good progress has been made in growing fundraising revenue – £12 million was raised in unrestricted and restricted project and sponsorship funding (excluding long term capital funding) was achieved in 2017-18; an increase of £1 million (9%) on the previous year.

However, we face continued pressure on certain costs largely outside of our control. The apprenticeship levy, the increase to employers auto enrolment pension contributions, enhanced security provision following the heightened terror risk and the impact of a recent building revaluation on our insurance costs will collectively increase our cost base by circa £700k in 2018-19. We are also very concerned about our ability to keep pace with pay inflation given circa 60% of our cost base relates to payments to individuals.

Our four-year financial plan assumes an annual designation of £3.5 million to meet the on-going capital replacement needs of the building, our stages technical infrastructure and equipment and our IT systems. A review of our stages technical infrastructure needs over the next ten years will be undertaken in 2018-19 to inform long-term capital planning needs.

The 2017-18 strong results (discussed within the Financial Summary) allowed the designation of £5.3 million to capital; being £1.8 million in addition to our annual capital budget of £3.5 million. One million pounds of this is designated to address urgent stages' lighting infrastructure needs in 2018-19, £0.4 million was allocated to urgent expenditure on our web site to address load and stability issues in 2017-18, and £0.4 million is designated to two major capital projects to strengthen the security of our physical environment.

The Trustees have reviewed the financial outlook and, whilst acknowledging the risk surrounding box office income and earnings from commercial transfers, consider the recent financial performance and level of reserves to indicate that the National Theatre will be able to continue to operate on a going concern basis.

STRATEGIC REPORT



ENVIRONMENTAL SUSTAINABILITY

2017-18 saw the following advances to the NT's sustainability record:

- We have continued to reduce our carbon energy footprint, and achieved an overall reduction of 10% in 2017-18 on the previous year, although the improvements have not been as significant as hoped for.
- The combined heat and power plant presented a series of reliability and maintenance issues and its contribution to carbon savings has not improved on 2016-17, contributing 850MWh of power over the year. It has the design potential to produce double this, so work continues to improve its contribution.
- Recent improvements in the fine tuning of the building's cooling system strategy have so far had a major impact and should produce significant energy savings for the summer of 2018. With Julie's Bicycle, we are developing electricity sub-metering analysis which should allow us to be more informed with regard to our energy use around the building and help achieve additional savings.
- In 2017-18 we invested over £600k in moving from tungsten to LED lighting in the stage areas, including the Lyttelton auditorium work and house lighting.
- Following a refinement to its delivery, the water borehole supply has almost doubled its contribution to the main building's water use, from 6,400 cubic meters to 11,000 cubic meters, providing around 50% of water for use in the building.
- A new Environmental Policy and Strategy was introduced and a staff environmental survey was undertaken. The results have led to a re-organisation of the backstage sorting and the creation of an environmental handbook for all staff.
- The introduction of better waste sorting in the workshop and backstage areas has improved our annual recycling rate from 61% to 64%. Production waste was significantly reduced this year, as a policy of storage and re-use came into force and the overall amount of commercial waste has reduced by 12%.
- The Commercial Operations team has engaged with the Sustainable Restaurant Association in a series of staff workshops to help them develop and introduce sustainability targets in the procurement of food and drink, and with an aim to reduce the amount of single use food packaging. A range of targets will be introduced in 2018-19.

STRATEGIC REPORT



SELF EVALUATION

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

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 are already helping us approach programming with a greater degree of self-awareness. We are able to look across current and future programming, assess our current performance against these targets and make appropriate adjustments to our programme decision-making.

On the South Bank, the repertoire is planned with the twin objectives of retaining existing audiences and building new ones. Over the past five years we have dramatically increased our understanding of audiences by expanding our programme of insight and analysis. Our bespoke audience segmentation, which draws together attitudinal and behavioural factors, has been used for several years to aid understanding of audience groups. In tandem, our Audience Insight programme, comprising quantitative and qualitative research, is used to examine who is attending and inform audience projections for our future programme. We currently collect and analyse over 34,000 qualitative and quantitative responses from audiences every year, the results of which are monitored and shared across the organisation.

FUTURE PLANS

During 2017-18 the NT prepared a new four-year business plan for the period 2018-22; marking the opportunity to set out a new strategic direction for the National. The hallmark of this new outlook is a continuing commitment to excellence and ambition in our artistic work, but sitting alongside this a social purpose for the National.

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

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

Our mission and vision as detailed on page 4 of this Strategic Report remain unchanged.

STRATEGIC REPORT

From the outset “the work” has been at the heart of everything but in addition we identified five priority areas:

- New work
- Regional
- Learning
- Diversity
- Development of talent

We believe we’ve made good progress in these areas and that, as evidenced by our 2017-18 strategic report, the NT is in good health. Recent attendances have been averaging 90%; there is a broad programme of new and classic work speaking to the present moment; the repertoire is marked by UK co-productions and collaborations and international artists making their debuts at the NT, as well as a significant number of new voices from increasingly diverse backgrounds.

Bringing together our ambitions for the National Theatre over the next four years, and recognising internal and external factors, we have established the following strategic aims for our 2018-22 business planning cycle.

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

The following objectives have been set for the 2018-19 financial year:

- To present a diverse and popular repertoire to reach the widest possible audience of around 25 productions at the South Bank, to include:
 - at least two original world premieres across the Olivier and Lyttelton programme;
 - at least one major co-production with an international partner and two co-productions with British partners;
 - at least one piece of main stage programming specifically aimed at younger audiences;
 - one major community production, *Pericles*, in the Olivier, as part of our new community programme, Public Acts; working in partnership with community organisations and the Queen’s Theatre Hornchurch;
 - at least one major reimagining of a classic text by an emerging voice;
 - continue to work towards our diversity strategy targets and ensure that the whole of society is reflected in the voices and artists in the NT repertoire.
- On the South Bank, to continue to increase attendance by under-represented audience groups for paid performances and free activities.

STRATEGIC REPORT



- To reach audiences nationwide through touring and participation, including six areas of low arts engagement where we will work with local partners to engage new audiences: our Theatre Nation programme. Our UK touring programme will include: *War Horse*, *Macbeth* and a new schools tour of *The Curious Incident of the Dog in the Night-Time*.
- To launch a research project to monitor the impact of our Theatre Nation engagement programme.
- To increase participation in drama and theatre-making in UK schools through creative programmes, touring, resources, training and partnership work.
- To deliver Public Acts, a new programme of sustained community partnerships and large-scale productions.
- To continue to engage all our staff and colleagues in our Diversity and Inclusion strategy through an on-going series of workshops and seminars and to make progress against our diversity targets – they are published on our web site and reported on every six months.
- To reach more people through digital distribution by growing UK audiences for NT Live in cinemas, creating content in partnership with broadcasters, and developing new forms of digital storytelling.
- To be an effective advocate for the importance of arts in society, including theatre, arts and creativity in education and the creative industries; supporting our objectives around policy-making and funding.
- To more effectively share learning and expertise within the theatre and arts sectors.
- To increase international audiences through NT Live, touring and commercial transfers
- To extend the reach and impact of the NT in the education sector via the launch of *ODIS 2*, utilising the filmed assets from NT Live and other digital content.
- To deliver a financially sustainable business model that supports our 2018-22 business plan objectives, balances income and costs, and builds our unrestricted reserves.
- To strengthen organisational resilience and capacity - to include:
 - Develop and implement an information strategy.
 - Deliver our Health, Safety and Risk Management strategy to strengthen our culture and compliance.
 - Strengthen our regulatory compliance, including GDPR.
 - Strengthen the resilience and capabilities of our staff, including the leadership and management capabilities of our management teams.
 - Strengthen our resilience with regard to Major Incident Response and Business Continuity Planning.
- To embed environmental sustainability at the heart of National Theatre's practice, and continue to engage all our staff and colleagues in our Environmental Sustainability strategy.

STRATEGIC REPORT

NT

PRODUCTIONS OPENED IN 2017/18



CONSENT

a new play by Nina Raine

Dorfman Theatre, 6 April 2017

Director: **Roger Michell**

Set Designer: **Hildegard Bechtler**

Costume Designer: **Dinah Collin**

Lighting Designer: **Rick Fisher**

Composer: **Kate Whitley**

Sound Designer: **John Leonard**

Company Voice Work / Dialect Coach:

Charmian Hoare

Legal Advisor: **Jessica Jones**

Staff Director: **Titas Halder**



ANGELS IN AMERICA

Parts 1 and 2

By **Tony Kushner**

Dorfman Theatre, 4 May 2017

Director: **Marianne Elliott**

Set Designer: **Ian MacNeil**

Costume Designer: **Nicky Gillibrand**

Lighting Designer: **Paule Constable**

Choreographer and Movement: **Robby Graham**

Music: **Adrian Sutton**

Sound Designer: **Ian Dickinson**

Puppetry Director and Movement / Puppet Designer:

Finn Caldwell



SALOMÉ

a new play by Yaël Farber

Olivier Theatre, 9 May 2017

Director: **Yaël Farber**

Designer: **Susan Hilferty**

Lighting Designer: **Tim Lutkin**

Music and Sound: **Adam Cork**

Movement Director: **Ami Shulman**

Fight Director: **Kate Waters**

Dramaturg: **Drew Lichtenberg**

Company Voice Work:

National Theatre Voice Department

Staff Director: **Bryony Shanahan**

Puppet Designer: **Nick Barnes**

Illusions: **Chris Fisher**

Fight Director: **Kate Waters**

Aerial Director: **Gwen Hales**

Company Voice Work: **Jeannette Nelson**

Company Voice Work / Company Dialect Work: **Charmian Hoare**

Company Dialect Work: **Hazel Holder**

Associate Director: **Harry Mackrill**

Associate Set Designer: **Jim Gaffney**

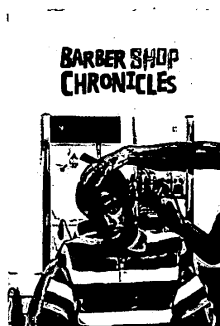
Staff Director: **Miranda Cromwell**

STRATEGIC REPORT

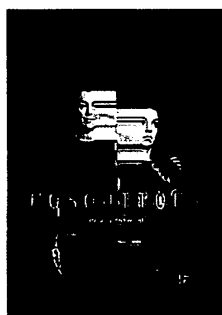
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COMMON
a new play by DC Moore
Olivier Theatre, 6 June 2017
Director: **Jeremy Herrin**
Designer: **Richard Hudson**
Lighting Designer: **Paule Constable**
Music: **Stephen Warbeck**
Movement Director: **Joseph Alford**
Sound Designer: **Ian Dickinson**
Dance: **Sián Williams**
Puppetry: **Laura Cubitt**
Fight Director: **Rachel Bown-Williams, RC-ANNIE**
Fight Director: **Ruth Cooper-Brown, RC-ANNIE**
Company Voice Work: **Jeannette Nelson**
Company Dialect Work: **Charmian Hoare**
Staff Director: **John Haidar**



BARBER SHOP CHRONICLES
a new play by Inua Ellams
Dorfman Theatre, 7 June 2017
Director: **Bijan Sheibani**
Designer: **Rae Smith**
Lighting Designer: **Jack Knowles**
Movement Director: **Aline David**
Sound Designer: **Gareth Fry**
Music Director: **Michael Henry**
Fight Director: **Kev McCurdy**
Staff Director: **Stella Odunlami**
Barber Consultant: **Peter Atakpo**
Company Voice Work: **Charmian Hoare**
Dialect Coach: **Hazel Holder**



MOSQUITOES
by Lucy Kirkwood
Dorfman Theatre, 25 July 2017
Director: **Rufus Norris**
Designer: **Katrina Lindsay**
Lighting Designer: **Paule Constable**
Music: **Adam Cork**
Sound Designer: **Paul Arditti**
Video Designer: **Finn Ross**
Video Designer: **Ian William Galloway**
Movement: **Ira Mandela Siobhan**
Fight Director: **Kev McCurdy**
Company Voice Work: **Charmian Hoare**
Staff Director: **Nicola Miles-Wildin**
Casting: **Alastair Coomer**
Casting: **Maggie Lunn**



THE MAJORITY
a new play by Rob Drummond
Dorfman Theatre, 14 August 2017
Director: **David Overend**
Designer: **Jemima Robinson**
Lighting Designer: **Michael Harpur**
Music and Sound: **Scott Twynholm**
Associate Video Designer:
Mogzi Bromley-Morgans



FOLLIES

book by James Goldman, music and lyrics by Stephen Sondheim

Olivier Theatre, 6 September 2017

Director: **Dominic Cooke**

Designer: **Vicki Mortimer**

Choreographer: **Bill Deamer**

Music Supervisor: **Nicholas Skilbeck**

Orchestrations: **Jonathan Tunick (with Josh Clayton)**

Music Director: **Nigel Lilley**

Lighting Designer: **Paule Constable**

Sound Designer: **Paul Groothuis**

Company Voice Work: **Jeannette Nelson**

Company Dialect Work: **Penny Dyer**

Associate Designer: **Matt Hellyer**

Associate Choreographer: **Kylie Anne Cruikshanks**

Associate Music Director: **Jennifer Whyte**

Associate Lighting Designer: **Rob Casey**

Staff Director: **Josh Seymour**

OSLO

a new play by J.T. Rogers

Lyttelton Theatre, 15 September 2017

Director: **Bartlett Sher**

Set Designer: **Michael Yeargan**

Costume Designer: **Catherine Zuber**

Lightning Designer: **Donald Holder**

Sound Designer: **Peter John Still**

Projections: **59 Productions**

Hair and Wig Designer: **Tom Watson**

Company Voice Work: **Jeannette Nelson**

Dialect Work: **Michaela Kennen**

Fight Director: **Jonathan Holby**

Associate Director: **Oscar Toeman**

STRATEGIC REPORT



JANE EYRE

Based on the novel by Charlotte Bronte, devised by the original company
Lyttelton Theatre, 26 September 2017
Director: **Sally Cookson**
Set Designer: **Michael Vale**
Costume Designer: **Katie Sykes**
Lighting Designer: **Aideen Malone**
Composer: **Benji Bower**
Sound Designer: **Dominic Bilkey**
Movement Director: **Dan Canham**
Dramaturg: **Mike Akers**
Voice and Dialect Coach: **Kay Welch**
Resident Director: **Hannah Drake**
Casting: **Jill Green CDG**



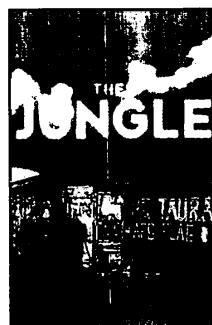
SAINT GEORGE AND THE DRAGON

a new play by **Rory Mullarkey**
Olivier Theatre, 11 October 2017
Director: **Lyndsey Turner**
Designer: **Rae Smith**
Choreographer: **Lynne Page**
Lighting Designer: **Bruno Post**
Music: **Grant Olding**
Sound Designer: **Christopher Shutt**
Projection Designer: **Betsy Dadd**
Fight Director: **Bret Yount**
Company Dialect Work: **Majella Hurley**
Company Voice Work: **Charmian Hoare**
Company Voice Work: **Rebecca Cuthbertson**
Staff Director: **Guy Jones**
Assistant Choreographer: **Jacque Biggs**



BEGINNING

a new play by **David Eldridge**
Dorfman Theatre, 12 October 2017
Director: **Polly Findlay**
Designer: **Fly Davis**
Lighting Director: **Jack Knowles**
Sound Designer: **Paul Arditti**
Movement: **Naomi Said**
Staff Director: **Joe Lichtenstein**

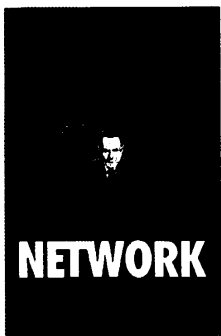


THE JUNGLE

by **Joe Murphy & Joe Robertson**
Young Vic, 7 December 2017
Director: **Stephen Daldry**
Director: **Justin Martin**
Set Designer: **Miriam Buether**
Costume Designer: **Catherine Kodicek**
Lighting Designer: **Jon Clark**
Sound Designer: **Paul Arditti**
Musical Director/Composer: **John Pfumojena**
Casting: **Julia Horan CDG**

STRATEGIC REPORT

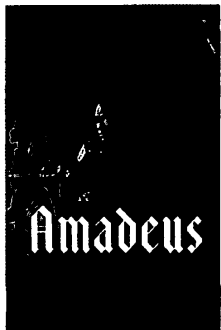
NT



NETWORK
adapted by Lee Hall,
based on the Paddy Chayefsky film
Lyttelton Theatre, 13 November 2017
Director: **Ivo van Hove**
Set and Lighting Designer: **Jan Versweyveld**
Video Designer: **Tal Yarden**
Costume Designer: **An D'Huys**
Music and Sound: **Eric Stelchim**
Creative Associate: **Krystian Lada**
Associate Director: **Daniel Raggett**
Associate Set Designer: **Paul Atkinson**
Associate Video Designer: **Christopher Ash**
Associate Lighting Designer: **Marc Williams**
Associate Sound Designer: **Alex Twiselton**
Fight Director: **Kev McCurdy**
Company Voice Work: **Jeannette Nelson**
Dialect Coach: **Charmian Hoare**
Staff Director: **Jaz Woodcock-Stewart**



PINOCCHIO
by Dennis Kelly, with songs and score from the
Walt Disney Film
Lyttelton Theatre, 14 December 2017
Director: **John Tiffany**
Set and Costume Designer and Puppet Co-designer:
Bob Crowley
Music Supervisor and Orchestrations: **Martin Lowe**
Movement Director: **Steven Hoggett**
Puppetry Director and Puppet Co-designer: **Toby Ollé**
Lighting Designer: **Paule Constable**
Sound Designer: **Simon Baker**
Illusions: **Jamie Harrison**
Music Director: **Tom Brady**
Company Voice Work: **Charmian Hoare**
Associate Director: **Katy Rudd**
Associate Set Designer: **Ros Coombes**
Associate Movement Director: **Delphine Gaborit**
Associate Puppetry Director: **Sarah Mardel**
Associate Illusions: **Chris Fisher**
Staff Director: **Maria Crocker**
Assistant Music Director: **Amy Shackcloth**



AMADEUS
by Peter Shaffer
Olivier Theatre, 18 January 2018
Director: **Michael Longhurst**
Designer: **Chloe Lamford**
Music Director and Additional Music: **Simon Slater**
Choreographer: **Imogen Knight**
Lighting Designer: **Jon Clark**
Sound Designer: **Paul Arditti**
Company Voice Work: **Jeannette Nelson**
Company Voice Work: **Rebecca Cuthbertson**
Associate Director: **Finn den Hertog**
Associate Sound Designer: **Carolyn Downing**
Staff Director: **Tom Hughes**



JOHN
by Annie Baker
Dorfman Theatre, 24 January 2018
Director: **James Macdonald**
Designer: **Chloe Lamford**
Lighting Designer: **Peter Mumford**
Sound Designer: **Christopher Shutt**
Dialect Coach: **Charmian Hoare**
Staff Director: **Rosy Banham**

STRATEGIC REPORT

NT



THE WINTER'S TALE
by William Shakespeare,
adapted by Justin Audibert and the company
Dorfman Theatre, 14 – 28 February 2018
Director: Justin Audibert
Designer: Lucy Sierra
Composer and Musical Director: Jonathan Girling
Lighting Designer: Paul Knott
Puppet Designer: Sam Wyer
Sound Designer: Mike Winship
Movement Director: Lucy Cullingford
Company Voice Work: Rebecca Cuthbertson
Staff Director: Sophie Moniram



MACBETH
by William Shakespeare
Olivier Theatre, 6 March 2018
Director: Rufus Norris
Set Designer: Rae Smith
Costume Designer: Mortiz Junge
Lighting Designer: James Farncombe
Music: Orlando Gough
Sound Designer: Paul Arditti
Movement Director: Imogen Knight
Fight Director: Jeremy Barlow
Fight Director: Kev McCurdy
Music Director: Marc Tritschler
Pole Captain: Hauk Pattison
Instrument Maker, Sonic Bricolage: Simon Allen
Company Voice Work: Jeannette Nelson
Staff Director: Liz Stevenson
Associate Set Designer: Aaron Marsden



THE GREAT WAVE
by Francis Turnly
Dorfman Theatre, 19 March 2018
Director: Indhu Rubasingham
Designer: Tom Piper
Video Designer: Luke Halls
Lighting Designer: Oliver Fenwick
Music: David Shrubsole
Sound Designer: Alexander Caplen
Movement Director: Polly Bennett
Fight Director: Kev McCurdy
Company Voice Work: Charmian Hoare
Staff Director: Jennifer Bakst

FINANCIAL SUMMARY



FINANCIAL REVIEW

In 2017-18 incoming resources were £107.8 million with £109.8 million of expenditure; giving a negative net movement in total group funds of £2 million. The net movement in group funds excluding long term restricted funds (which comprise fundraising income and depreciation in respect of our buildings) was an increase of £1.4 million. This compares to an increase of £5.4 million in 2016-17. The decline on the previous year reflects a higher level of investment in the NT's productions on the South Bank, our increased commitment to UK touring and our digital public engagement activities, as well as the impact of one-off income of just over £1 million in 2016-17 relating to prior years, comprising an insurance claim settlement and retrospective Theatre and Film Tax Credit claims.

The positive 2017-18 result reflected the highest box office income ever achieved for NT productions at the South Bank at 84% financial capacity, driven by the popularity of a number of productions, and significant growth to our UK touring activity.

PRINCIPAL FUNDING SOURCES

The National maintains a balance between self-generated income – box office and exploitation of National Theatre productions in UK and internationally (59%), catering and front-of-house trading (13%), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (12%) and public subsidy from Arts Council England (ACE) (16%).

The funding received from the Arts Council and our donors is vitally important to maintain the innovation, accessibility and reach of which the NT is proud.

ARTS COUNCIL FUNDING

Arts Council revenue funding at £17.2 million (2016-17 £17.2 million), in addition to touring grants totalling £0.2 million, represents 16% of the income received by the NT. The NT took a 3% ACE funding cut for 2018-22 alongside South Bank Centre, RSC, and Royal Opera House, in order to support the diversification of the NPO portfolio and the investment of funds outside London. With effect from 2018-19 the grant has been cut by £2.9 million since 2010-11, a real terms reduction of 30%.

FUNDRAISING

The Development department had a strong year raising £12.8 million (vs £12.8 million in 2016-17), which comprised £12 million for revenue activity (vs £11 million in 2016-17) and £0.8 million for capital projects and NT Future (vs £1.8 million in 2016-17). £0.6 million of revenue activity in both years was in relation to commercial promotion and is recorded within income from other trading activities.

BOX OFFICE INCOME

Box office income on the South Bank as well as income from the UK tour of *War Horse*, the final weeks of the West End run of *The Curious Incident of the Dog in the Night-Time* (which closed in June 2017) together with an international tour of *The Curious Incident of the Dog in the Night-Time*, UK tours of *Jane Eyre* and *Hedda Gabler*, limited



FINANCIAL SUMMARY

season transfers of *Beginning* in the West End and *People, Places & Things* in New York, and NT Live amounted to £63 million (2016-17: £58 million) and represented 59% (2016-17: 54%) of the National's total income.

Income from commercial transfers in both the UK and internationally has significantly increased to offset the impact of the real term cut in Arts Council funding and delivered net earnings of £3.5 million in 2017-18 (vs £1.7 million in 2016-17).

Theatre and Film Tax Credits are a significant contributor to the NT's financial model. Total tax credits, which are offset against expenditure, in 2017-18 amounted to £4.6 million.

TRADING AND OTHER INCOME

Trading operations, including food and drink, venue hire, publications and retail, programmes, car park, costume hire and commercial promotion, are conducted through the National's wholly-owned subsidiary Royal National Theatre Enterprises Limited. The car park is operated under a franchise and the Green Room restaurant is operated by the National but under a joint arrangement with Coin Street Community Builders. All the other businesses are operated directly by the National.

The total consolidated income generated by Royal National Theatre Enterprises in 2017-18 was £14.7 million vs £15.3 million in 2016-17. The total profit before the management charge payable to the National was £3.4 million compared to £4.1 million in the prior year. This decrease on the previous year relates to the impact of the NTs response to the London terror attacks of restricted access to the building during the six weeks thereafter, combined with a related reduced tourist footfall on the South Bank and less favourable summer weather conditions which impacted our outdoor pop-up food and drink sales activity.

Trading income also includes licensing fees generated by National Theatre Productions Limited and National Theatre North America LLC, and box office and other income generated by Curious Incident Broadway LP, Curious Incident National Tour LP and The Great Works Begins LP.

Other income included bank interest receivable and income from education activities.

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.

REVENUE EXPENDITURE

PRODUCTION COSTS

Production expenditure at the National Theatre, in the West End and on tour totalled £60.1 million (£48.2 million in 2016-17) and represented 57% of total expenditure for the year. The increase to expenditure on the previous year is largely attributable to our significant increase to UK touring activity, as well as an increase in investment on NT productions at the South Bank; direct spend which totalled £39 million (£37.1 million in 2016-17).

FINANCIAL SUMMARY

NT LEARNING AND PUBLIC ENGAGEMENT

Total expenditure for the year for the NT Learning (education) and public engagement programme was £3.8 million (£4.3 million in 2016-17). £2.2 million was covered by fundraising, £0.9 million generated through ticket and fee income and the remainder covered by core funding.

RESEARCH AND DEVELOPMENT

Expenditure on research and development totalled £2.3 million (£2.2 million in 2016-17), including £2.1 million expenditure in the NT Studio.

SUPPORT COSTS

Support costs cover expenditure on front of house staff responsible for contact with the audience; marketing, box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, HR and IT. These costs are allocated against the activities listed above. Total support costs of £18.2 million (£18.7 million in 2016-17).

STAFF COSTS

Staff costs, including social security and pension costs, totalled £50.7 million (£45.4 million in 2016-17). Staff numbers increased marginally on the previous year to 1,188 (1,173 in 2016-17). These figures show an increase to the average cost per staff member of 10% on the previous year. This reflects the investment in artistic and technical production staff employed during 2017-18 to support the significant increase to our UK touring activity and our continued aim to keep pace with the London Living Wage and address salary differentials arising as a result of this.

CAPITAL EXPENDITURE

Total capital expenditure for the year was £6.2 million (£5.4 million in 2016-17). This comprises expenditure on the NT Future major building project of £0.1 million (£3.3 million in 2016-17); the replacement of the NTs hospitality facility, The Deck, of £1.7 million; investment in our stages' lighting infrastructure and equipment, including moving to energy efficient LEDs, of £1 million, and in our sound and video infrastructure and equipment of £0.6 million; improvements to the resiliency, load bearing capacity and security of our web site and its on-line ticket selling capabilities of £0.5 million; and £1.7 million on a number of relatively small building refurbishment projects, technical equipment upgrade projects and IT projects. Irrecoverable VAT capitalised in the year was £0.7 million (£0.5 million in 2016-17).

The transfer from the operations fund to the designated fund for capital was £5.3 million; this was made up of an annual provision of £3.5 million, an additional sum of £1.8 million to provide funding to support three specific capital projects: (1) to carry out urgent works to stages lighting infrastructure (£1 million) and (2) upgrades to our security infrastructure (£0.4 million), both to be carried out in 2018-19; and (3) strengthening the resilience and load bearing capacity of our website infrastructure (£0.4 million) carried out in 2017-18.

FINANCIAL SUMMARY

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. In order to avoid accumulating a deficit, the NT seeks each year to match income and expenditure, whilst taking into account the level of grant receivable from the Arts Council.

Trustees reviewed the unrestricted reserves target during the year to ensure it provides adequate resources to enable the continuity of our 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 catering profits and fundraising, the risk of future cuts in public funding and economic uncertainty, particularly in light of the UK's recent decision to leave the European Union. Following a risk assessed impact review of income and expenditure the Trustees have determined that a target equivalent to three months of core operating expenditure is appropriate, currently £15 million. This policy will be reviewed on an annual basis. Unrestricted reserves as at March 2018 of £11.7 million represent good progress towards this target. Trustees have determined that the National Theatre will work towards building these reserves over the forthcoming years, giving due consideration to a proportionate balance between short and medium term strategic project funding and capital needs, and longer term financial sustainability concerns.

BUILDINGS AND EQUIPMENT DESIGNATED FUND

The policy is to ensure that sufficient money is set aside in the reserve so that over a three-year period the National is able to maintain and renew the building in accordance with its rolling capital plan.

NT FUTURE DESIGNATED FUND

In addition to the new building and refurbishment works, the NT Future project includes two strands to address the essential technical and infrastructure works which are now nearly complete: the Technical Master Plan and the Environmental and Engineering Master Plan.

RESTRICTED FUNDS

These are funds which have been earmarked by the donor for specific purposes within the overall aims of the organisation. The funds are analysed between long-term and short-term – long-term being mostly for capital purposes, including NT Future, and short-term for project activity, as set out in Note 19 of the accounts. Short-term funds will be spent in full in the next 18 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 SUMMARY

INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

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

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

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.

FINANCIAL SUMMARY

PRINCIPAL RISKS AND UNCERTAINTIES

The National Theatre faces the following principal risks and challenges:

- **Artistic ambition:** to present new writing on our two main stages can be challenging given the size and associated challenges of these theatres, our reliance on strong box office and aim to grow our audience reach. We aim to mitigate this risk through seeking and developing talent and on-going development work within our New Work department.
- **Financial sustainability:** insufficient funding to invest adequately in the repertoire, and/or to support current activity levels and/or annual capital replacement requirements as a result of a fall to one or more of our revenue streams, which could be caused by reputational issues, an economic downturn or other political factors. Our financial model is particularly dependent on Arts Council funding, fundraising revenue and box office income. This risk is mitigated through a number of means including our four-year business and financial planning process; annual budgeting, including capital planning, and monthly management reporting against budget and KPIs; on-going evaluation of processes and expenditure; our audience development and pricing strategy; customer relationship management and fundraising strategies; and strong stakeholder relations.
- **Attraction and retention of staff and artists:** inability to recruit and retain staff and artistic/production talent of the calibre required to support our standards of excellence and innovation in our work and/or our wide-ranging support and commercial operations, owing to insufficient or inadequate training pathways, our inability to pay competitive fees and salaries, the impact of Brexit with regard to the London workforce or reputational concerns. This risk is mitigated through a range of talent development initiatives, creative and workforce diversity strategies, fair pay and internal communication.
- **Reputation:** negative critical or audience response to the repertoire; inability to invest adequately in the repertoire resulting in a drop in the quality of output, health and safety/security/major incident response planning failure, failure of key customer facing business systems, negative publicity arising from an association with a donor, artist, creative or member of staff who attracts negative media attention, all of which could impact one or more income streams and our ability to attract talent. We aim to mitigate this risk by maintaining high artistic standards, through our advocacy activity, best practice in health and safety, customer care, fundraising, and our HR policies and practices including staff training and expectation setting, particularly with regard to staff conduct, bullying and harassment, and capital planning to ensure adequate investment in our key business systems.
- **Health, safety, security and major incident response planning:** the inherent risks involved in theatre production and presentation (e.g. working at height, noise, manual handling), combined with the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London and the potential for a terrorist attack on London. This risk is mitigated through a robust management structure for safety and security issues, staff training and awareness raising, investigation of near misses and incidents, supported by close liaison with and advice from counter terrorism police and other specialists. An updated Major Incident Response plan and communications protocol will be rolled out in the autumn of 2018.
- **Organisational capacity:** failure to support our growing organisational and artistic ambitions with sufficiently robust support structures, including planning, risk management and decision making and/or with adequately trained and/or informed staff. This is mitigated through our business planning processes and staff communication, training and development. A review of organisational capacity is being undertaken in light of our new 2018-22 business plan to ensure we are adequately resourced to deliver our strategic aims.

FINANCIAL SUMMARY

FINANCIAL POLICIES

INVESTMENT POLICY

The policy is to hold investments in liquid funds so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits the policy is to maximise the return and maintain low transaction costs whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017-18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 1 April 2018, the cash deposits were spread between four major clearing banks and CCLA. The bank interest earned for the year was £0.01m (£0.01m in 2017).

CREDITOR PAYMENT POLICY

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

REMUNERATION

The National 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 National:

- Has a detailed job evaluation process
- Ensures all staff are paid the London Living Wage
- Currently pays a dispersion ratio of approximate 1:5 between the highest salary and the median salary.

The Board is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Executive team, comprising the Director and Executive Director. The Executive is responsible for reviewing and benchmarking the pay, benefits and total compensation of the Senior Management team.

FINANCIAL RISK MANAGEMENT

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

Price risk: Payments to employees or individuals represent a significant proportion (circa 60%) of total expenditure at the National. During an inflationary climate with upward pressure on individual pay, the National may face difficulties in increasing income to keep pace with such inflationary pressures. 17% of the National's income comes from the Arts Council (£17.2 million); this will decrease next year by £0.5 million and is expected to remain flat for the following three years. The National has freedom over its ticket pricing, and ticket income represents 58% of revenue. However the aim is to hold the lowest ticket price at an accessible level.

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



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Liquidity risk: The National has no long-term borrowings. The liquidity risk relating to amounts owed by the charity to its creditors is low since its credit risk is low and it operates cash flow management to ensure sufficient levels of its unrestricted reserves are held in cash as operating capital on short term deposit.

Interest rate cash flow risks: The National places surplus funds on short-term deposit split between four 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 National 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 National and this building was listed in March 2006.

See Note 11 for details of legal charges.

SUBSIDIARIES AND RELATED UNDERTAKINGS

Details of the group's subsidiaries and related undertakings included in the consolidated Financial Statements are in Note 23 of the Notes to the Financial Statements

GOING CONCERN

We have set out above a review of financial performance and the National Theatre's reserves position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into account the current economic climate and levels of Arts Council support and their potential impact on the various sources of income and planned expenditure. The Trustees have reviewed future cash flow projections and working capital needs. Whilst the National Theatre places significant reliance on Arts Council grant funding support in order to balance income and expenditure on an annual basis, Trustees have taken into account confirmed Arts Council funding until March 2022 and assume such support will continue thereafter. Trustees believe that the National Theatre will continue in operational existence for the foreseeable future and based on future financial forecasts to September 2018 be in a position to continue to meet its liabilities as they fall due for at least 12 months from signing these financial statements.

The Financial Statements have therefore been prepared on the basis that the charity and group are a going concern.

GOVERNANCE

NT

BOARD MEMBERS AS AT 19TH JULY 2018

Sir Damon Buffini (Chair)
Kate Mosse OBE (Deputy Chair)
Dame Ursula Brennan DCB
Sabine Chalmers
Sir Lenny Henry
Vikki Heywood
Elizabeth Offord
Alan Rusbridger
Tim Score
Simon Warshaw

SENIOR MANAGEMENT TEAM

Alex Bayley, Director of Audiences & Marketing
Kash Bennett, Managing Director of NT Productions
Jon Cheyne, Director of Information & Technology
Liz Fosbury, Chief Operating Officer
Christine Gettins, Associate Producer
Paul Handley, Head of Production
Alice King-Farlow, Director of Learning
Colin Lawrence, Commercial and Media Director
Robyn Lines, Director of Commercial Operations
Tony Peers, Director of Human Resources
Martin Prendergast, Director of Communications
Ben Power, Deputy Artistic Director
Jonathan Suffolk, Technical Director

EXECUTIVE

Director Rufus Norris
Executive Director Lisa Burger

GOVERNANCE



GOVERNING DOCUMENT

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

CHARITABLE OBJECTS

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

PUBLIC BENEFIT

In developing the objectives for the year, and in planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. The repertoire is planned so that across a full year it will cover the widest range of world class theatre that entertains, inspires and challenges the broadest possible audience. Particular regard is given to ticket-pricing, affordability, access and audience development, both through the Travelex season and more generally 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 NT inspires and challenges audiences of all ages.

THE BOARD

The Board is the non-executive and unpaid governing body of the National. Board members are both directors of the company and charity trustees who under company and charity law are responsible for policy, administration and general control. The Board works with the Executive to ensure that the National's remit is fulfilled, its work remains of the highest quality and it is managed efficiently and cost-effectively. The Board delegates to the Director the selection and staging of all productions and does not interfere in repertoire decisions. During 2017-18, the Board met six times, with the Executive and COO present, to ensure it was maintaining effective control over strategic, financial, organisational and compliance issues. The Board received and considered regular reports from its Committees and subsidiary companies. Following his appointment as Chair in June 2016, Sir Damon Buffini and the Board commissioned an independent Board effectiveness review from Egon Zehnder so that they could consider in detail the Board composition, skills, diversity, meetings, strategy and performance, and succession planning. Recommendations from that review have been taken forward, and the Nominations Committee undertook a search process to identify a diverse range of possible Board candidates.

TRUSTEE INDUCTION AND TRAINING

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

GOVERNANCE



THE EXECUTIVE

The Executive comprises the Director*, Rufus Norris and the Executive Director, Lisa Burger. Together they are responsible to the Board for devising and delivering the artistic programme, policies and management of the NT to the strategy agreed with the Board. The Board appoints the Executive and the Executive Director reports to the Director.

ASSOCIATE DIRECTORS* AND NT ASSOCIATES

Rufus Norris was supported in making repertoire decisions by the National's Associate Directors.

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

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 37. 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 86 to 87 of this Report and details of the subsidiaries are set out in Note 23 to the financial statements.

FINANCE AND AUDIT COMMITTEE

Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met seven times during the year and met the Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings. The Finance and Audit Committee also has responsibility for setting the remuneration of the Executive.

THE NOMINATIONS COMMITTEE

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

DEVELOPMENT BOARD

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

GOVERNANCE



CONNECTED CHARITIES

Details of Connected Charities are set out in Note 22 to the Financial Statements.

EXECUTIVE MANAGEMENT AT THE NATIONAL

The review of activities shows that the National has many facets. The Director and Executive Director hold the overall responsibility for the day to day management of the NT with the assistance of a Senior Management team who are responsible for different areas and who report to a member of the Executive, who in turn report to the Board. In addition to a bi-weekly meeting of the Senior Management Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis. The key decision-making groups include producing, planning, capital projects, National Theatre Productions, Enterprises and Health and Safety.

Communication is key and the National aims to engage all its employees and others working at the National in its activities and achievements. All staff are invited to a weekly company meeting led by Rufus Norris and Lisa Burger and information from these meetings and other new developments and policies are available on the National's intranet. In addition, staff briefings, led by the Executive, are held six times a year to brief staff in more detail on various aspects of policy and programming and to provide a forum for discussion.

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

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

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

TRUSTEES' TRANSACTIONS

The trustees are not remunerated for their work as Trustees of the National Theatre. From time to time, members of the Board or persons connected with them enter into transactions with the National 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' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

GOVERNANCE



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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- 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;
- 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.

GOVERNANCE

NT

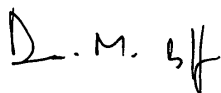
TRUSTEES INDEMNITIES

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 Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

AUDITORS

PricewaterhouseCoopers LLP will continue in office as auditors of the Charity for the next financial year.

The Strategic Report and Annual Report were approved by the Board of Directors and authorised for issue on 19 July 2018 and signed on its behalf by



Sir Damon Buffini
Chair
19 July 2018

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 parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 1 April 2018 and of the group's charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 53 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheets (group & company) as at 1 April 2018; the group statement of financial activities (including an income and expenditure account) and the group cash flow statement for the year 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL NATIONAL THEATRE



REPORTING ON OTHER INFORMATION

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

STRATEGIC REPORT AND TRUSTEES' REPORT

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the statement of trustees' responsibilities set out on pages 43 and 44, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL NATIONAL THEATRE



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.

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

USE OF THIS REPORT

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

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

We have no exceptions to report arising from this responsibility.

Jill Halford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2018

GROUP STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure account)

for the 53 weeks ended 1 April 2018

	Notes	53 weeks ended 1 April 2018					52 weeks ended 28 March 2017				
		Unrestricted Funds		Restricted Funds			Unrestricted Funds		Restricted Funds		
		Operations	Designated	Projects	Long Term	Total	Operations	Designated	Projects	Long Term	Total
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Income & Endowments from:											
Donations & legacies	5(a)/(b)	24.6	-	4.2	0.8	29.6	24.3	-	3.4	2.7	30.4
Charitable activities	5(c)	52.0	-	-	-	52.0	40.2	-	-	-	40.2
Other trading activities	5(d)	26.2	-	-	-	26.2	34.1	-	-	-	34.1
TOTAL Income & Endowments	18	102.8	-	4.2	0.8	107.8	98.6	-	3.4	2.7	104.7
Expenditure on:											
Raising donations & legacies		(2.3)	-	-	-	(2.3)	(2.7)	-	-	-	(2.7)
Charitable activities	6(a)/(b)	(71.2)	(3.9)	(4.4)	(4.2)	(83.7)	(58.0)	(3.6)	(3.0)	(4.7)	(69.3)
Other trading activities		(23.8)	-	-	-	(23.8)	(29.3)	-	-	-	(29.3)
TOTAL Expenditure	18	(97.3)	(3.9)	(4.4)	(4.2)	(109.8)	(90.0)	(3.6)	(3.0)	(4.7)	(101.3)
Net Income/(Expenditure)		5.5	(3.9)	(0.2)	(3.4)	(2.0)	8.6	(3.6)	0.4	(2.0)	3.4
Transfers between Group funds	18	(5.3)	5.3	-	-	-	(6.5)	6.5	-	-	-
Net Movement in Group Funds		0.2	1.4	(0.2)	(3.4)	(2.0)	2.1	2.9	0.4	(2.0)	3.4
Reconciliation of Group Funds:											
Total funds brought forward	18	11.5	22.7	0.4	60.3	94.9	9.4	19.8	-	62.3	91.5
TOTAL Group Funds carried forward	18	11.7	24.1	0.2	56.9	92.9	11.5	22.7	0.4	60.3	94.9

All income and expenses 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.

BALANCE SHEETS (Group & Company)

Company Registration Number: 749504

		As at 1 April 2018		As at 26 March 2017	
		Group	Company	Group	Company
		£m	£m	£m	£m
Fixed Assets:	Note				
Tangible assets	<u>11</u>	68.4	66.0	69.9	67.2
Investments	<u>12</u>	0.2	0.2	0.2	0.2
TOTAL Fixed Assets		68.6	66.2	70.1	67.4
Current assets:					
Stocks	<u>13</u>	0.5	0.1	0.5	0.1
Cost of productions not yet opened	<u>14</u>	0.6	0.6	1.3	1.1
Debtors	<u>15</u>	17.4	20.2	15.0	15.6
Cash at bank and In hand.	<u>16</u>	24.1	18.8	26.0	22.4
TOTAL Current Assets		42.6	39.7	42.8	39.2
Liabilities:					
Creditors: amounts falling due within one year	<u>17</u>	(18.3)	(15.5)	(18.0)	(14.7)
Net Current Assets		24.3	24.2	24.8	24.5
TOTAL Assets less Current Liabilities		92.9	90.4	94.9	91.9
TOTAL Net Assets		92.9	90.4	94.9	91.9
The Funds of the Group:					
Operations fund	<u>18/19</u>	11.7	9.2	11.5	8.9
Designated funds	<u>18/19</u>	24.1	24.1	22.7	22.3
Restricted funds	<u>18/19</u>	57.1	57.1	60.7	60.7
TOTAL Group Funds	<u>18/19</u>	92.9	90.4	94.9	91.9

A separate statement of financial activities and income and expenditure account are not presented for the Charity itself as permitted by Section 408 of the Companies Act 2006. The net expenditure for the Charity for the year was £1.5m (2017: £2.1m)

The Notes on pages 53 to 86 constitute part of the financial statements.

The financial statements were approved by the Board of Trustees on 19th July 2018 and signed on its behalf by:

Sir Damon Buffini (Chair)

Dame Ursula Brennan (Trustee)

D. M. B. I.

U. Brennan

GROUP CASH FLOW STATEMENT

for the 53 weeks ended 1 April 2018

	Note	53 weeks ended 1 April 2018 £m	52 weeks ended 26 March 2017 £m
Net cash provided by operating activities	(i)	4.3	10.2
Cash flows from investing activities:			
Purchase of property, plant and equipment	11	(6.2)	(5.4)
Net cash used in investing activities		(6.2)	(5.4)
Net cash used in financing activities:		-	-
(Decrease)/Increase in cash and cash equivalents in the reporting period		(1.9)	4.8
Cash and cash equivalents at the beginning of the reporting period	(ii)	26.0	21.2
Cash and cash equivalents at the end of the reporting period	(ii)	24.1	26.0

GROUP CASH FLOW STATEMENT

for the 53 weeks ended 1 April 2018

	Note	53 weeks ended 1 April 2018	52 weeks ended 26 March 2017
(i) Reconciliation of net (expenditure)/income to net cash flow from operating activities:		£m	£m
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)		(2.0)	3.4
Depreciation and amortisation charge	<u>11</u>	7.7	7.7
(Profit)/Loss on sale of fixed assets	<u>11</u>	-	-
Working capital movements:			
(Increase)/decrease in stock	<u>13</u>	-	-
(Increase)/decrease in work in progress	<u>13</u>	0.7	(0.9)
(Increase)/decrease in debtors	<u>15</u>	(2.4)	1.4
Increase/(decrease) in creditors	<u>17</u>	0.3	(1.4)
Net cash provided by operating activities		4.3	10.2
(ii) Analysis of cash and cash equivalents		£m	£m
Cash at bank and in hand	<u>16</u>	19.0	20.9
Notice deposits (less than 3 months)	<u>16</u>	5.1	5.1
Overdraft facility repayable on demand		-	-
TOTAL cash and cash equivalents	<u>16</u>	24.1	26.0

1 GENERAL INFORMATION

The Royal National Theatre ("the National" or "the NT") is a company limited by guarantee, and a registered charity (incorporated in the UK and registered in England and Wales). The liability of members is limited to £1. It was established in 1963 for the advancement of education and, in particular, to procure and increase the appreciation and understanding of the dramatic art in all its forms as a memorial to William Shakespeare.

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 this report on pages 6 to 8.

2 STATEMENT OF COMPLIANCE

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities", in accordance with the Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102 and the FRS102 Charities SORP).

3 PRINCIPAL ACCOUNTING POLICIES

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

A BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The National continues to benefit from the support of the Arts Council England as a National Portfolio Organisation, and revenue funding has been confirmed until March 2022. The Trustees, having reviewed financial business plan and cash flow projections until September 2019, consider that the National has adequate financial resources in place to ensure the group's operational existence for the foreseeable future and be able to continue to meet its obligations as they fall due for at least 12 months after the signing of these financial statements. The Trustees have therefore considered it appropriate to present the financial statements on a going concern basis.

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.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

B EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

The Charity has taken advantage of the following disclosure exemptions:

- From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, include the Charity's cash flows;
- From the financial instrument disclosures, required under FRS 102 para 11.39 to 11.48A and para 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)

C BASIS OF CONSOLIDATION

The Group financial statements consolidate those of The Royal National Theatre ("the National" or "the NT") and its wholly owned non-charitable subsidiaries (as set out in Note 23). The results of Royal National Theatre Enterprises Limited, National Theatre Productions Limited, National Theatre Live Limited, National Theatre Staging Limited, National Theatre North America LLC, Curious Incident Broadway LP, Curious Incident National Tour LP and The Great Work Begins LP have been included in the group statement of financial activities throughout the year.

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

D FOREIGN CURRENCIES

Transactions in foreign currencies undertaken during the year 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 operations are recorded in the Statement of Financial Activities within the charitable activity income or expenditure for the year in which they are incurred.

The results of foreign operations consolidated within the Group financial statements are translated using the temporal method described above. Any exchange gains or losses are accounted for in the Statement of Financial Activities.

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)

E 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 (Dec 2028).

F INCOME & ENDOWMENTS

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

DONATIONS & LEGACIES

Donations and legacies comprise all income from sponsorships, donations, legacies, grants, 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 is recognised at the point at which the amount receivable is known.

Where the donor imposed conditions require that the resource is expended in a future accounting year, income is recorded as deferred income at the balance sheet date.

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

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

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

Goods and services received in kind, where material, 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 charity at the time of receipt.

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)

CHARITABLE ACTIVITIES

Charitable activities comprises:

Performance income:

- income from performances at the National Theatre;
- income from touring activities under direct NT management (excluding grants); and
- ticket sales for productions which have transferred to the West End under direct NT management.

All other income:

- income from NT Learning performances, NT Live ticket income, events and workshops;
- exploitations and rights, advance membership subscriptions and other sundry income.

Box office 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. Advance bookings comprise ticket sales for future performances.

Income from exploitations and rights, and other income, is recognised on a receivable basis. Income from advance membership subscriptions is recognised on a straight line basis over the year of subscription.

OTHER TRADING ACTIVITIES

Other trading activities comprise:

- income generated by Royal National Theatre Enterprises Limited from trading activities;
- royalty and profit share income generated by other National Theatre subsidiaries from the commercial exploitation of the NT's productions.

Income is recognised on a receivable basis.

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)

G 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 and donations including the costs of providing membership benefits.

CHARITABLE ACTIVITIES

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

- performances at the South Bank or elsewhere under direct management;
- performances on tour (UK and International);
- NT Live (streaming and broadcasting of NT 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(b). Staff canteen costs are shown net of contributions.

OTHER TRADING ACTIVITIES

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

H LEASE OF THE NATIONAL

The National holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, the National is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from the National's own resources, namely the operations fund, to the building and equipment fund (see Note 18).

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)

I FIXED ASSETS AND DEPRECIATION

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

Depreciation is provided on a straight line basis to write off the assets 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

A full year's depreciation is charged in the first period in which the asset is ready for use.

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.

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

J STOCKS

Stocks held by the National's trading subsidiary comprise of catering, bookshop and programme supplies for resale. Other stock ("production stock") comprises consumables for use in the making of sets and costumes.

All stock is valued at the lower of cost and selling price less costs to complete and sell. Cost is based on the latest purchase price for catering, bookshop and programme stock, and on actual cost for production stock.

K COSTS OF NEW PRODUCTIONS NOT YET OPENED

The cost of materials for new productions and associated creative team fees are carried forward on the balance sheet until they are expensed on the date of the press night performance. Internal labour and rehearsal costs are expensed as incurred.

L CASH AND CASH EQUIVALENTS

Cash and cash equivalent includes 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.

M 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(a) – (c).

3 PRINCIPAL ACCOUNTING POLICIES (CON'T)**N 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.

O FINANCIAL INSTRUMENTS

The NT'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). The group holds financial assets which are debt instruments held at amortised cost totalling £31.3m (2016-17: £34.8m), comprising investments, trade debtors, accrued income and cash balances. The group also holds financial liabilities held at amortised cost totalling £10.1m (2016-17: £11.2m), comprising accruals, trade creditors and other creditors. 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.

P PENSIONS

The National offers a stakeholder scheme to its employees and contributes to defined contribution schemes for certain of its other employees (see Note 9). These costs are expensed in the Statement of Financial Activities as they become payable as unrestricted expenditure.

Q TAXATION

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

The National's UK subsidiaries pay their taxable profits to the charity under Gift Aid.



National Theatre North America LLC pays a profit distribution to the National. The National has received dispensations in the US to be treated as a charity and as such, there is no corporation tax charge on the distribution. The group receives creative industry tax credits from HMRC. These are shown as reductions to expenditure within the Statement of Financial Activities.

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

A CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

Judgement is required to assess whether the Group has control over its subsidiaries and related undertakings (See Note 23). Specifically in applying judgement as to whether to consolidate, the Group has considered the following:

- **Curious Incident Broadway LP** – Through National Theatre North America LLC (NTNA which is 100% owned by the NT), the Group is one of 2 general partners. NTNA holds the casting vote in any decisions made in relation to the LP and in effect has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.
- **Curious Incident US Tour LP** – Through National Theatre North America LLC (NTNA which is 100% owned by the NT), the Group is sole general partner with full control over the LP, and so its results are consolidated in these financial statements.
- **The Great Work Begins LP** – Through National Theatre North America LLC (NTNA which is 100% owned by the NT), the Group is sole general partner with full control over the LP, 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 equal the resulting accounting estimates. In making estimates and assumptions, there is a significant risk that a material adjustment to the carrying value of assets and liabilities in the following financial year as detailed below.

RECOGNISING PLEDGED FUTURE DONATION INCOME

The National assesses whether the receipt of pledged future donation income is probable in accordance with the income recognition criteria under FRS 102. Where the National receives a written pledge, the Group recognises the income in the year of pledge receipt, unless the National considers that there is reasonable doubt as to the receipt of future monies based on historical knowledge and future expectations of the donor. The probability of receipt is reviewed annually and the amount of income accrued is adjusted should there be any changes to the expectations of receipt.

5 INCOME & ENDOWMENTS (GROUP)

(a) DONATIONS & LEGACIES – ANALYSIS BY FUND TYPE

	53 weeks ended 1 April 2018					52 weeks ended 26 March 2017				
	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	17.2	-	-	-	17.2	17.2	-	-	-	17.2
Capital and Other Grants (incl. Lottery)	-	-	0.2	-	0.2	-	-	0.1	0.9	1.0
TOTAL ACE	17.2	-	0.2	-	17.4	17.2	-	0.1	0.9	18.2
Other:										
Performances	-	-	1.0	-	1.0	-	-	1.3	-	1.3
NT Live & Digital	-	-	0.2	-	0.2	-	-	0.3	-	0.3
NT Learning & Public Engagement	-	-	2.1	-	2.1	-	-	1.1	-	1.1
NT Future	-	-	-	0.2	0.2	-	-	-	0.7	0.7
Research & Development	-	-	0.6	-	0.6	-	-	0.4	-	0.4
Long Term Projects	-	-	-	0.6	0.6	-	-	-	1.1	1.1
General Activity	7.4	-	0.1	-	7.5	7.1	-	0.2	-	7.3
TOTAL Other	7.4	-	4.0	0.8	12.2	7.1	-	3.3	1.8	12.2
TOTAL Donations & Legacies	24.6	-	4.2	0.8	29.6	24.3	-	3.4	2.7	30.4

5 INCOME & ENDOWMENTS (GROUP) (CON'T)

(b) DONATIONS & LEGACIES – ANALYSIS BY INCOME TYPE

	53 weeks ended 1 April 2017				52 weeks ended 26 March 2017			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Arts Council England (ACE):	-	-	17.4	17.4	-	-	18.2	18.2
Other:								
Performances	0.1	0.8	0.1	1.0	0.7	0.5	0.1	1.3
NT Live & Digital	-	0.1	0.1	0.2	0.2	0.1	-	0.3
NT Learning & Public Engagement	0.2	1.4	0.5	2.1	0.2	0.3	0.6	1.1
NT Future	-	0.2	-	0.2	-	0.6	0.1	0.7
Research & Development	0.1	0.1	0.4	0.6	0.1	-	0.3	0.4
Long Term Projects	-	0.1	0.5	0.6	-	0.6	0.5	1.1
General Activity	1.9	5.4	0.2	7.5	1.1	6.1	0.1	7.3
TOTAL Other	2.3	8.1	1.8	12.2	2.3	8.2	1.7	12.2
TOTAL Donations & Legacies	2.3	8.1	19.2	29.6	2.3	8.2	19.9	30.4

The National received total Gifts in Kind of £1.1m during the year (2017: £0.7m).

5 INCOME & ENDOWMENTS (GROUP) (CON'T)

(c) INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	Total	Total
	£m	£m
Performances:		
National Theatre	25.0	23.8
West End Commercial Transfers	3.1	8.6
UK Touring	14.9	1.3
International Touring	1.9	-
TOTAL Performances	44.9	33.7
Other Activities:		
NT Live & Digital	6.4	5.5
NT Learning & Public Engagement	0.6	0.5
Rights, Royalties & Exploitations	0.0	0.3
Other income	0.1	0.2
TOTAL Other Activities	7.1	6.5
TOTAL Income from Charitable Activities	52.0	40.2

All income from charitable activities is unrestricted.

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

5 INCOME & ENDOWMENTS (GROUP) (CON'T)

(d) INCOME FROM TRADING ACTIVITIES

	2018	2017
	Total	Total
	£m	£m
Catering & Hospitality	10.3	10.5
Retail & Prop and Costume Hires	2.2	2.3
Car Park	0.7	0.7
Tours & Events	0.8	1.0
Rights, Royalties & Exploitations	11.4	18.8
Sponsorship Income	0.6	0.6
Advertising	0.2	0.2
TOTAL Income from Trading Activities	26.2	34.1

6 EXPENDITURE (GROUP)

(a) EXPENDITURE ON CHARITABLE ACTIVITIES

	63 weeks ended 1 April 2018						62 weeks ended 26 March 2017					
	Unrestricted Operations		Unrestricted Designated	Restricted	Long term	Total	Unrestricted Operations		Unrestricted Designated	Restricted	Long term	Total
	Direct £m	Support £m	£m	Project £m	£m	£m	Direct £m	Support £m	£m	Project £m	£m	£m
Performances:												
National Theatre	28.4	9.4	-	1.2	-	39.0	25.6	10.5	-	1.0	-	37.1
West End Commercial Transfers	2.9	0.4	-	-	-	3.3	8.1	1.9	-	-	-	10.0
UK Touring	12.3	2.0	-	0.1	-	14.4	0.9	0.2	-	-	-	1.1
International Touring	2.8	0.5	-	0.1	-	3.4	-	-	-	-	-	-
TOTAL Performances	46.4	12.3	-	1.4	-	60.1	34.6	12.6	-	1.0	-	48.2
Other Activities:												
NT Live & Digital	6.8	2.2	-	0.2	-	9.2	4.1	1.8	-	0.3	-	6.2
NT Learning & Public Engagement	0.9	0.9	-	2.1	-	3.9	2.2	1.0	-	1.1	-	4.3
NT Future	-	-	0.4	-	-	0.4	-	-	-	-	0.6	0.6
Research & Development	1.1	0.6	-	0.6	-	2.3	1.0	0.6	-	0.6	-	2.2
Other Expenses	-	-	-	0.1	-	0.1	0.1	-	-	-	-	0.1
TOTAL Other Activities	8.8	3.7	0.4	3.0	-	15.9	7.4	3.4	-	2.0	0.6	13.4
Other:												
Depreciation excl. that directly related to assets used in performances	-	-	3.5	-	4.2	7.7	-	-	3.6	-	4.1	7.7
TOTAL Other	-	-	3.5	-	4.2	7.7	-	-	3.6	-	4.1	7.7
TOTAL Charitable Activities	55.2	16.0	3.9	4.4	4.2	83.7	42.0	16.0	3.6	3.0	4.7	69.3

6 EXPENDITURE (GROUP) (CON'T)

(b) ANALYSIS OF SUPPORT COSTS

	53 weeks ended 1 April 2018					52 weeks ended 28 March 2017			
	Promotion	Theatre operations	Support services	Total		Promotion	Theatre operations	Support services	Total
	£m	£m	£m	£m		£m	£m	£m	£m
Raising Donations & Legacies	-	-	0.2	0.2		-	-	0.4	0.4
Charitable Activities:									
Performances:									
National Theatre	2.0	4.7	2.7	9.4		2.2	4.4	3.9	10.5
West End Commercial Transfers	0.2	-	0.2	0.4		0.7	-	1.2	1.9
UK Touring	0.9	-	1.1	2.0		0.1	-	0.1	0.2
International Touring	0.2	-	0.3	0.5		-	-	-	-
NT Live & Digital	0.5	1.1	0.6	2.2		0.4	0.7	0.7	1.8
NT Learning & Public Engagement	0.2	0.4	0.3	0.9		0.2	0.4	0.4	1.0
Research & Development	0.1	0.3	0.2	0.6		0.2	0.2	0.2	0.6
Other Expenses	-	-	-	-		-	-	-	-
TOTAL Charitable Activities	4.1	6.5	5.4	16.0		3.8	5.7	6.5	16.0
Other Trading Activities	-	1.1	0.9	2.0		-	1.3	1.0	2.3
TOTAL Support Costs	4.1	7.6	6.5	18.2		3.8	7.0	7.9	18.7

Promotion comprises Marketing and Press. Theatre Operations comprises Front of House, Building Services, Insurance, Cleaning and Security. Support Services comprises Finance, Governance*, IT, HR, Pensions, and Staff Canteen.

Support costs are allocated to the key activity areas driving supports costs as above based on their proportionate costs to overall direct costs.

* Included within Governance costs are the auditors' remuneration which consists of the group audit fee of £71k (2017: £82k) and fees for tax compliance services of £7k (2017: £7k) and non-audit services of £10k (2017: £Nil) due to PricewaterhouseCoopers LLP.

7 STAFF COSTS & NUMBERS (GROUP & COMPANY)

	Group 2018 £m	Company 2018 £m	Group 2017 £m	Company 2017 £m
Wages and salaries	46.0	42.6	40.8	36.8
Social security costs	3.5	3.3	3.4	3.1
Other pension costs	1.2	1.2	1.2	1.2
	50.7	47.1	45.4	41.1

Average monthly full time equivalents employed in the year: *

	Group 2018 Number	Company 2018 Number	Group 2017 Number	Company 2017 Number
Artistic	254	241	215	194
Technical and production	391	379	387	354
Trading and front of house	313	313	317	317
Education, touring, New Work Dept and other projects	45	45	43	43
Marketing and box office	60	60	73	73
Support services	72	72	85	85
Engineering	22	22	23	23
Fundraising	31	31	30	30
	1,188	1,163	1,173	1,119

* All staff, excluding actors and staff of the US Tour of Curious Incident of the Dog in the Night-time and Broadway Production of Angels in America, are employed by the National Theatre and the cost of their employment is recharged to the NT's subsidiaries where relevant.

7 STAFF COSTS & NUMBERS (CON'T)

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

	2018 Number	2017 Number
£60,000-£70,000	14	10
£70,001-£80,000	6	8
£80,001-£90,000	7	5
£90,001-£100,000	2	4
£100,001-£110,000	-	-
£110,001-£120,000	-	2
£120,001-£130,000	1	-
£130,001-£140,000	-	-
£140,001-£150,000	-	-
£150,001-£160,000	-	1
£160,001-£170,000	1	-
£170,001-£180,000	-	-
£180,000-£190,000	1	1
	<u>31</u>	<u>31</u>

Pension contributions of £0.2m (2017: £0.2m) were made to defined contribution schemes for the above members of staff during the year.

The total salary cost for Key Management Personnel was £1.5m (2017: £1.8m), comprising of the Executive (Director and Executive Director) and the Senior Management Team.

8 TRUSTEES' EMOLUMENTS

No trustees of the company received any remuneration during the year or in the previous year. Expenses for travel and entertainment totalling £3k (2017: £4k) were incurred by two trustees wholly and necessarily on the National's business and were reimbursed during the year. Trustees are offered two tickets for each production to enable them to carry out their duties.

9 PENSION CONTRIBUTIONS

The National makes payments to defined contribution schemes which are available to all permanent employees on completion of their probationary year. The charge for the National for the year was £1.2m (2017: £1.2m) with £0.1m (2017: £0.3m) payable at the balance sheet date. The Group charge for the year was £1.2m (2017: £1.2m) with £0.1m (2017: £0.3m) payable at the balance sheet date.

10 TAXATION

The National's charitable activities fall within the exemptions afforded by Part 11 Corporation Taxes Act 2010. The trading and commercial subsidiaries, Royal National Theatre Enterprises Limited and National Theatre Productions Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these financial statements. Similarly, because of the Gift Aid, there is no difference in the net movement in funds for the National and the Group as a whole, excepting amounts retained in the US subsidiaries and National Theatre Staging Limited, disclosed in Note 18 and 23.

The National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre and Film, respectively.

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

11 TANGIBLE ASSETS (GROUP)

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2017	6.6	58.3	36.5	0.3	9.6	2.7	41.5	0.1	1.1	166.7
Additions	-	-	-	-	-	-	-	1.1	5.1	6.2
Disposals	-	-	(0.1)	-	-	-	(0.5)	-	-	(0.6)
Transfers from work in progress	-	-	1.1	0.4	-	-	3.7	(1.1)	(4.1)	(0.0)
As at 1 April 2018	6.6	58.3	37.5	0.7	9.6	2.7	44.7	0.1	2.1	162.3
Accumulated Depreciation										
As at 26 March 2017	1.1	8.6	33.8	0.2	2.2	1.4	39.5	-	-	86.8
Charge for year	0.2	2.9	0.6	-	1.0	0.5	2.5	-	-	7.7
Disposals	-	-	(0.1)	-	-	-	(0.5)	-	-	(0.6)
As at 1 April 2018	1.3	11.5	34.3	0.2	3.2	1.9	41.5	-	-	93.9
Net book value										
As at 1 April 2018	5.3	46.8	3.2	0.5	6.4	0.8	3.2	0.1	2.1	68.4
As at 26 March 2017	5.5	49.7	2.7	0.1	7.4	1.3	2.0	0.1	1.1	69.9

Freehold land and buildings include NT Studio land at a cost of £0.7m (2017: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2017: £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 potentially 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 obligation on an overdraft facility in 2014.

11 TANGIBLE ASSETS (COMPANY)

	Freehold Land & Buildings	Leasehold improvements (20 years)	Leasehold improvements (10 years)	Leasehold improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cost										
As at 26 March 2017	6.6	58.3	36.5	0.3	7.1	2.4	41.0	0.1	1.1	163.4
Additions	-	-	-	-	-	-	-	0.9	4.8	5.7
Disposals	-	-	(0.1)	-	-	-	(0.5)	-	-	(0.6)
Transfers from work in progress	-	-	1.1	0.4	-	-	3.2	(0.9)	(3.8)	-
As at 1 April 2018	6.6	58.3	37.5	0.7	7.1	2.4	43.7	0.1	2.1	158.5
Accumulated Depreciation										
As at 26 March 2017	1.1	8.6	33.8	0.2	1.9	1.3	39.3	-	-	86.2
Charge for year	0.2	2.9	0.6	-	0.7	0.4	2.1	-	-	6.9
Disposals	-	-	(0.1)	-	-	-	(0.5)	-	-	(0.6)
As at 1 April 2018	1.3	11.5	34.3	0.2	2.6	1.7	40.9	-	-	92.5
Net book value										
As at 1 April 2018	5.3	46.8	3.2	0.5	4.5	0.7	2.8	0.1	2.1	66.0
As at 26 March 2017	5.5	49.7	2.7	0.1	5.2	1.1	1.7	0.1	1.1	67.2

12 INVESTMENTS

	Group 2018 £m	Company 2018 £m	Group 2018 £m	Company 2018 £m
Expendable endowment (20-year gilt)	0.2	0.2	0.2	0.2

In 2008, the Charity 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 National Theatre. Interest on the gilt accrues to the Theatre 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 23 for details of investments in subsidiary undertakings

13 STOCKS

	Group 2018 £m	Company 2018 £m	Group 2017 £m	Company 2017 £m
Goods for resale	0.4	-	0.4	-
Consumable items	0.1	0.1	0.1	0.1
	0.5	0.1	0.5	0.1

The amount of Stock expensed in the year was £4.1m (2017:£4.2m).

14 COSTS OF PRODUCTIONS NOT YET OPENED

	Group 2018 £m	Company 2018 £m	Group 2017 £m	Company 2017 £m
National Theatre –Tours	0.2	0.2	0.4	0.4
National Theatre – Live	-	-	0.2	-
National Theatre – Productions	0.4	0.4	0.7	0.7
	<u>0.6</u>	<u>0.6</u>	<u>1.3</u>	<u>1.1</u>

15 DEBTORS

	Group 2018 £m	Company 2018 £m	Group 2017 £m	Company 2017 £m
Trade debtors	3.1	2.8	3.1	2.8
Tax recoverable	8.0	0.2	5.0	1.1
Amounts owed by group undertakings	-	12.2	-	5.4
Other debtors	1.1	0.3	1.2	0.9
Prepayments and accrued income	5.2	4.7	5.7	5.4
	<u>17.4</u>	<u>20.2</u>	<u>15.0</u>	<u>15.6</u>

16 CASH AND CASH EQUIVALENTS

	Group 2018 £m	Company 2018 £m	Group 2017 £m	Company 2017 £m
Cash and bank balances	19.0	13.7	20.9	17.3
Short-term deposit	5.1	5.1	5.1	5.1
	<u>24.1</u>	<u>18.8</u>	<u>26.0</u>	<u>22.4</u>

17 CREDITORS

	Group	Company	Group	Company
	2018	2018	2017	2017
	£m	£m	£m	£m
Amounts falling due within one year:				
Trade creditors	1.1	0.6	1.0	0.5
Taxation and social security	1.7	1.6	1.1	1.1
Advance bookings	6.0	6.0	5.1	5.1
Other creditors and accruals	9.0	7.1	10.2	7.7
Deferred income (all utilised in year)	1.3	1.0	0.6	0.3
Provisions	0.2	0.2	0.0	0.0
	18.3	16.5	18.0	14.7

18 THE FUNDS OF THE CHARITY (GROUP & COMPANY)

	Balance at 27 March 2017	Income	Expenditure	Transfers	Balance at 1 April 2018
	£m	£m	£m	£m	£m
UNRESTRICTED:					
Unrestricted operations fund *	11.5	102.8	(97.3)	(5.3)	11.7
Unrestricted designated:					
NT Future	8.3	-	(0.9)	-	7.4
Touring	1.3	-	-	-	1.3
Building & Equipment Fund	12.2	-	(3.0)	4.9	14.1
Security	0.5	-	-	0.4	0.9
Programme Development Fund	0.4	-	-	-	0.4
TOTAL unrestricted designated funds	22.7	-	(3.9)	5.3	24.1
TOTAL unrestricted funds	34.2	102.8	(101.2)	-	35.8
RESTRICTED: Project funds					
NT Performance	0.3	1.0	(1.2)	-	0.1
NT Live & Digital	-	0.2	(0.2)	-	-
NT Learning & Public Engagement	0.1	2.1	(2.1)	-	0.1
NT Studio Projects (Research & Development)	-	0.6	(0.6)	-	-
ACE Warhorse China	-	0.1	(0.1)	-	-
ACE UK Touring	-	0.1	(0.1)	-	-
General Activity	-	0.1	(0.1)	-	-
TOTAL project funds	0.4	4.2	(4.4)	-	0.2
RESTRICTED: Long term funds					
NT Future Fund	36.0	0.2	(2.5)	-	33.7
ACE NT Future Fund	17.5	-	(1.1)	-	16.4
ACE Lottery Fund	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.6	-	(0.1)	-	4.5
Drum Revolve Fund	0.2	0.1	-	-	0.3
Staging Technology Fund	0.9	0.5	(0.5)	-	0.9
Expendable Endowment	0.2	-	-	-	0.2
TOTAL long term funds	60.3	0.8	(4.2)	-	56.9
TOTAL restricted funds	60.7	5.0	(8.6)	-	57.1
TOTAL Group funds	94.9	107.8	(109.8)	-	92.9

18 THE FUNDS OF THE CHARITY (GROUP & COMPANY) (CON'T)

* Analysis of unrestricted funds held between parent and subsidiaries:

Unrestricted retained surplus held by the Charity

Unrestricted retained surplus/deficit held by trading subsidiaries

Group unrestricted operations fund

Balance at 1 April 2018 £m	Balance at 28 March 2017 £m
9.2	8.9
2.5	2.6
<u>11.7</u>	<u>11.5</u>

DESIGNATED FUNDS

NT FUTURE FUND (DESIGNATED)

This represents NT Future assets which were funded by the National and funds retained to meet the NT Future WIP still to be capitalised. Expenditure against this fund represents the depreciation of NT Future assets funded by the National and other related costs

TOURING FUND

The Touring fund has been set up to support the touring of NT productions within the UK.

BUILDINGS AND EQUIPMENT FUND

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

£4.9m (2017: £4.4m) was transferred from the operations fund into the buildings and equipment fund during the year. The expenditure for the current year represents depreciation on assets acquired through this fund.

NT SECURITY FUND

The security fund is a designated fund set aside by the Board in order to enable monies to be made available to enhance the physical security infrastructure the NT.

18 THE FUNDS OF THE CHARITY (GROUP & COMPANY) (CON'T)**RESTRICTED FUNDS: PROJECT FUNDS**

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

NT PERFORMANCE

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

NT LIVE & DIGITAL

The NT Digital Project Fund represents restricted funding and related expenditure, in relation to the NT's broadcasting and digital initiatives.

NT LEARNING AND PUBLIC ENGAGEMENT PROJECTS

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

NT STUDIO PROJECTS (RESEARCH & DEVELOPMENT)

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

18 THE FUNDS OF THE CHARITY (GROUP & COMPANY) (CON'T)**RESTRICTED FUNDS: LONG-TERM FUNDS:**

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

NT FUTURE FUND

This fund was created to support a major refurbishment of the National Theatre, completed in 2016 (excluding funds from ACE). £1.6m was received in the year as grants and donations for the NT Future project. Expenditure was £3.5m and represents depreciation on NT Future assets and direct costs expensed in the year.

ACE NT FUTURE FUND

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

ACE LOTTERY FUND

The expenditure in the year represents depreciation on assets acquired through this fund.

STUDIO REFURBISHMENT FUND

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

DRUM REVOLVE FUND

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

STAGING TECHNOLOGY FUND

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

EXPENDABLE ENDOWMENT

The funds represents the charity's investment of £200,000 in a 20 year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)

	As at 1 April 2018				As at 28 March 2017			
	Tangible fixed assets £m	Cash £m	Other net assets / (liabilities) £m	Total net assets £m	Tangible fixed assets £m	Cash £m	Other net assets / (liabilities) £m	Total net assets £m
UNRESTRICTED:								
Operations fund *	-	12.8	(1.1)	11.7	-	13.8	(2.3)	11.5
Unrestricted designated:								
NT Future	6.5	0.9	-	7.4	6.9	1.4	-	8.3
Touring	-	1.3	-	1.3	-	1.3	-	1.3
Building & Equipment Fund	7.2	6.9	-	14.1	5.5	6.7	-	12.2
Security	0.2	0.7	-	0.9	-	0.5	-	0.5
Programme Development Fund	-	0.4	-	0.4	-	0.4	-	0.4
TOTAL unrestricted designated funds	13.9	10.2	-	24.1	12.4	10.3	-	22.7
TOTAL unrestricted funds	13.9	23.0	(1.1)	35.8	12.4	24.1	(2.3)	34.2
RESTRICTED: Project funds								
NT Performance	-	0.1	-	0.1	-	0.3	-	0.3
NT Live & Digital	-	-	-	-	-	-	-	-
NT Learning & Public Engagement	-	0.1	-	0.1	-	0.1	-	0.1
TOTAL project funds	-	0.2	-	0.2	-	0.4	-	0.4
RESTRICTED: Long term funds								
NT Future Fund	31.8	0.6	1.3	33.7	34.2	0.7	1.1	36.0
ACE NT Future Fund	16.4	-	-	16.4	17.5	-	-	17.5
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
NT Drum Revolve	0.1	0.2	-	0.3	-	0.2	-	0.2
NT Staging Technology	0.8	0.1	-	0.9	0.3	0.6	-	0.9
Studio Refurbishment Fund	4.5	-	-	4.5	4.6	-	-	4.6
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
TOTAL long term funds	54.5	0.9	1.5	56.9	57.5	1.5	1.3	60.3
TOTAL restricted funds	54.5	1.1	1.5	57.1	57.5	1.9	1.3	60.7
TOTAL Group funds	68.4	24.1	0.4	92.9	69.9	26.0	(1.0)	94.9

20 CAPITAL COMMITMENTS (GROUP & COMPANY)

	2018	2017
	£m	£m
Commitments:		
Drum Revolve Works	0.3	-
Front of House Security Upgrades	0.4	-
Lyttelton Dimming Lights	0.2	0.2
Oliver Houselights upgrade to LED	0.2	-
Oliver Moving Wash Lights	0.2	-
The Deck II: Construction	0.4	-
The Deck II: Fit out, Fixture and Fittings	0.2	-
NT Future Project	0.1	0.1
Other commitments (<100k)	0.7	0.7
Approved and contracted	2.7	1.0

The amount payable within one year is £2.7m (2017: £1.0m).

21 OPERATING LEASE COMMITMENTS (GROUP & COMPANY)

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

	Group 2018	Company 2018	Group 2017	Company 2017
	£m	£m	£m	£m
Within one year	1.1	0.8	1.2	0.4
In two to five years	1.0	0.3	1.3	0.5
	2.1	1.1	2.5	0.9

22 CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation has objects related to those of the National and makes grants to the NT from time to time. The foundation has 11 trustees, two of whom have a direct connection to the NT.

The National Theatre entered into a joint arrangement in March 2012 to create a new Education endowment fund within the Royal National Theatre Foundation to further the NT's national remit in terms of education. A legacy campaign has been launched by the NT and all unrestricted legacies directed to the NT will in future go to the Royal National Theatre Foundation. It has been agreed with the Foundation that this arrangement should be simplified and made more flexible in terms of the operation and accessibility of the endowment fund; and extended so as to enable donors to indicate that their legacies be specifically directed to a broader range of NT activities and needs (premises, new work, productions in general, as well as learning) or to NT's general purposes. Pending utilisation of the funds so directed, the donations will be held in appropriately named sub-funds of the endowment fund.

During the year, the NT received legacy income of £704k (2017: £116k) which was paid to the Royal National Theatre Foundation.

The Foundation has pledged a sum of £250k per year for three years beginning FY16/17 towards the development of work in the New Work Department. The Foundation made bursaries totalling £70k during the year to support a designer under the Max Rayne Award, and a director under the Peter Hall Award. The Foundation made benevolent grants to members and former members of the staff and company.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of the Royal National Theatre is an independent s.501c3 not-for-profit charity registered in New York. In the year, \$2.5m (2017: \$3.5m) was due to the NT.

22 CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CON'T)

OTHER RELATED PARTY TRANSACTIONS

During the year, Trustees donated a total amount of £433k (2017: £486k) and the Senior Management Team donated a total amount of £1k (2017: £1k).

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

See Note 23 for details of transactions with subsidiaries.

The Royal National Theatre (RNT) is owed by Royal National Theatre Enterprise Limited (RNTE) a net balance of £1,408k (2017: £481k). This represents the balance of operational transactions between RNT & RNTE, including a charge for Prop/Costume Hire £343k (2017: £324k) and catering provided for Events £96k (2017: £153k). This is offset by the RNTE Management Fee £1,741k (2017: £1,977k) and the Gift Aid of profit £1,704k (2017: £2,151k) to its parent company.

The Royal National Theatre (RNT) is owed by the National Productions Limited (NTPL) a net balance of £2,537k (2017: £1,886k). This represents the balance of operational transactions, the NTPL Management Fee £127k (2017: £385k) and the Gift Aid of profit £239k (2017: £295k) to its parent company.

The Royal National Theatre (RNT) is owed by the Royal National Theatre Live Limited (NTLL) a net balance of £185k (2017: £28k). This represents the balance of the Commissioning Fee payable by RNT of £5,063k (2017: £2,393k) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by National Theatre Staging (NTS) £6,923k (2017: £3,092k). This represents the balance of the Commissioning Fee of £36,339k payable by RNT (2017: £21,273k), offset by operational transactions payable by NTS for 17/18 and the tax credit outstanding for 16/17. The balance owing to RNT will be settled once the tax credit claim is received. 16/17's tax credit was received April 2018.

The Royal National Theatre (RNT) is owed by National Theatre North America (NTA) £1,084k (2017: £717k). This represents the balance of operational transactions payable by NTA and the NTA Management Fee £70k (2017: £62k) and the distribution of profit of £137k (2017: £235k).

23 SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent company. As at 1 April 2018, The National had an interest in the following subsidiary undertakings and related undertakings:

(c) 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 Enterprise 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 Share	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 Share	100%	Yes (Line-by-line)
National Theatre North America LLC	US	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 Live Limited (NTLL) was incorporated on the 14 April 2015 and is 100% owned by the National Theatre.

23 SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)

(d) JOINT ARRANGEMENTS & GENERAL PARTNERSHIPS

Organisation Name	Country of Incorporation	Registered Office / Principal Place of Business	Nature of Business	Class of share capital held	Issued Share Capital	Parent company interest	Consolidation Method
Curious Incident National Tour LP*	US	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	100% (Indirect holding)	Yes (Line-by-line)
Curious Incident Broadway LP*	US	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	50% (Indirect holding)	Yes (Line-by-line)
The Great Work Begins LP*	US	230 West 41 st Street Suite 1703 New York New York 10036	Commercial exploitation of productions	N/A	N/A	75% (Indirect holding)	Yes (Line-by-line)

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

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

23 SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)

The financial results for the year were:

Company Number:	Royal National Theatre Enterprises Limited (01247285)		National Theatre Productions Limited (01817002)		National Theatre Staging Limited (07884772)		National Theatre Live Limited (09541676)		National Theatre North America LLC N/A		Curious Incident Broadway LP N/A		Curious Incident National Tour LP N/A		The Great Works Begins LP N/A	
	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m	2018 £m	2017 £m
Other trading activities:																
Income	15.5	16.1	1.5	3.1	36.3	21.3	5.1	2.4	0.7	0.0	0.2	7.4	7.4	8.6	2.7	-
Expenditure	(13.8)	(13.9)	(1.3)	(2.9)	(40.4)	(23.1)	(5.9)	(2.8)	(0.6)	(0.2)	(0.2)	(7.0)	(7.0)	(8.2)	(2.7)	-
Net Surplus/(Deficit)	1.7	2.2	0.2	0.2	(4.1)	(1.8)	(0.8)	(0.4)	0.1	(0.2)	-	0.4	0.4	0.4	-	-
Gift Aid/Profit distribution due to parent company	(1.7)	(2.2)	(0.2)	(0.2)	-	-	-	-	(0.1)	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	3.8	3.1	0.8	0.4	-	-	-	-	-	-	-	-
Retain in the subsidiary	-	-	-	-	(0.3)	1.3	-	-	-	-	-	0.4	0.4	0.4	-	-
Assets	2.3	1.3	3.0	2.0	9.3	5.8	0.9	0.8	0.2	0.1	0.2	0.9	0.2	1.5	0.9	-
(Liabilities)	(2.3)	(1.3)	(3.0)	(2.0)	(6.9)	(3.1)	(0.9)	(0.8)	(0.2)	(0.0)	(0.2)	(0.1)	(0.2)	(1.0)	(0.9)	-
Net Assets/(Liabilities)	-	-	-	-	2.4	2.7	-	-	-	0.1	-	0.8	-	0.5	-	-

23 SUBSIDIARIES & RELATED UNDERTAKINGS (CON'T)

*Included in cost of trading operations are administration expenses charged by the National Theatre as follows:

	Basis	Payments to the National Theatre	
		2018 (£m)	2017 (£m)
Royal National Theatre Enterprises Limited	Turnover (14%)	1.7	2.0
National Theatre Productions Limited	Turnover (1%)	0.1	0.4
National Theatre North America LLC	Turnover (1%)	0.1	0.1
		1.9	2.5

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

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

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

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

ACKNOWLEDGEMENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE YEAR 27 MARCH 2017 – 1 APRIL 2018

Royal National Theatre Board

Sir Damon Buffini (Chair)
 Kate Mosse OBE (Deputy Chair)
 Peter Bennett-Jones (*resigned 1 June 2018*)
 Dame Ursula Brennan DCB
 Sir Lenny Henry
 Elizabeth Offord
 Alan Rusbridger
 Simon Warshaw
 Sabine Chalmers (appointed 24 May 2017)
 Tim Score (appointed 31 July 2017)
 Vikki Heywood CBE (appointed 31 July 2017)

Glenn Earle (*Resigned 31 July 2017*)
 Ros Haigh (*Resigned 31 July 2017*)
 Dominic Casserley (*Resigned 31 July 2017*)
 Clive Sherling (*Resigned 24 November 2017*)

Finance & Audit Committee

Dame Ursula Brennan (Chair)
 Damon Buffini
 Tim Score (appointed 31 July 2017)
 Clive Sherling (*resigned 24 November 2017*)
 Ros Haigh (*resigned 31 July 2017*)

Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)
 Alex Bayley
 Lisa Burger
 Liz Fosbury
 Huw Gott
 John Langley
 Robyn Lines
 Geoffrey Matthews

Ros Haigh (Chair) (*Resigned 31 July 2017*)

National Theatre Productions Limited Board

Peter Bennett-Jones (Chair) (*resigned 1 June 2018*)
 Kash Bennett
 Lisa Burger
 Tim Score (appointed 31 July 2017)
 Liz Fosbury
 André Ptaszynski
 Vikki Heywood CBE (appointed 31 July 2017)

Nominations Committee

Elizabeth Offord (Chair)
 Damon Buffini
 Peter Bennett-Jones (*resigned 1 June 2018*)
 Sir Lenny Henry
 Kate Mosse
 Alan Rusbridger

National Theatre Staging Limited Board

Peter Bennett-Jones (Chair) (*resigned 1 June 2018*)
 Lisa Burger
 Liz Fosbury
 Peter Taylor
 Vikki Heywood CBE (appointed 1 June 2018)

National Theatre Live Limited Board

Peter Bennett-Jones (Chair) (*resigned 1 June 2018*)
 Lisa Burger
 Liz Fosbury
 Peter Taylor
 Vikki Heywood CBE (appointed 1 June 2018)

National Theatre North America LLC

Peter Bennett-Jones (Chair) (*resigned 1 June 2018*)
 Lisa Burger
 Liz Fosbury
 Peter Taylor
 Vikki Heywood CBE (appointed 1 June 2018)

ACKNOWLEDGEMENTS

Development Board

Elizabeth Offord (Chair)
 Graham Barker
 Kamini Banga
 Jane Biran
 Alan Bookbinder
 Damon Buffini
 Camilla Cazalet
 Louise Charlton
 Robin Geffen
 Kate Groes
 Caroline Hoare
 Madeleine Hodgkin
 Jonathan Lenson
 Gary von Lehmden
 George Marcotte
 Rafael Marquez
 Sheryl Needham
 Sinead Ni Mhuircheartaigh
 John Owen
 Elizabeth Rantzen
 Ollie Rickman
 Maria Sebastian
 Phil Smith
 Charlotte Warshaw
 Simon Warshaw
 Alex Wilmot-Sitwell
 Jacqueline Worswick

Executive

Director Rufus Norris
 Executive Director Lisa Burger

Bankers

Coutts & Co
 440 Strand, London WC2R 0QS

Independent Auditors

PricewaterhouseCoopers LLP
 1 Embankment Place
 London WC2N 6RH

The Annual Report is available to download
 at www.nationaltheatre.org.uk/annualreport
 If you would like to receive it in large print, or you are
 visually impaired and would like a member of staff to talk
 through the publication with you, please contact the
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Registered charity number 224223.

Registered in England.