



# **The Royal National Theatre**

**Annual Report  
2022/2023**

# CONTENTS

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Trustees' Report	
• Introduction	<u>3</u>
• Who We Are and What We Do	<u>5</u>
• Strategic Report	<u>7</u>
• Governance	<u>43</u>
Independent Auditors' Report	<u>49</u>
Financial Statements	<u>53</u>
Notes to the Financial Statements	<u>56</u>
Acknowledgements	<u>97</u>

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

## INTRODUCTION

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The Trustees have pleasure in presenting the Trustee's Report and the Strategic Report included within it for the 52 week period ended 26 March 2023 (2022/2023).

### THE YEAR IN SUMMARY

In 2022/2023, the National Theatre emerged from the disruption of Covid to deliver on its mission to entertain and inspire.

- Over 22 million people engaged with our work in-person and digitally.
- Our three theatres on the South Bank were 84 per cent full.
- We produced 25 plays and musicals that were staged everywhere, from the South Bank to schools in Wolverhampton and theatres in the West End.
- The National Theatre Live cinema broadcast of the Olivier and Tony Award-winning *Prima Facie* became the highest grossing UK event cinema release of all time.
- *The Lehman Trilogy* won five Tony Awards on Broadway.
- The National Theatre Collection, our schools streaming service, is being used by schools from every local authority in the UK, and in 85 per cent of state secondary schools.
- Theatre Nation Partnerships, our collaborative national network helping arts organisations to strengthen their relationships with local audiences, schools and communities, expanded to include five new partners and is now working in 13 priority areas across the country.
- We ran creative learning activity directly in schools across the UK, of which 73 per cent were outside of London.
- Our Public Acts programme staged *The Doncastrian Chalk Circle* with Cast in Doncaster, featuring over 100 local performers.
- We launched a new five-year strategy with renewed Purpose, Mission, Vision, Values and key objectives.

# INTRODUCTION

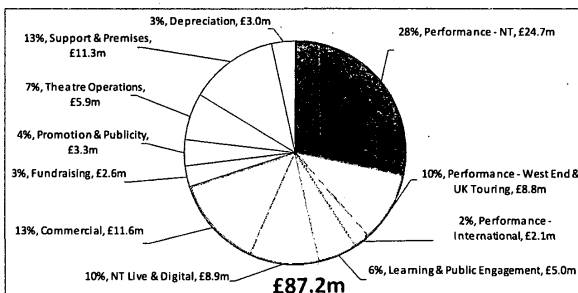
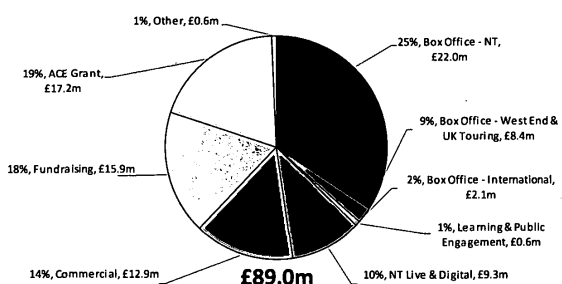
## FINANCIAL SUMMARY

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

### INCOME

2022-2023

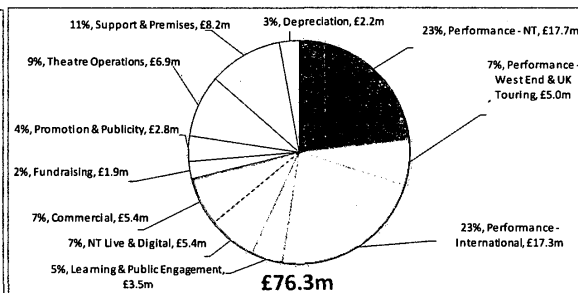
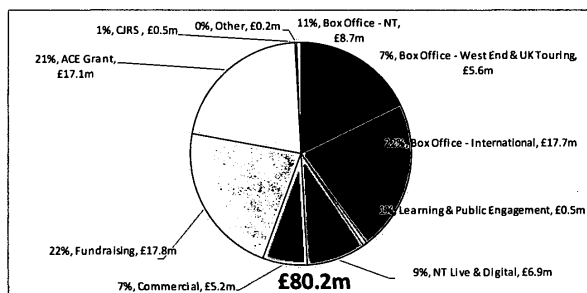
### EXPENDITURE



### INCOME

2021-2022

### EXPENDITURE



## WHO WE ARE AND WHAT WE DO

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**National  
Theatre**

### CHAIR'S STATEMENT

Reflecting on 2022/2023, it is clear that this was yet another year of change and reinvention for the National Theatre. Emerging from an unprecedented 15 months of intermittent closure and disruption brought about by the Covid pandemic, the organisation made huge strides to move beyond that turbulence, rebuild its audiences, and further its impact.

It was a year in which the National Theatre reasserted its core mission: to entertain and inspire using its creativity, expertise and unique reach. That promise was plain to see on stage in a wide variety of dynamic and resonant productions – from the searing new staging of *The Crucible* to Francesca Martinez's extraordinary *All of Us* – with thousands of freelance theatre-makers working at the top of their game on dozens of projects. It was also evident in the scale and breadth of the National Theatre's audience: the South Bank theatres steadily refilled over the course of the year, tours and transfers geared up, people in over 170 countries experienced productions in cinemas or at home, and over 5,000 UK schools and education institutions accessed work digitally.

Around the country, the National Theatre worked not only with breadth, but in depth. The Theatre Nation Partnerships network of theatres and community organisations grew to connect 13 priority areas and Speak Up, a major new multi-year creative programme for young people, was launched. The National Theatre is on the ground in all 48 counties in England, and 71 Levelling Up for Culture areas.

All of this is not to say that the road to post-Covid recovery has been smooth. Indeed, significant challenges remain. Hard work lies ahead to reach a balanced, future-facing business model, particularly in light of a reduction in funding from Arts Council England (ACE) and acute inflationary pressures. The National Theatre's Grade II\* listed building, which welcomes thousands of audience members every day and employs hundreds of people in specialist creative roles, is also in urgent need of major investment over the next decade.

In parallel, the National Theatre is also committed to achieving environmental sustainability and is working to dramatically reduce its own carbon footprint this decade.

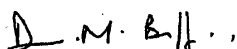
Strong leadership has always been instrumental to the National Theatre's success. Earlier this year, Rufus Norris announced that he will be stepping down as Director and CEO of the National Theatre in Spring 2025. Rufus' legacy is immense. He has led the National Theatre with extraordinary skill, foresight and resilience during a decade of huge change and uncertainty in the UK and globally. The National Theatre's artistic programme, as shaped by Rufus, has been exceptional in quality, prescience and popular appeal, reaching bigger audiences than at any time in the theatre's history.

## WHO WE ARE AND WHAT WE DO

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Since her appointment as Executive Director in Spring 2022, Kate Varah has worked closely and dynamically with Rufus and the Board. With recruitment for the role of Director underway, it is hugely heartening to see the organisation looking forward with clarity and ambition.

I would like to thank everyone at the National Theatre who has worked incredibly hard over the past year. At the 2023 Olivier Awards, the National Theatre was nominated for 16 awards, and this would not have been possible without the exceptional work of those both on and off stage. As we progress through the next year with our renewed vision, we have a clear set of objectives and a plan of action to fulfil our mission. I have no doubt that the National Theatre will continue to be a thriving hub of creativity, imagination and innovation both for the nation and for the world.



**Sir Damon Buffini**  
Chair, The Royal National Theatre

Date: 21 November 2023

# STRATEGIC REPORT

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**National  
Theatre**

## ENTERTAIN AND INSPIRE: OUR STRATEGY

### INTRODUCTION

'Entertain and Inspire', our new five-year strategy for 2023–2027, was produced in the wake of significant disruption for the National Theatre, including 15 months of closure due to the pandemic. In the year that our organisation turns 60, our new strategy is an ambitious response to the opportunities and challenges of the social, cultural and economic factors affecting the theatre industry and the country.

### FINANCIAL CONTEXT

The National Theatre relies on box office income, government subsidy and the generosity of supporters to break even each year. As we emerged from the pandemic, there were some significant challenges, particularly to box office income, with late and unpredictable booking patterns leading to greater reliance on strong reviews and well-known performers and plays. There is increasing competition for share of interest and share of wallet – especially in the context of the cost-of-living crisis. The preference for working from home is also resulting in lower footfall on the South Bank and in the West End. The cumulative effect saw a reduction to our box office income and associated audience secondary spend, by circa ten per cent. Most significantly, our entire cost base has been impacted by the significant rise to inflation, in particular to energy prices and materials, whilst the majority of our income streams have declined in real terms, placing significant pressure on our business model. In 2022/23 these financial challenges were offset by the crucial extension of the higher rate of Theatre Tax Relief, improving our financial position by £7.6m this year. The higher rate, originally expected to return to lower, pre-pandemic levels from April 2023, has been extended for the next two years until April 2025.

Looking forward, repayments on the Cultural Recovery Fund (CRF) loan, now totalling £20.5m with accrued interest, will commence in March 2025, with the first repayment of £750k and annual repayments of £1.5m thereafter. This significant financial challenge is compounded by the urgent need for major capital investment in our buildings' infrastructure. In this stretched environment, and despite sector-leading fundraising performance, the National Theatre finds itself doing more with less and, as we emerge from this unprecedented period, the financial sustainability of the National Theatre is one of our key considerations.

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

# STRATEGIC REPORT

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**National  
Theatre**

## RE-POSITIONING

We have renewed our Purpose, Vision and Mission, and set four clear objectives for the next five years. These objectives describe the positive impacts we are striving to achieve for audiences, artists and participants. We only began this shift in our strategy during the 2022/23 financial year and will further embed new ways of working from 2023/24 onwards.

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

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

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

## OUR FOUR KEY OBJECTIVES

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

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

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

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

## WHO WE WILL DO IT FOR

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

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



# STRATEGIC REPORT

**National  
Theatre**

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

## HOW WE WILL DO IT

Every team at the National Theatre, members of our freelance community, our Board and key supporters have contributed to shaping the new strategy.

The objectives set out in our strategy form the framework for how our programme will shift in response to the unprecedented need and the context in which we are operating. Set out in our 2023/24 Business Plan are the commitments that will help us to achieve our objectives. We are working collaboratively to develop and implement fresh innovations that optimise our model for the long term by capitalising on opportunities to grow income and by working more efficiently.

Principles of quality, sustainability, dynamism, inclusivity and nationwide partnerships, in line with ACE's Investment Principles, underpin this work and the outcomes complement those of the Let's Create Strategy: Creative People, Cultural Communities and a Creative and Cultural Country.

Our aim is that this strategy will see us delivering a sustainable financial model that breaks even as a minimum by 2026.

## **Achievements against our objectives**

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

### Our theatres on the South Bank

We presented 17 productions on the South Bank in 2022/23. With our theatres 84 per cent full, we are pleased that our audience numbers showed strong progression towards pre-pandemic levels.

World-class theatre-makers breathed new life into classics, with landmark productions of *Othello*, *The Crucible*, *Blues for an Alabama Sky*, *The Corn is Green* and *Much Ado About Nothing*. Simon Stone transformed the ancient story of *Phaedra*, *Hex* showed us the darker side of *Sleeping Beauty*, and Richard Bean and Oliver Chris transported *The Rivals* to World War II for *Jack Absolute Flies Again*. There were new plays from Gary Owen, April De Angelis, David Eldridge and Francesca Martinez. Stories are at the heart of what we do, and our stages reflected the wider world

## STRATEGIC REPORT

**National  
Theatre**

– from the fight for India's independence in Anupama Chandrasekhar's epic *The Father and the Assassin*, to 60 years of an iconic Sheffield housing estate in the Olivier Award-winning *Standing at the Sky's Edge*.

Our audience measurements continued to show strong engagement across audience groups, from those experiencing with our work for the first time to those who engage on a regular basis. Our post-show surveys showed that over 90 per cent of first-time visitors thought the production they had seen was either excellent or very good.

We were thrilled to bring back the River Stage for the first time since the pandemic. Our free outdoor summer festival featured five weekends of live music, dance, performance and workshops with takeovers by The Glory, Hackney Empire's Young Producers, Hofesh Shechter Company and HOME Manchester. With over 52,000 audience members attending over the course of the month, the River Stage is London's largest free outdoor arts festival.

### **Sharing work beyond the South Bank**

In 2022/23, productions of *The Lehman Trilogy*, *The Ocean at the End of the Lane*, *Wuthering Heights*, *The Curious Incident of the Dog in the Night-Time*, *Sucker Punch*, *Hamlet* and *Shut Up, I'm Dreaming* delighted audiences everywhere from Leicester to Los Angeles.

*The Lehman Trilogy* was the most nominated play at the 2022 Tony Awards, winning five awards: Best Play, Best Performance by a Leading Actor in a Play for Simon Russell Beale, Best Direction of a Play for Sam Mendes, Best Scenic Design of a Play for Es Devlin, and Best Lighting Design of a Play for Jon Clark. The production played at the Ahmanson Theatre in LA before returning to London for a run at the West End's Gillian Lynne Theatre.

Our Olivier Award-nominated adaptation of Neil Gaiman's *The Ocean at the End of the Lane* began a 29-venue tour in December 2022. We anticipate that the tour will be seen by 250,000 people over 40 weeks, before heading back to London for another run in the West End.

*Wuthering Heights*, a co-production with Wise Children, embarked on a UK tour after its run in the Lyttelton theatre, visiting Truro, Norwich, Nottingham, Salford, Brighton and Edinburgh. The production then delighted audiences in New York, California and Chicago.

*The Curious Incident of the Dog in the Night-Time* completed its tenth anniversary national tour with performances in Birmingham, Glasgow, Leeds, Truro, Dublin, Norwich, Dartford and High Wycombe. The tour was seen by nearly 175,000 people, and *The Curious Incident of the Dog in the Night-Time* has now been seen by 3.7million people since it had its premiere on the South Bank in 2012.

# STRATEGIC REPORT

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**National  
Theatre**

## Theatre Nation Partnerships

Theatre Nation Partnerships (TNP) is our collaborative network of arts organisations aiming to strengthen their relationships with local audiences, schools and communities. Convened by the National Theatre, it is a national network with local impacts.

In 2022/23, funding from ACE allowed us to expand and extend TNP, with the inclusion of five new partners: Curve in Leicester, Landmark Theatres in North Devon and Peterborough, Restoke in Stoke-on-Trent, Regent Theatre & Victoria Hall in Stoke-on-Trent and Trowbridge Town Hall. They joined our founding partners: Cast in Doncaster, The Lowry in Salford, Queen's Theatre Hornchurch, Sunderland Empire and Sunderland Culture, Theatre Royal Wakefield and Wolverhampton Grand Theatre.

We worked with our TNP partners on touring productions, community engagement, in-depth school programmes, digital platforms and audience development schemes. In 2022/23, we supported a production of *Sucker Punch* by Roy Williams, produced by Queen's Theatre Hornchurch, that toured to nine TNP venues – we are pleased that 93 per cent of audiences rated the production as excellent or good, with 62 per cent telling us they were more likely to see a show at their local venue after seeing the production.

## Generate

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

This year, once again, a third of our New Work Department research and development workshops were devoted to supporting theatres and companies from outside of London through our Generate programme, including Leeds Playhouse, Eastern Angles in Ipswich and The Lyric in Belfast.

## National Theatre Live, National Theatre at Home and the National Theatre Collection

We broadcast 11 productions to cinemas in 65 countries via National Theatre Live, which were seen by nearly 720,000 people across 19,000 screenings. As well as productions from our stages, we broadcast work from other theatres, including *Straight Line Crazy* from the Bridge Theatre, *Henry V* from the Donmar, and *The Seagull* directed by Jamie Lloyd. Our broadcast of *Prima Facie*, which featured Jodie Comer in her award-winning West End debut, became the biggest-selling UK event cinema release of all time. It is the second time a National Theatre Live broadcast has broken this record, the first with Pheobe Waller-Bridge's *Fleabag* in 2019.

## STRATEGIC REPORT

**National  
Theatre**

A further 26 titles were added to our streaming platform National Theatre at Home in 2022/23, taking the total number of productions available to 70. They included *The Wife of Willesden* from Kiln Theatre, which was the first time we have captured a production specifically for National Theatre at Home from another theatre. People from more than 170 countries streamed a production via National Theatre at Home this year. All productions are available with captions, 70 per cent have audio-description, and we piloted British Sign Language provision.

The National Theatre Collection, our free platform that provides schools and Further Education colleges with access to high-quality recordings of productions and supplementary learning materials, is now being used by schools from every local authority in the UK and in 85 per cent of state secondary schools. We continued our partnership with the New York City Department of Education to bring the Collection to 30,000 of the most economically and culturally underserved students from 180 schools across the city's five boroughs. We will be expanding the Collection with 20 new productions, providing access to a selection of plays for free in UK public libraries, and adding more productions to our bespoke Collection for primary schools, in partnership with the Unicorn Theatre.

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

In 2022/23, we reached 42,000 children and young people nationwide. We trained over 1,200 teachers and youth leaders, working directly with 718 schools, of which 73 per cent were outside of London. As well as established programmes, including our nationwide youth theatre festival Connections and our playwriting programme New Views, we were thrilled that our community participation programme Public Acts produced its first full-scale, post-pandemic production, and that we were able to expand our Speak Up programme for secondary schools after its successful pilot year. We trained eight apprentices in backstage specialisms and helped nearly 1,000 young people gain skills in theatre-making disciplines, including lighting, sound, performing, writing and producing.

#### **Connections**

Connections is our annual, nationwide youth theatre festival. Over 8,500 young people and 350 teachers and group leaders from more than 250 schools and youth groups across the UK and Ireland took part this year. We worked with 35 venues to produce regional festivals that featured performances from all of the Connections groups, ten of which were selected to perform at our week-long Connections festival in the Dorfman theatre in the summer.

# STRATEGIC REPORT

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**National  
Theatre**

## New Views

New Views is our annual in-school playwriting programme and competition for students aged 14 to 19. Over 1,500 secondary students from more than 100 schools across the country took part in 2022/23, and we received 434 submissions, of which nine were shortlisted. The winning play was *Barrier(s)* by Eloise Pennycott – it platformed d/Deaf communities, incorporating both British Sign Language and captioning, and had three performances in the Dorfman theatre that were seen by more than 700 people.

## Speak Up

Speak Up is our new secondary school programme. It gives young people the opportunity to explore issues that matter to them as they work with local artists to produce creative work in any form that they choose. The programme expanded after its successful pilot year in 2021/22, reaching over 6,700 young people in nearly 50 schools in our TNP areas. As part of Speak Up, we appointed a youth council – the first youth council ever affiliated with the National Theatre – which gives the young people involved in the programme a chance to help shape its future.

## Touring to schools

In 2022/23, nearly 16,000 students saw a National Theatre performance in their school or one local to them.

For the primary schools tour, we revived our 65-minute version of *Hamlet*, reimaged for young audiences by Jude Christian. The production – which also played in the Dorfman theatre – reached over 7,500 young people from more than 100 schools, 72 per cent of which were in the Government's priority education investment areas.

For the secondary schools tour, we worked with theatre company The PappyShow and teenagers across the country to devise a new piece of theatre that was based on the views, ideas and experiences of young people. *Shut Up, I'm Dreaming* dealt with themes of aspiration, identity at home and school, belonging and grief, and the tour reached over 8,000 students from 50 schools across TNP areas.

## Public Acts

In 2022/23, Public Acts returned to a full-scale production with the delayed premiere of *The Doncastrian Chalk Circle*, written by Chris Bush and directed by James Blakey. We worked with over 700 participants from 34 community and arts organisations in Doncaster, and *The Doncastrian Chalk Circle*, performed at Cast in Doncaster over the August bank holiday, featured 100 of them together with local performance groups such as All That Jazz School of Dance and Acro, Carlton Main Frickley Colliery Band and Sheffield Philharmonic Chorus.

# STRATEGIC REPORT

**National  
Theatre**

## Apprenticeships and training programmes

Our on-site workshops create the majority of our productions' sets, costumes and props, and they provide unique opportunities for training. In 2022/23, eight apprentices trained in backstage roles including props, scenic metalwork and technical theatre.

We trained over 1,000 under-21-year-olds across a range of theatre-making disciplines, including technical theatre, backstage roles, performing, writing, producing and devising.

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

### Making theatre sustainably

In June, we hosted our Making Theatre Green conference, which was attended by nearly 1,000 people and brought together partners from around the world to share strategies and encourage productive conversations. Our next sustainability-focused conference, Making Theatre in a Time of Climate Crisis, will be the largest ever meeting of theatre directors and artistic directors from across the British Isles.

We are committed to developing a pathway that will see the National Theatre achieve net zero by 2030. Using the Theatre Green Book as a framework, we are transforming our practice across three areas – productions, operations and buildings.

### Productions

In 2022/23, we continued to encourage all artists, together with our production teams, to work to the Theatre Green Book baseline standard of ensuring that 50 per cent of all sets, costumes and props used in productions come from reused or recycled sources, and that 65 per cent then go on to future lives.

*Middle*, *Othello* and *The Father and the Assassin* all successfully achieved Theatre Green Book baseline standards, which gave us confidence that doing so is realistic without compromising on production values. We are working with TNP venues who have all committed to applying Theatre Green Book standards and are meeting regularly to share skills, training opportunities, and offer peer-to-peer support to achieve our shared sustainability goals.

We will continue to set up infrastructure that will help us accomplish our transition to net zero, including a new storage premises in central London that will house all our sets, props and costumes under one roof.

# STRATEGIC REPORT

## Operations

In 2022/23 we created a new Board Environmental Champion role that was taken on by designer Vicki Mortimer. Vicki Mortimer works closely with the Environmental Steering Group and provides direct Board oversight on how we are working towards our 2030 target.

To enable all staff and teams to embed sustainability in their operations, we have begun Carbon Literacy Training, and we continued to work with external partners, community groups and peers to share our experience and learn from others throughout 2022/23.

## Buildings

In 2016, we set energy carbon reduction targets for the five-year period to 2021/22. Due to the interruption of the pandemic, we extended the target period by one year to 2022/23. We have exceeded all of the targets that were set:

	2016/17 Baseline	2022/23 Actual	% Reduction
Energy and Water	3859 tonnes	2086 tonnes	46%
Waste tonnage (non-production)	546 tonnes	458 tonnes	16%

## **Streamlined Energy and Carbon Reporting (SECR)**

During 2022/23, we took a number of actions to reduce the use of gas and electricity in our South Bank building. These included:

- Reducing the building's energy demands through careful monitoring of the building management system.
- Turning off air handling units serving our larger spaces for two hours a day.
- Reducing temperatures in some areas by two degrees.

For the last five years, we have ensured that we use zero-carbon electricity by purchasing our electricity through the Renewable Energy Guarantee of Origin (REGO) certification scheme, which is limited to wind, solar and hydro sources.

In accordance with the requirements of the SECR guidelines introduced by the 2018 SECR Regulations, we are required to disclose the following energy and carbon information for 2022/23:

## STRATEGIC REPORT

<b>Scope 1:</b> Emissions from combustion of Gas tCO <sub>2</sub> e:	
	2023: 1,135 tCO <sub>2</sub> e (Energy consumption: Gas 6,217,890 Kwh)
	2022: 1,267 tCO <sub>2</sub> e (Energy consumption: Gas 6,915,929 Kwh)
<b>Methodology:</b> tCO <sub>2</sub> e calculated from the product of the invoiced gas consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Natural Gas'	
<b>Scope 2:</b> Emissions from purchased electricity tCO <sub>2</sub> e:	
	2023: 1,036 tCO <sub>2</sub> e (Energy consumption: Electricity 4,909,225 Kwh)
	2022: 999 tCO <sub>2</sub> e (Energy consumption: Electricity 4,322,865 Kwh)
<b>Methodology:</b> tCO <sub>2</sub> e calculated from the product of the above stated electricity consumption in kWh during the reporting period and the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for 'Electricity Generated/Electricity: UK'	
<b>Scope 3:</b> Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing for fuel tCO <sub>2</sub> e :	
	2023: 1.8 tCO <sub>2</sub> e
	2022: 1.93811 tCO <sub>2</sub> e
<b>Methodology:</b> tCO <sub>2</sub> e calculated from the total mileage expenses claimed during the reporting period multiplied by the 2019 UK Government GHG Conversion Factors for Company Reporting (version 1.3) for an Average Car and Unknown fuel type	
<b>Intensity Ratio:</b> tCO <sub>2</sub> e gross figure based from mandatory fields (tCO <sub>2</sub> e/m <sup>2</sup> ):	
	2023: 0.036 TCO <sub>2</sub> e/m <sup>2</sup>
	2022: 0.038 TCO <sub>2</sub> e/m <sup>2</sup>
<b>Methodology:</b> The intensity ratio stated above has been calculated as Tonnes of CO <sub>2</sub> e per total square metres of useful floor area	

### Financial sustainability

In 2022/23, income of £89.0m and expenditure of £90.9m generated a negative movement in total group funds of £1.9m.

This movement reflects the incremental return of audiences, with box office income for productions at the South Bank at 84 per cent of that achieved pre-pandemic, and an 11 per cent increase to our support and operating costs impacted by inflationary pressures over the same period. The extension of the higher rate of Theatre Tax Relief offered substantial support amounting to £7.6m in total in 2022/23.

There was a positive movement in unrestricted funds of £0.3m. The unrestricted operational fund is a deficit of £3.7m; this comprises cash and current asset investments of £10.1m, offset by other net liabilities of £13.8m, which includes the long-term loan liability (the CRF loan of £20.5m



## STRATEGIC REPORT

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repayable at annual repayments of circa £1.5m p.a., including interest, over 20 years from 2025).

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

Our ACE core revenue grant, which in 2022/23 was £17m, is critical to support our creative aims. The National Theatre was advised in October 2022 that it would receive a five per cent cut to its annual grant, reducing it to £16.15m p.a in the three year period 2023 to 2026.

The current high rates of inflation and energy costs have had, and we anticipate will continue to have, a significant impact on our cost base. Forty-two per cent of our expenditure relates to people, and we are mindful of the impact of the cost-of-living crisis on our staff and freelancers, and our ability to attract and retain staff and freelancers. Our audiences have not yet returned to pre-pandemic levels, circa 15 per cent down. Audience and consumer confidence is being impacted by the cost-of-living crisis.

### Future financial sustainability

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

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

1. An ongoing annual increased need of circa £6m to maintain our operations at the inflationary increased levels of running the business.
2. The cut to our annual ACE grant of £0.85m with effect from 2023/24.
3. Repayments on the CRF loan of £20.5m commencing in 2025 at £1.5m p.a.

We have some short-term reliefs to support this funding challenge for the next three years:

1. The extension of higher rate of Theatre Tax Relief in the 2023 Spring Budget (lasting two years).
2. The CRF loan not being repayable until 2024/25, and that first year at 50 per cent (£750k not £1.5m).
3. Drawing down on designated funds in the NT Risk and Programme Development Funds of £7.9m.

# STRATEGIC REPORT

**National  
Theatre**

In addition, we have identified income growth and cost saving targets in each of the next three years to achieve our target break-even financial position by 2026/27, by which point these reliefs are scheduled to end or will be spent down. Therefore, our pressing priority is to assess how we can reset our model to achieve these targets.

The five-year Entertain and Inspire strategy and accompanying 2023/24 Business Plan provide a framework for the critical thinking needed to achieve this. Within this Business Plan we have identified 20 commitments for the coming year, a number of which are designed to help test and achieve financial sustainability through income growth or cost saving initiatives. While some commitments will immediately bear fruit, our overall financial position is shaped by many commitments requiring time and budget to be invested in 2023/24 to start delivering benefits in 2024/25 and be in full flight for 2026/27 and beyond.

## Capital need

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

The plan includes:

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

We are in discussions with government and funders around securing transformational funding through a large-scale campaign. We remain confident about our future, but these are very challenging times for us and our sector.

## Our culture

We made significant changes in 2022/23 that positively impacted our sustainable culture. These include organisational structural changes as well as specific projects and initiatives.

## STRATEGIC REPORT

**National  
Theatre**

We created a new Culture department and restructured the existing People department. We appointed a new Director of People and a new Director of Culture who both started in post in November 2022. Since appointment, both Directors have recruited key personnel into their teams to enable them to deliver the ambitious commitments for a sustainable culture laid out in our Entertain and Inspire strategy.

Projects and initiatives in 2022/23 to promote a sustainable culture include the creation of a set of Values, the development of a new Mission, Vision and Purpose, the development of the Entertain and Inspire strategy, and the creation of a 2023/24 Business Plan that will deliver the strategy.

We also formed an Inclusion Working Group, which is made up of 25 people including industry freelancers and staff from across the business, senior leaders and Board members. This working group is intended to be a sense-checker, primarily for the senior leadership team, when implementing new initiatives across the building like policies, training or change of language, all with a focus on diversity and inclusion.

There was also a revitalisation of the Staff Networks at the National Theatre (LGBTQ+, Amplify, Disability, Parents & Carers, Women) and the creation of the 'Everyone is welcome' message for audiences and roll out of staff training and support that accompanies it.

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

To produce the world's best theatre requires us to attract the world's best theatre-makers. Our ambition is to create an inclusive organisation in which all people feel valued, can be themselves and feel that their voices are heard. We are committed to making and sharing stories that reflect the nation and the world we live in. Fundamental to this is the belief that equity, diversity and inclusion makes the art better, leads to innovation, and in so doing expands our reach.

#### **Our values**

Our five Values grew from discussions we had with people from across the organisation, about what our culture looks like at its best and what is important to us. Our Values represent the expectations we have for ourselves and each other and guide our day-to-day decisions.

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

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

# STRATEGIC REPORT

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

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

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

## Diversity targets

To hold ourselves accountable for progress, we have set targets for the people that write, direct and perform in our productions, as well as those that work behind the scenes. We have set these in areas where there has been under-representation or where we want to build on progress made. As part of our Business Plan, we have set up a diversity targets working group to review and optimise our diversity targets and reporting systems.

Targets for ethnic diversity and gender on our stages	2021/22 Actual	2022/23* Actual
20% of on-stage work by living writers will be written or adapted by global majority writers	35%	19%
20% of directors working on the National Theatre's stages will be from the global majority	29%	33%
50% of directors working on the National Theatre's stages will be female	36%	47%
50% of living writers on NT stages will be female	50%	35%
A minimum of 35% of performers will be from the global majority	36%	35%

\*The 2022/23 programme included a number of productions that, due to Covid, had not been performed in their originally planned slots. Our commitment to staging these productions at the earliest opportunity post-Covid disrupted our normal programming process and impacted our diversity statistics.

# STRATEGIC REPORT

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## **PRODUCTIONS PRESENTED IN 2022/23**

### Olivier theatre

- *Small Island*, adapted by Helen Edmundson, based on the novel by Andrea Levy, directed by Rufus Norris.
- *The Father and the Assassin* by Anupama Chandrasekhar, directed by Indhu Rubasingham.
- *Jack Absolute Flies Again* by Richard Bean and Oliver Chris, based on Richard Brinsley Sheridan's *The Rivals*, directed by Emily Burns.
- *The Crucible* by Arthur Miller, directed by Lyndsey Turner.
- *Hex*, book by Tanya Ronder, music by Jim Fortune, lyrics by Rufus Norris, directed by Rufus Norris.
- *Standing at the Sky's Edge*, music and lyrics by Richard Hawley, book by Chris Bush, directed by Robert Hastie. A National Theatre and Sheffield Theatres co-production in association with Various Productions.

### Lyttelton theatre

- *The Corn is Green* by Emlyn Williams, directed by Dominic Cooke.
- *Much Ado About Nothing* by William Shakespeare, directed by Simon Godwin.
- *Blues for an Alabama Sky* by Pearl Cleage, directed by Lynette Linton.
- *Othello* by William Shakespeare, directed by Clint Dyer.
- *Phaedra* by Simon Stone after Euripides, Seneca and Racine, directed by Simon Stone.

### Dorfman theatre

- *Our Generation* by Alecky Blythe, directed by Daniel Evans. A co-production with Chichester Festival Theatre.
- *Middle* by David Eldridge, directed by Polly Findlay.
- *All of Us* by Francesca Martinez, directed by Ian Rickson.
- *The Boy with Two Hearts* by Hamed and Hessam Amiri, adapted for the stage by Phil Porter, directed by Amit Sharma. A Wales Millennium Centre production.
- *Kerry Jackson* by April De Angelis, directed by Indhu Rubasingham.
- *Romeo and Julie* by Gary Owen, directed by Rachel O'Riordan. A co-production with Sherman Theatre.

# STRATEGIC REPORT

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**National  
Theatre**

## Beyond the South Bank

- *Hamlet* by William Shakespeare, reimagined for young audiences by Jude Christian, originally directed by Tinuke Craig, directed by Ellie Hurt.
- *Shut Up, I'm Dreaming* directed by Kane Husbands. Created with The PappyShow.
- *Sucker Punch* by Roy Williams, directed by Nathan Powell. A Theatre Nation Partnerships production, produced by Queen's Theatre Hornchurch.
- *The Curious Incident of the Dog in the Night-Time* based on the novel by Mark Haddon, adapted by Simon Stephens, directed by Marianne Elliott.
- *The Doncastrian Chalk Circle* by Chris Bush, directed by James Blakey.
- *The Lehman Trilogy* by Stefano Massini, adapted by Ben Power, directed by Sam Mendes. A co-production with Neal Street Productions.
- *The Ocean at the End of the Lane* based on the novel by Neil Gaiman, adapted by Joel Horwood, directed by Katy Rudd.
- *Wuthering Heights* based on the novel by Emily Brontë, adapted and directed by Emma Rice. A National Theatre, Wise Children, Bristol Old Vic and York Theatre Royal co-production.

2022/23 saw National Theatre productions nominated for an incredible 16 Olivier Awards, the most of any producer. This was in addition to being nominated for eight Evening Standard Awards, with Lynette Linton winning the Milton Shulman award for best director for *Blues for an Alabama Sky*. *Blues for an Alabama Sky* also won two Critics Circle Awards with Giles Terera winning best actor and Lynette winning best director. The National Theatre Live screenings of *Prima Facie* won Event Cinema Campaign of the year at the Big Screen Awards.

# STRATEGIC REPORT

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**National  
Theatre**

## 2023/24 Objectives

Our areas of focus in 2023/24 are designed to help us achieve the four objectives that we set in our Entertain and Inspire Strategy that covers a five-year period starting in 2023/24, and to commence the work needed to meet the 20 commitments in our Business Plan for 2023/24. They include:

### **Objective one: Innovate to expand our audience**

- To strive for excellence and diversity on our stages, to tell resonant and relevant stories that speak to the nation and to attract greater diversity in our audience.
- Digital audience growth: Expand our National Theatre at Home subscriber base and develop National Theatre digital platforms to be the online home of the 'Best of British theatre'.
- Undertake a strategic review of ticket sales, individual giving, digital and ancillary sales to drive revenue and maximise customer lifetime value.

### **Objective two: Inspire creativity and boost skills**

- Continue to work towards our commitment to ensure that every young person in the country can access their National Theatre by the time they leave school, via live and digital engagements.
- Enable young people and communities across the UK to develop creative and foundational skills through theatre-making and drama, across all theatre-making disciplines.
- Recruit and offer skills training to young people and emerging practitioners and support onward progression in the creative industries, particularly for those under-represented in the industry.

### **Objective three: Be sustainable: economically, environmentally, socially**

- Assess and develop the future life of all our shows to leverage their value, considering each show's commercial, digital and educational potential early in the production process.
- Review our producing model to identify opportunities to be more cost effective whilst not compromising on quality or our sustainability objectives.
- Grow our profile, funding reach and status through building relationships and presenting regular tours and transfers of work internationally.
- Ancillary income drive: Grow Enterprises income by providing an exceptional customer experience on the South Bank and expanding our offer with two new independent high-quality restaurants, a revitalised retail offer and re-imagined tours.

# STRATEGIC REPORT

- Continue to work towards achieving Net Carbon Zero by 2030, delivering to the Theatre Green Book standards in Production, Building and Operations.
- Review and refresh our organisational design, communications, governance, compliance and culture to ensure we have the right people, skills and structures in place to achieve our commitments.

## **Objective four: Attract the best collaborators**

- Transform our estate: plan and start fundraising to support the delivery of our ten-year capital plan.
- Develop a charter which includes new deals for remuneration, welfare and career pathways for freelancers.
- Support a broad range of artists and ideas for stages destined outside London via the Generate programme.

## **Our approach to fundraising**

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful. We have complied with relevant laws and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance, as well as the National Theatre's corporate policies, such as Anti-Bribery. The National Theatre voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. No issues of non-compliance with this code occurred during the year (2021/22: one minor issue).

All our fundraising activity is delivered in-house by our Development team, and we ensure that our fundraising staff are trained in our fundraising policies and procedures, supported with controls to ensure compliance. We do not engage a professional fundraiser or commercial participator. We raise money from a range of sources including corporate partnerships (cash and in-kind), corporate memberships, major gifts, individual memberships, legacies, audience appeals, special events and gifts from trusts and foundations. We operate according to an agreed strategy and report back to the Trustees at regular board meetings. There are processes in place to manage and identify risks to protect the National Theatre's income, assets and reputation. Internal objectives are set by the Development team each year as part of the National Theatre's budgeting process – these funding goals have been largely met in 2022/23.

An internal audit review of fundraising was undertaken in 2018/19 with no substantive control issues raised. No complaints with regard to our fundraising practices were received during the year (2021/22: none).



# STRATEGIC REPORT

---

**National  
Theatre**

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

## **Self-evaluation**

We are committed to rigorously evaluating and assessing the quality and impact of our work. We measure this through surveys, qualitative research and data analysis. We measure audience response to the National Theatre productions and feed this audience insight into the production planning process. We also commission bespoke evaluations into other areas including National Theatre Live, our Learning activity and our membership schemes. The Associates group (a group of 13 freelancers attached to the National Theatre) meets regularly to discuss and objectively assess the strengths and weaknesses of the repertoire, to hold ourselves up to the highest possible standards and to develop a forward-looking creative strategy.

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

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

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

Across the Learning programme we run a rigorous quarterly reporting process which reviews progress against objectives, strengths and challenges and feedback from participants for each strand of activity. In addition, we continued with a number of external research partnerships into the impacts of our programme, working with the Centre for Cultural Value on Speak Up and with Professor Helen Nicholson from Royal Holloway, University of London, and partner universities including Sunderland and Bath Spa on the next phase of Public Acts. The department is developing a Theory of Change approach to shape and measure the impact of its work with young people nationwide.

# STRATEGIC REPORT

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**National  
Theatre**

## Section 172 (1) statement

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

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

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

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

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

Trustees developed the National Theatre's strategic objectives (page 7 of this report) as part of its five-year Entertain and Inspire strategy to make theatre that entertains and inspires using our creativity, expertise and unique reach. The needs of our beneficiaries – our audiences, future audiences and especially young people – and those of our other key stakeholders – our employees, our freelancers, Arts Council England and donors – form the bedrock of our strategic plans.

Decisions regarding our 2022/23 artistic programme were informed by our long-term aims to increase the diversity of artists making the work on our stages and to attract a wide and diverse audience. To further support our audience diversity aim, *The Curious Incident of the Dog in the Night-Time* completed its tour of the UK, visiting towns and cities including Glasgow, Dublin, Leeds, Norwich before finishing in Dartford in May 2022. *The Ocean at the End of the Lane* began a 29-venue tour in December 2022.

Trustees routinely review the external landscape, including the political environment, and seek and evaluate feedback from our various stakeholders, in order to ensure that our plans are adapted, as necessary, to meet changing circumstances. Trustees keep under review the charity's principal risks and opportunities, consider emerging risks and ensure that our plans are adapted in response as appropriate. More information on our risks can be found on pages 30 to 34 of this report.

## **b) The interests of the charity's employees**

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

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

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

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

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

We regularly seek and evaluate feedback from the young people and teachers who engage in our learning programmes; this feedback is fed into the development of these programmes and future activity plans. Regular consultation with teachers has informed the development of learning resources alongside the productions on the National Theatre Collection. More information on how we seek feedback from our beneficiaries can be found on pages 29 and 30 of this report.

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

## STRATEGIC REPORT

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**National  
Theatre**

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

Trustees and Executive Management recognise our responsibility to care for the environment and aim to minimise the environmental impact of all our activities. More information on how we care for the environment can be found on pages 14 to 16 of this report. We are respectful of our local community and its needs. We are represented on a number of local community groups to ensure effective two-way engagement and, where relevant, we consider the needs of our community in our decision making.

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

Our reputation is fundamental to our future success.

Trustees have in place a range of policies that promote corporate responsibility and ethical behaviours. Areas covered include fundraising (our fundraising practices are discussed on pages 24 and 25 of this report), conflicts of interest, safeguarding, bullying and harassment, and whistleblowing.

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

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

Trustees and Executive Management believe that a successful theatre is a theatre for everyone, with inclusivity and accessibility paramount: we aim to be a fully inclusive organisation which is relevant and accessible for everyone. We will not unfairly discriminate against anyone. Our Inclusion Working Group (IWG) exists as an advisory group to the National Theatre, being a catalyst for the change we want to see by actively contributing to the organisation's work on equity, diversity, inclusion and belonging. Facilitated by Melanie Richards, Diversity Champion for the National Theatre Board of Trustees, the IWG is made up of a group of colleagues with a mixture of skills, demographics and experience across the organisation in order to achieve the greatest breadth of thought and opinion. This includes both staff and freelancers. We also commissioned a report on racial equity in 2020, which was conducted by an external racial equity expert and findings from which were shared with the staff and have informed the Equity, Diversity and Inclusion policy for 2022/23.

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

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

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

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

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

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

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

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

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

# STRATEGIC REPORT

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

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

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

## **Risks**

### **Internal Control and Risk Management**

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

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

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

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

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

## STRATEGIC REPORT

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

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

### Principal risks and uncertainties

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

The National Theatre faces the following principal risks and challenges as of November 2023:

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

## STRATEGIC REPORT

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



## STRATEGIC REPORT

	<ul style="list-style-type: none"> <li>Safeguarding risks in our work on our stages, on tour and in our Learning and Community programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced cyber security systems including dedicated staffing, staff training, system scans, enhanced passwords and access authentication</li> <li>Robust safeguarding policy and procedures that are regularly reviewed and supported by our Safeguarding Steering Group, staff training and Finance and Audit Committee oversight.</li> </ul>
<b>Business planning and management risks</b>	<p>There are a number of areas where we face risks that will either prevent us from operating our business, or make it more difficult to operate our business:</p> <ul style="list-style-type: none"> <li>Terrorism and the potential for a terrorist attack on London</li> <li>Failure of key customer-facing business systems such as the website and ticket booking platform</li> <li>A major incident arising from the challenges of operating an open and popular public venue in a tourist and cultural hot spot in central London</li> <li>Failing to support our growing organisational and artistic ambitions due to capacity overstretch</li> <li>Being unable to recruit and retain staff of the calibre required to support our standards of excellence and innovation across our artistic, operational and commercial teams.</li> </ul>	<p>We mitigate these risks through:</p> <ul style="list-style-type: none"> <li>Maintaining best practice, technology and training for our security team</li> <li>Building strong relationships with neighbours, neighbourhood groups and the police</li> <li>Up to date and resilient systems for business systems including cloud-based ticketing system and a new website</li> <li>A Major Incident Plan that is being updated and that is supported by plans for specific incident types</li> <li>The 2023–2027 Strategy and Business plans that revise the scope of activities and ensure they are properly resourced. These plans will be delivered by a capable and experienced Executive Management and Senior Leadership Team.</li> <li>Changes in the People team and the creation of a Culture team enabling us to recruit, retain and develop staff and freelancers.</li> </ul>

## STRATEGIC REPORT

<b>Financial risks</b>	<p>Insufficient funds would arise if we fail to meet our income targets for Box Office, Fundraising, Digital and Enterprises, and/or to deliver our cost-saving initiatives This would lead to an inability to:</p> <ul style="list-style-type: none"> <li>invest adequately in our repertoire and to support new styles of work</li> <li>support annual capital enhancement/ replacement needs.</li> </ul>	<p>We are mitigating these risks with:</p> <ul style="list-style-type: none"> <li>Carefully developed five-year business plan that shows a path to break even by 2026/2027, including a number of strategies (Commitments) aimed at growing income and reducing expenditure across the next three to five years.</li> <li>Strong Development team and robust fundraising strategy</li> <li>Ten-year capital plan</li> <li>Risk and Programme Development fund of £7.9m to support our operating model through this transition period to break-even by 2026/2027</li> <li>Strong ACE relationship management and strategic alignment with ACE objectives</li> <li>Annual operating contingency of £1m</li> <li>Food and Drink partnership governance structure includes Strategic and Operational Boards, to which the director of NT Food and Drink reports.</li> </ul>

### Financial summary

#### **Financial review – 2022/23**

In 2022/23, income of £89.0 million and expenditure of £90.9 million resulted in a negative movement in total group funds of £1.9m. This compares to an increase of £0.7m in 2021/22. The net movement in group funds excluding long-term funds (which comprise fundraising income and depreciation in respect of our buildings) was an increase of £4.7m. This compares to an increase of £3.9m in 2021/22.

## STRATEGIC REPORT

**National  
Theatre**

Income for productions at the South Bank continued to be somewhat impacted by Covid with the incremental return of audiences and box office income at 84 per cent of that achieved pre-pandemic. 871 performances were held across all theatres compared to 988 in 2018/19, generating an average financial capacity of 67.2 per cent versus 81.5 per cent in 2018/19.

At 26 March 2023, total group funds were £85.8m, of which negative (£3.7) million are unrestricted operations funds (27 March 2022: £87.7m and negative (£4.0) million respectively). The unrestricted operations fund of negative (£3.7) million include a long-term liability – the Cultural Recovery Fund loan of £20.5m (2022: £20.1m). This loan and its interest are repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equal instalments of £750k, the first instalment being due in March 2025, the final instalment in March 2041. The Trustees are comfortable that no further steps are necessary to eliminate this deficit.

### Principal funding sources

The National Theatre maintains a balance between self-generated income – box office and exploitation of the National Theatre productions in the UK and internationally (c. 46 per cent), catering and front-of-house trading (c. 19 per cent), fundraising support from our donors, including individuals, trusts, foundations, corporate donations and sponsorship (c. 16 per cent) and public subsidy from ACE (c. 19 per cent).

### Arts Council England

ACE revenue funding at £17m (2021/22: £17m), represents c. 19 per cent of the income received by the National Theatre (2021/22: c. 21 per cent).

With effect from 2022/23, the grant has been cut by £2.6m since 2010/11, a real-terms reduction of 48 per cent. The grant has been cut by a further five per cent to £16.15m a year, in the three year period 2023 to 2026.

### Fundraising

The Development department had another strong year raising £15.9m (£18.4m in 2021/22). £1.6m of revenue activity (£1.6m in 2021/22) in relation to commercial sponsorship is recorded within income from other trading activities.

# STRATEGIC REPORT

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**National  
Theatre**

## Box office income

Box office income on the South Bank, as well as the national tours of *The Curious Incident of the Dog in the Night-Time* and *The Ocean at the End of the Lane*, and *The Lehman Trilogy* and *The Ocean at the End of the Lane* in the West End and National Theatre Live and Digital amounted to £40.4m (2021/22: £18.3m).

## Tax credits

Theatre, film and TV tax credits are a significant contributor to the National Theatre's financial model. Total tax credits, which are offset against expenditure, in 2022/23 amounted to £7.6m (2021/22: £3.2m) due, in part, to the extension of the higher rate.

## Trading and other income

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

The total income generated by Royal National Theatre Enterprises in 2022/23 was £15m (2021/22: £6.9m), including commercial sponsorship income of £1.6m (2021/22: £1.6m). The total profit before the management charge payable to the National Theatre was £3.1m (2021/22: £1.5m).

Trading and other income also includes £1.8m (2021/22: £17.8m) comprising licensing fees generated by National Theatre Productions Limited and Royal National Theatre North America LLC, box office and other income generated by Three Brothers Broadway LLC's production of *The Lehman Trilogy* in the US, and a grant from the US Government for the transition of reopening theatres in the USA.

# STRATEGIC REPORT

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**National  
Theatre**

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

## **Expenditure**

### **Production costs**

Production expenditure at the National Theatre, in the West End and on tour totalled £45.6m (£28.0m in 2021/22) and represented 61 per cent (2021/22: 54 per cent) of total expenditure on charitable activities for the year.

### **National Theatre Live and Digital**

Total expenditure for the year for National Theatre Live and Digital was £13.0m (£7.5m in 2021/22).

### **NT Learning and Public Engagement**

Total expenditure for the year for the National Theatre Learning (education) and Public Engagement programme was £5.8m (£5.4m in 2021/22). £3.5m was covered by fundraising and £0.6m generated through ticket and fee income.

### **Research and development**

Expenditure on research and development totalled £3.0m (£3.2m in 2021/22), including £1.8m expenditure in the New Work Department.

### **Trading activities**

Expenditure on trading activities totalled £13.7m (£26.1m in 2021/22), principally comprising catering and hospitality costs of £9.2m (£4.3m in 2021/22).

# STRATEGIC REPORT

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**National  
Theatre**

## **Support costs**

Support costs cover expenditure on front-of-house staff responsible for contact with the audience; box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, people and IT. These costs are allocated against the activities listed above. Total support costs were £20.5m (£16.0m in 2021/22), returning to pre-pandemic levels and reflecting that the building was open for the full year.

## **Staff costs**

Staff costs, including social security, pension costs and redundancy costs, totalled £37.8m (£30.6m in 2021/22). Staff numbers increased on the previous year to 778 (669 in 2021/22), as the theatre continued its recovery after the impact of Covid.

## **Capital expenditure**

Total capital expenditure for the year was £6.7m (£6.9m in 2021/22). £5.2m of this related to investment in our theatres' technical and production infrastructure; comprising lighting infrastructure and equipment of £1.3m; stage systems and equipment of £2.1m and sound and video systems and equipment of £1.8m. The transfer from the operations fund to the designated fund for capital was £3.1m (£17.7m in 2021/22).

## **Reserves**

### **Unrestricted operations fund**

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

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

# STRATEGIC REPORT

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**National  
Theatre**

Following a risk-assessed impact review of income and expenditure, we determined that a target equivalent to approximately three months normalised core operating expenditure is appropriate, of £15m.

As at 26 March 2023, we held negative (£3.7m) in unrestricted reserves and of our designated reserves £29.3m is held in cash and current asset investments. Of the £29.3m, £17.1m is required to address urgent capital works, £8.9m is required to fund the current business model's risk and future investment, £1.5m to cover one year's repayment instalment of the Cultural Recovery Fund concessionary loan and £1.8m for future potential VAT liabilities under the Capital Goods scheme relating to the NT Future project.

## **Buildings and equipment designated fund**

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

## **NT Future designated fund**

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

## **Restricted funds**

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

## **Financial policies**

### **Reserves policy**

The policy is to hold a minimum of the equivalent of three months of core, operating expenditure in operational reserves, which is circa £15m.

# STRATEGIC REPORT

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## **Investment policy**

The policy is to hold investments in liquid funds, so that they are available to meet predicted cash-flow needs. In selecting suitable cash deposits, the policy is to seek to maximise the return and maintain low transaction costs, whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2017/18 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 26 March 2023, the cash deposits were spread between three major clearing banks and CCLA Fund Managers Limited. The bank interest earned for the year was £0.5m (£0.01m in 2021/22).

## **Creditor Payment policy**

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

## **Remuneration**

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

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

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

## **Financial Risk Management**

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

**Price risk:** Payments to employees or individuals represent a significant proportion (circa 42%) of total expenditure at The Royal National Theatre. During an inflationary climate with upward pressure on individual pay, The Royal National Theatre may face difficulties in increasing income to keep pace with such inflationary pressures.



## STRATEGIC REPORT

**National  
Theatre**

The Royal National Theatre's receives income from the Arts Council (c£17 million); this has been reduced by 5% to £16.15 million a year, in the three year period 2023 to 2026.

The Royal National Theatre has freedom over its ticket pricing, and ticket income pre-pandemic normal year represents c45% of revenue. However, the aim is to hold the lowest ticket price at an accessible level.

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

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

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

### Property Interests

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

### Subsidiaries and Related Undertakings

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

# STRATEGIC REPORT

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**National  
Theatre**

## Going Concern

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

The Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2025.

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

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

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2025, without needing to implement mitigating actions.

Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2025 – maintaining a balance between supporting the activities that are crucial to delivering our mission - supporting our audiences, freelancers, young people and other beneficiaries; whilst ensuring the long-term financial sustainability of The Royal National Theatre.

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

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2025, being a period of at least 12 months from the date of approval of the financial statements.

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

## GOVERNANCE

### Board Members up to the date of the report

Sir Damon Buffini (Chair)  
 Sabine Chalmers  
 Louise Charlton  
 Sir Lenny Henry (until 31 January 2023)  
 Dame Vikki Heywood  
 Simon Minty  
 Vicki Mortimer  
 Dame Karen Pierce  
 Amanda Pritchard (from 2 October 2023)  
 Elizabeth Pryce  
 Melanie Richards CBE  
 Tim Score  
 Farrah Storr  
 Simon Warshaw

### Senior Leadership Team

Adam Blackwell, Director of Customer Experience and Visitor Operations  
 Al Coomer, Head of Casting  
 Angela McDermott, Director of Finance  
 Chris Murphy, Director of Development  
 Emma Keith, Managing Director of Digital  
 Jennifer Crook, Director of Culture  
 Jo Hornsby, Head of Planning  
 Kash Bennett, Managing Director, NT Productions  
 Laura Friedner, Director of People  
 Lisa Jonas, Assistant Director, Business & Governance  
 Nicholas Triantafyllou, Director of Information & Technology

### Executive

Rufus Norris, Artistic Director & Chief Executive

Kate Varah, Executive Director

### Executive Committee

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

Nina Steiger, Head of Play Development  
 Rachel Twigg, Head of Studio  
 Rebecca Thompson, General Counsel  
 Ruth Greenwood, Director of Communications  
 Sara Bakhaty, Director of Marketing & Sales

## GOVERNANCE

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### **Governing Document**

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

### **Charitable Objects**

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

### **Public Benefit**

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

### **The Board**

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

The Board met 6 times between April 2022 and March 2023, with the Executive and Chief Operating Officer present, to ensure that it was maintaining effective control over strategic, financial, organisational and compliance issues.

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

### **Trustee Induction and Training**

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

# GOVERNANCE

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**National  
Theatre**

## **The Executive**

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

## **Associate Directors\* and NT Associates**

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

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

## **Board Membership**

The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 43. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years, which is extended only in exceptional circumstances.

## **Board Committees and Subsidiary Companies**

The membership of the Committees is listed on pages 97 and 98 of this Annual Report and details of the subsidiaries are set out in Note 24 of the Financial Statements.

## **Finance and Audit Committee**

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

## **The Nominations Committee**

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

## **Development Board**

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

# GOVERNANCE

## Connected Charities

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

## Executive Management at The Royal National Theatre

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

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

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

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

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

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

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

# GOVERNANCE

## **Trustees' Transactions**

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

## **Statement of Trustees' Responsibilities**

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

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

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

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

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

## GOVERNANCE

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**National  
Theatre**

### Statement on Disclosure of Information to the Auditors

In so far as the Trustees are aware:

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

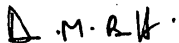
### Trustees' Indemnities

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

### Auditors

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

The Trustees' Report, including the Strategic Report, set out on pages 1 to 48 was approved by the Board of Trustees, authorised for issue and signed on its behalf by:



**Sir Damon Buffini**  
Chair, The Royal National Theatre

Date: 21 November 2023

Company registration number 749504.  
Registered charity number 224223.



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

### **Report on the audit of the financial statements**

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#### **Opinion**

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

- give a true and fair view of the state of the group's and of the company's affairs as at 26 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 26 March 2023; the consolidated statement of financial activities (including an income & expenditure account) and the consolidated statement of cash flows for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

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

#### ***Independence***

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

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#### **Conclusions relating to going concern**

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

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

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

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

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### **Reporting on other information**

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

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

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

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

### ***Strategic Report and Trustees' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Trustees' Report for the period ended 26 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the trustees for the financial statements***

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

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

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

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

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

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

***Use of this report***

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

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**Other required reporting**

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**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



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

Date: 21/11/23

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including an Income & Expenditure account)**  
**for the year ended 26 March 2023**

		52 weeks ended 26 March 2023					52 weeks ended 27 March 2022				
		Unrestricted Funds	Designated	Restricted Funds	Long Term	Total	Unrestricted Funds	Designated	Restricted Funds	Long Term	Total
		Operations	£m	Projects	£m	£m	Operations	£m	Projects	£m	£m
<b>Income &amp; Endowments from:</b>	<b>Note(s)</b>										
Donations & legacies	5(a)/(b)	24.7	-	6.8	-	31.5	28.3	-	5.0	0.6	33.9
Charitable activities	5(c)	40.4	-	-	-	40.4	18.3	-	-	-	18.3
Coronavirus Job Retention Scheme	5(c)	-	-	-	-	-	0.5	-	-	-	0.5
Interest income	5(c)	0.5	-	-	-	0.5	-	-	-	-	-
Other trading activities	5(d)	16.6	-	-	-	16.6	28.1	-	-	-	28.1
<b>TOTAL Income &amp; Endowments</b>	<b>19</b>	<b>82.2</b>	<b>-</b>	<b>6.8</b>	<b>-</b>	<b>89.0</b>	<b>75.2</b>	<b>-</b>	<b>5.0</b>	<b>0.6</b>	<b>80.8</b>
<b>Expenditure on:</b>											
Raising donations & legacies		(2.6)	-	-	-	(2.6)	(2.1)	-	-	-	(2.1)
Charitable activities	6 (a)	(62.5)	(3.1)	(5.3)	(3.7)	(74.6)	(38.9)	(2.3)	(6.9)	(3.8)	(51.9)
Other trading activities	6 (b)	(13.7)	-	-	-	(13.7)	(26.1)	-	-	-	(26.1)
<b>TOTAL Expenditure</b>	<b>19</b>	<b>(78.8)</b>	<b>(3.1)</b>	<b>(5.3)</b>	<b>(3.7)</b>	<b>(90.9)</b>	<b>(67.1)</b>	<b>(2.3)</b>	<b>(6.9)</b>	<b>(3.8)</b>	<b>(80.1)</b>
<b>Net Income / (Expenditure)</b>		<b>3.4</b>	<b>(3.1)</b>	<b>1.5</b>	<b>(3.7)</b>	<b>(1.9)</b>	<b>8.1</b>	<b>(2.3)</b>	<b>(1.9)</b>	<b>(3.2)</b>	<b>0.7</b>
Transfers between Group Funds	19	(3.1)	5.6	0.4	(2.9)	-	(28.1)	28.1	-	-	-
<b>Net Movement in Group Funds</b>		<b>0.3</b>	<b>2.5</b>	<b>1.9</b>	<b>(6.6)</b>	<b>(1.9)</b>	<b>(20.0)</b>	<b>25.8</b>	<b>(1.9)</b>	<b>(3.2)</b>	<b>0.7</b>
<b>Reconciliation of Group Funds:</b>											
Total Funds brought forward	19/20	(4.0)	47.3	1.0	43.4	87.7	16.0	21.5	2.9	46.6	87.0
<b>TOTAL Group Funds carried forward</b>	<b>19/20</b>	<b>(3.7)</b>	<b>49.8</b>	<b>2.9</b>	<b>36.8</b>	<b>85.8</b>	<b>(4.0)</b>	<b>47.3</b>	<b>1.0</b>	<b>43.4</b>	<b>87.7</b>

All income and expenditure are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities. The Notes on pages 56 to 96 form part of these financial statements.

**CONSOLIDATED AND COMPANY BALANCE SHEETS - as at 26 March 2023**

		As at 26 March 2023		As at 27 March 2022	
	Note(s)	Group £m	Company £m	Group £m	Company £m
Tangible assets	11	57.1	54.2	57.1	54.8
Investments	12	0.2	0.2	0.2	0.2
<b>TOTAL Fixed Assets</b>		<b>57.3</b>	<b>54.4</b>	<b>57.3</b>	<b>55.0</b>
<b>Current Assets:</b>					
Stocks	13	0.2	-	0.3	0.1
Cost of productions not yet opened	14	1.1	0.2	0.8	0.7
Debtors	15	29.1	28.5	18.1	16.2
Investments	16	12.8	12.8	12.6	12.6
Cash in bank and in hand	16	29.0	26.2	41.6	37.7
<b>TOTAL Current Assets</b>		<b>72.2</b>	<b>67.7</b>	<b>73.4</b>	<b>67.3</b>
<b>Current Liabilities:</b>					
Creditors: amounts falling due within one year	17	(23.2)	(18.7)	(22.9)	(18.8)
<b>TOTAL Net Current Assets</b>		<b>49.0</b>	<b>49.0</b>	<b>50.5</b>	<b>50.5</b>
<b>Non-Current Liabilities:</b>					
Creditors: amounts falling due after more than one year	18	(20.5)	(20.5)	(20.1)	(20.1)
<b>TOTAL Net Assets</b>		<b>85.8</b>	<b>82.9</b>	<b>87.7</b>	<b>85.4</b>
<b>The Funds of the Group and Company:</b>					
Operations Funds	19/20	(3.7)	(6.6)	(4.0)	(6.3)
Designated Funds	19/20	49.8	49.8	47.3	47.3
Restricted Funds	19/20	39.7	39.7	44.4	44.4
<b>TOTAL Group and Company Funds</b>	<b>19/20</b>	<b>85.8</b>	<b>82.9</b>	<b>87.7</b>	<b>85.4</b>

A separate statement of financial activities and income and expenditure account are not presented for the Company itself as permitted by Section 408 of the Companies Act 2006. The net expenditure for the Company for the year was £2.9m (PY: £0.2m net expense). The Notes on pages 56 to 96 form part of these financial statements. The financial statements on pages 53 to 96 were approved by the Board of Trustees and signed on its behalf by:

Sir Damon Buffini (Chair)

Date: 21 November 2023

D. M. R. H.

**CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 26 March 2023**

	Note(s)	52 weeks ended 26 March 2023 £m	52 weeks ended 27 March 2022 £m
<b>Cash flows from operating activities</b>			
Net cash (used in) / provided by operating activities	25	(6.5)	14.8
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets	11	(6.7)	(6.9)
Increase in current asset investments	16	(0.2)	(0.1)
Interest income	5(c)	0.5	-
<b>Net cash used in investing activities</b>		<b>(6.4)</b>	<b>(7.0)</b>
<b>Exchange gains on cash and cash equivalents</b>		<b>0.3</b>	<b>-</b>
<b>(Decrease) / increase in cash and cash equivalents in the reporting period</b>		<b>(12.6)</b>	<b>7.8</b>
Cash and cash equivalents at the beginning of the reporting period	16	41.6	33.8
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>16</b>	<b>29.0</b>	<b>41.6</b>

The Group's net debt is a net credit of £8.5m (2022: £21.5m) comprising the Group's cash and cash equivalents of £29.0m (2022: £41.6m) (note 16) less the concessionary loan of £20.5m (2022: £20.1m) (note 18). The movement in the period was solely due to the cash flows of the entity as shown in the Consolidated Statement of Cash Flows and so no separate reconciliation of the net debt is presented.

The Notes on pages 56 to 96 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

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

**2. STATEMENT OF COMPLIANCE**

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

**3. PRINCIPAL ACCOUNTING POLICIES**

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

**A. BASIS OF PREPARATION**

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

**B. GOING CONCERN****BACKGROUND**

In assessing the going concern position of the Company and the Group, the Trustees have produced detailed, yet adaptable, business plans that consider the Group's forecast and projected activities, the related financial budgets, cash flows and liquidity for the period to March 2025, which is a period of at least 12 months from the date of approval of the financial statements.



**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

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

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

**KEY ASSUMPTIONS**

The business and financial plans incorporate the following key assumptions:

- There are no impositions of closures or lockdowns or social distancing measures that would affect the Group and its theatres.
- Audience numbers at the Southbank return to pre-pandemic levels.
- West End commercial productions continue at current levels, whereas Touring is at a lower level than in previous years.
- Income from NT Live and Digital activity continues to grow.
- Arts Council England (ACE) annual grant funding, for the three-year period from April 2023, remains at levels communicated to the Group at £6.15m per annum.
- The ability to continue to attract sponsorship and obtain donations is retained; alongside support from The Royal National Theatre Foundation.
- Full management of the Group's fixed and variable cost structure.

**SENSITIVITY ANALYSIS**

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

This comprises:

- Reduced audience and visitor numbers.
- Higher levels of inflation on payroll costs and materials and other costs.
- Reduction or delays in the receipt of creative industry tax credits.

Under this scenario, the Group projects to have sufficient liquidity through the period to March 2025, without needing to implement mitigating actions. Nevertheless, the Trustees have sought to identify certain mitigating actions that could be implemented, in order provide additional liquidity or reduce cash outflows, so as to ensure that the Group can maintain sufficient liquidity over the period to March 2025.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### CONCLUSIONS

Having assessed the combination of all these various matters, the Trustee Board has a reasonable current expectation that the Company and the Group has adequate resources to continue in operational existence for the period to March 2025, being a period of at least 12 months from the date of approval of the financial statements.

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

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

#### C. EXEMPTIONS FOR QUALIFYING ENTITIES UNDER FRS 102

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

#### D. BASIS OF CONSOLIDATION

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

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

#### E. FOREIGN CURRENCIES

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

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

**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

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

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

**F. FUND ACCOUNTING**

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

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

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

**G. INCOME & ENDOWMENTS**

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

**DONATIONS & LEGACIES**

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

**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

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

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

**CHARITABLE ACTIVITIES**

Charitable activities comprise :

Performance income:

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

All other income:

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

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

**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****OTHER TRADING ACTIVITIES**

Other trading activities comprise:

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

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

**H. EXPENDITURE**

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

**RAISING DONATIONS & LEGACIES**

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

**CHARITABLE ACTIVITIES**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****OTHER TRADING ACTIVITIES**

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

**I. LEASE OF THE NATIONAL**

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

**J. FIXED ASSETS AND DEPRECIATION**

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

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

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

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

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

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

**K. INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries are held at cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****L. STOCKS**

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

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

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

**M. COSTS OF PRODUCTIONS NOT YET OPENED**

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

**N. CASH AND CURRENT ASSET INVESTMENTS**

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

**O. PROVISIONS**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

**P. REDUNDANCY/TERMINATION BENEFITS**

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

**Q. OPERATING LEASES**

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

**R. FINANCIAL INSTRUMENTS**

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

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

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

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



**NOTES TO THE FINANCIAL STATEMENTS****3. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****S. PENSIONS**

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

**T. TAXATION**

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

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

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

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

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

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

#### B. KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

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

**NOTES TO THE FINANCIAL STATEMENTS****5. INCOME & ENDOWMENTS (GROUP)****a) Donations & Legacies – Analysis by Fund Type**

	Year ended 26 March 2023					Year ended 27 March 2022				
	Unrestricted Funds Operations	Designated	Restricted Funds Projects	Long Term	Total	Unrestricted Funds Operations	Designated	Restricted Funds Projects	Long Term	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Arts Council England (ACE):</b>										
Revenue Grant	17.0	-	-	-	17.0	17.0	-	-	-	17.0
Capital and Other Grants	-	-	0.2	-	0.2	-	-	0.1	-	0.1
<b>TOTAL ACE</b>	<b>17.0</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>17.2</b>	<b>17.0</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>17.1</b>
<b>Other:</b>										
Performances	-	-	0.8	-	0.8	-	-	0.6	-	0.6
NT Live & Digital	-	-	0.7	-	0.7	-	-	0.8	-	0.8
NT Learning & Public Engagement	-	-	3.5	-	3.5	-	-	2.8	-	2.8
NT Studio, Research & Development	-	-	0.3	-	0.3	-	-	0.5	-	0.5
Long Term Projects	-	-	0.9	-	0.9	-	-	-	0.6	0.6
Other Income	-	-	0.1	-	0.1	-	-	0.2	-	0.2
Donations supporting General Activity	7.7	-	0.3	-	8.0	11.3	-	-	-	11.3
<b>TOTAL Other</b>	<b>7.7</b>	<b>-</b>	<b>6.6</b>	<b>-</b>	<b>14.3</b>	<b>11.3</b>	<b>-</b>	<b>4.9</b>	<b>0.6</b>	<b>16.8</b>
<b>TOTAL Donations &amp; Legacies</b>	<b>24.7</b>	<b>-</b>	<b>6.8</b>	<b>-</b>	<b>31.5</b>	<b>28.3</b>	<b>-</b>	<b>5.0</b>	<b>0.6</b>	<b>33.9</b>

**NOTES TO THE FINANCIAL STATEMENTS****5. INCOME & ENDOWMENTS (GROUP) (continued)****b) Donations & Legacies – Analysis by Income Type**

	Year ended 26 March 2023				Year ended 27 March 2022			
	Sponsorship	Donations, subscriptions & legacies	Grants	Total	Sponsorship	Donations, subscriptions & legacies	Grants	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Arts Council England (ACE):</b>								
Revenue Grant	-	-	17.0	17.0	-	-	17.0	17.0
Capital and Other Grants	-	-	0.2	0.2	-	-	0.1	0.1
<b>Other:</b>								
Performances	-	0.5	0.3	0.8	-	0.3	0.3	0.6
NT Live & Digital	0.4	0.2	0.1	0.7	0.6	0.1	0.1	0.8
NT Learning & Public Engagement	0.3	2.3	0.9	3.5	0.3	1.6	0.9	2.8
NT Studio, Research & Development	-	0.1	0.2	0.3	0.1	-	0.4	0.5
Long Term Projects	-	0.4	0.5	0.9	-	0.3	0.3	0.6
Other Income	0.1	-	-	0.1	-	-	0.2	0.2
Donations supporting General Activity	2.8	5.0	0.2	8.0	0.6	9.3	1.4	11.3
<b>TOTAL Other</b>	<b>3.6</b>	<b>8.5</b>	<b>2.2</b>	<b>14.3</b>	<b>1.6</b>	<b>11.6</b>	<b>3.6</b>	<b>16.8</b>
<b>TOTAL Donations &amp; Legacies (all UK)</b>	<b>3.6</b>	<b>8.5</b>	<b>19.4</b>	<b>31.5</b>	<b>1.6</b>	<b>11.6</b>	<b>20.7</b>	<b>33.9</b>

Recognised within donations and legacies are Gifts in Kind of £0.8m during the year (2022: £0.7m).

**NOTES TO THE FINANCIAL STATEMENTS****5. INCOME & ENDOWMENTS (GROUP) (continued)****c) Charitable Activities and Coronavirus Job Retention Scheme and Interest Income**

	<b>2023 Total £m</b>	<b>2022 Total £m</b>
<b>Performances:</b>		
National Theatre	22.0	8.7
West End Commercial Transfers	5.6	0.6
UK Touring	2.8	1.5
<b>TOTAL Performances</b>	<b>30.4</b>	<b>10.8</b>
<b>Other Activities:</b>		
NT Live & Digital	9.3	6.9
NT Learning & Public Engagement	0.6	0.5
Other Income	0.1	0.1
<b>TOTAL Other Activities</b>	<b>10.0</b>	<b>7.5</b>
<b>SUBTOTAL Income from Charitable Activities (all UK)</b>	<b>40.4</b>	<b>18.3</b>
Coronavirus Job Retention Scheme	-	0.5
Interest Income	0.5	-
<b>TOTAL Income</b>	<b>40.9</b>	<b>18.8</b>

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

During 2022, the Group took advantage of the Government's Coronavirus Job Retention Scheme (CJRS) which permitted a large number of staff to be furloughed whose roles were dependent on the theatres being open. CJRS concluded in September 2021.

**NOTES TO THE FINANCIAL STATEMENTS****5. INCOME & ENDOWMENTS (GROUP) (continued)****d) Other Trading Activities**

	<b>2023</b>	<b>2022</b>
	<b>Total</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>
West End & UK Touring Box Office Income	-	3.4
Rights, Royalties & Exploitations – United States of America	1.5	10.5
Grant – United States of America	0.6	7.3
Rights, Royalties & Exploitations – West End	-	0.1
Catering & Hospitality	10.3	3.6
Retail & Prop and Costume Hires	1.7	0.9
Car Park	0.7	0.6
Tours & Events	0.2	0.1
Sponsorship Income	1.6	1.6
<b>TOTAL Income from Trading Activities (all UK, except USA)</b>	<b>16.6</b>	<b>28.1</b>

**NOTES TO THE FINANCIAL STATEMENTS****6. EXPENDITURE (GROUP)****a) Expenditure on Charitable Activities**

	Year ended 26 March 2023						Year ended 27 March 2022					
	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total	Unrestricted Funds		Unrestricted Designated	Restricted Funds		Total
	Direct	Support		Projects	Long Term		Direct	Support		Projects	Long Term	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Performances:</b>												
National Theatre	22.0	11.2	-	0.6	-	33.8	15.7	8.6	-	0.5	-	24.8
West End Commercial Transfers	5.6	1.9	-	-	-	7.5	0.1	-	-	-	-	0.1
UK Touring	3.2	1.1	-	-	-	4.3	2.3	0.7	-	-	-	3.0
International Touring	-	-	-	-	-	-	0.1	-	-	-	-	0.1
<b>TOTAL Performances</b>	<b>30.8</b>	<b>14.2</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>45.6</b>	<b>18.2</b>	<b>9.3</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>28.0</b>
<b>Other Activities:</b>												
NT Live & Digital	8.2	4.1	-	0.7	-	13.0	4.1	2.6	-	0.8	-	7.5
NT Learning & Public Engagement	1.7	0.8	-	3.3	-	5.8	0.2	1.9	-	3.3	-	5.4
NT Major Projects	-	-	0.1	-	-	0.1	-	-	0.1	-	-	0.1
Research & Development	1.8	0.9	-	0.3	-	3.0	0.9	1.7	-	0.6	-	3.2
Access & Inclusion	-	-	-	0.1	-	0.1	-	-	-	0.1	-	0.1
Other Expenses	-	-	-	0.3	-	0.3	-	-	-	1.6	-	1.6
<b>TOTAL Other Activities</b>	<b>11.7</b>	<b>5.8</b>	<b>0.1</b>	<b>4.7</b>	<b>-</b>	<b>22.3</b>	<b>5.2</b>	<b>6.2</b>	<b>0.1</b>	<b>6.4</b>	<b>-</b>	<b>17.9</b>
<b>Other:</b>												
Depreciation	-	-	3.0	-	3.7	6.7	-	-	2.2	-	3.8	6.0
<b>TOTAL Other</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>3.7</b>	<b>6.7</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>-</b>	<b>3.8</b>	<b>6.0</b>
<b>TOTAL Expenditure on Charitable Activities</b>	<b>42.5</b>	<b>20.0</b>	<b>3.1</b>	<b>5.3</b>	<b>3.7</b>	<b>74.6</b>	<b>23.4</b>	<b>15.5</b>	<b>2.3</b>	<b>6.9</b>	<b>3.8</b>	<b>51.9</b>

**NOTES TO THE FINANCIAL STATEMENTS****6. EXPENDITURE (GROUP) (continued)****b) Other Trading Activities**

	<b>2023 Total £m</b>	<b>2022 Total £m</b>
West End & UK Touring	-	3.2
Rights, Royalties & Exploitations – USA	2.1	17.3
Catering & Hospitality	9.2	4.3
Retail & Prop and Costume Hires	1.9	1.1
Car Park	0.2	0.2
Tours & Events	0.3	-
<b>TOTAL Expenditure on Trading Activities</b>	<b>13.7</b>	<b>26.1</b>



**NOTES TO THE FINANCIAL STATEMENTS****6. EXPENDITURE (GROUP) (continued)****c) Analysis of Support Costs**

	Year ended 26 March 2023				Year ended 27 March 2022			
	Promotion	Theatre Operations	Support Services	Total	Promotion	Theatre Operations	Support Services	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Raising Donations &amp; Legacies</b>	-	-	0.3	0.3	-	-	0.3	0.3
<b>Charitable Activities:</b>								
<b>Performances:</b>								
National Theatre	1.7	3.9	5.6	11.2	1.5	3.9	3.2	8.6
West End Commercial Transfers	0.4	-	1.5	1.9	-	-	-	-
UK Touring	0.2	-	0.9	1.1	0.2	-	0.5	0.7
<b>Other Activities:</b>								
NT Live & Digital	0.6	1.4	2.1	4.1	0.5	1.1	1.0	2.6
NT Learning & Public Engagement	0.1	0.3	0.4	0.8	0.3	0.9	0.7	1.9
Research & Development	0.1	0.3	0.5	0.9	0.3	0.8	0.6	1.7
<b>TOTAL Charitable Activities</b>	<b>3.1</b>	<b>5.9</b>	<b>11.0</b>	<b>20.0</b>	<b>2.8</b>	<b>6.7</b>	<b>6.0</b>	<b>15.5</b>
<b>Other Trading Activities</b>	-	0.1	0.1	0.2	-	0.1	0.1	0.2
<b>TOTAL Support Costs</b>	<b>3.1</b>	<b>6.0</b>	<b>11.4</b>	<b>20.5</b>	<b>2.8</b>	<b>6.8</b>	<b>6.4</b>	<b>16.0</b>

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

\* Governance costs for the year were £0.2m (2022: £0.1m). Included within Governance costs are the auditors' remuneration which consists of the Group audit fee of £110k (2022: £93k). Fees for tax compliance services of £8k (2022: £7k) due to PricewaterhouseCoopers LLP.

**NOTES TO THE FINANCIAL STATEMENTS****7. STAFF COSTS & NUMBERS (GROUP & COMPANY)**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Wages and salaries	33.5	33.5	27.0	27.0
Social security costs	3.0	3.0	2.3	2.3
Other pension costs	1.2	1.2	1.0	1.0
Redundancy costs	0.1	0.1	0.3	0.3
	<b>37.8</b>	<b>37.8</b>	<b>30.6</b>	<b>30.6</b>

The average number of employees in the year are 901 permanent staff including management (2022: 776) and 215 casual and temporary staff (2022: 189). The Group considers business activities by full-time equivalent staff, further analysis is provided below based on average full-time equivalent staff employed in the year.\*

	Group 2023 Number	Company 2023 Number	Group 2022 Number	Company 2022 Number
Artistic	144	144	121	121
Technical and production	321	321	268	268
Trading and front of house	85	85	85	85
Education, touring, New Work dept and other projects	58	58	46	46
Marketing and box office	43	43	38	38
Support services	69	69	59	59
Engineering	24	24	21	21
Fundraising	34	34	31	31
	<b>778</b>	<b>778</b>	<b>669</b>	<b>669</b>

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

**NOTES TO THE FINANCIAL STATEMENTS****7. STAFF COSTS & NUMBERS (GROUP & COMPANY) (continued)**

In addition to the above, the Group's consolidated US entities incurred staff costs of £0.5m (comprising wages and salaries of £0.5m and social security costs of £0.0m) (2022: £4.8m, comprising wages and salaries of £4.3m and social security costs of £0.5m) in respect of 39 individuals (2022: 185) who were employed on productions during the year. Since September 2021, the operation of the Group's food and drink outlets have been outsourced to a third-party provider and the costs of operation are recharged to the Group by the third party by whom the staff are employed. Staff costs recharged in respect of this arrangement were £4.1m (comprising £3.7m wages and salaries and £0.4m social security and other costs) (2022: £1.2m, comprising £1.1m wages and salaries and £0.1m social security and other costs) in respect of 199 individuals (2022: 124) who were employed by the third party during the year.

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

	2023	2022
	Number	Number
£60,000 - £70,000	17	21
£70,001 - £80,000	7	3
£80,001 - £90,000	5	7
£90,001 - £100,000	4	6
£100,001 - £110,000	4	1
£130,001 - £140,000	1	1
£160,001 - £170,000	1	2
£170,001 - £180,000	1	1
	<u>40</u>	<u>42</u>

Pension contributions of £0.1m (2022: £0.2m) were made to defined contribution schemes for the above members of staff during the year. The total remuneration for Key Management Personnel was £1.4m (2022: £1.5m), comprising of the Executive (Director and Executive Director) and the Executive Committee.

**NOTES TO THE FINANCIAL STATEMENTS****8. TRUSTEES' EMOLUMENTS**

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

In the normal course of business, a Trustee, Vicki Mortimer, provides services to the Company as a specialist designer on certain productions. The total amount paid for such services in the period to 26 March 2023 was £10k (2022: £19k). £4k (2022: £nil) was also paid in relation to royalties on NT at Home and NT Live screenings. The Company's governing documents permit such payments to Trustees and were approved by the Board.

**9. PENSION CONTRIBUTIONS**

The Company makes payments to defined contribution schemes which are available to all permanent employees. The charge for the Company for the year was £1.2m (2022: £1.0m) with £0.2m (2022: £0.2m) payable at the balance sheet date. The Group charge for the year was £1.2m (2022: £1.0m) with £0.2m (2022: £0.2m) payable at the balance sheet date.

**10. TAXATION**

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

National Theatre Staging Limited and National Theatre Live Limited produce and film productions and claim tax credit for Theatre, Film and Television, to the total of £7.6m (2022: £3.1m).

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

**NOTES TO THE FINANCIAL STATEMENTS****11. TANGIBLE ASSETS (GROUP)**

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>										
As at 28 March 2022	6.6	60.0	38.8	0.6	13.9	4.3	48.8	0.1	4.1	177.2
Additions	-	-	-	-	-	-	-	0.2	6.5	6.7
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
Transfers from work in progress	-	0.6	0.9	-	4.0	1.5	0.9	(0.1)	(7.8)	-
<b>As at 26 March 2023</b>	<b>6.6</b>	<b>60.6</b>	<b>39.7</b>	<b>0.6</b>	<b>17.9</b>	<b>5.8</b>	<b>48.1</b>	<b>0.2</b>	<b>2.8</b>	<b>182.3</b>
<b>Accumulated Depreciation</b>										
As at 28 March 2022	1.7	23.5	36.2	0.5	7.2	3.2	47.8	-	-	120.1
Charge for period	0.1	3.0	0.6	-	1.7	0.5	0.8	-	-	6.7
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
<b>As at 26 March 2023</b>	<b>1.8</b>	<b>26.5</b>	<b>36.8</b>	<b>0.5</b>	<b>8.9</b>	<b>3.7</b>	<b>47.0</b>	<b>-</b>	<b>-</b>	<b>125.2</b>
<b>Net book value</b>										
<b>As at 26 March 2023</b>	<b>4.8</b>	<b>34.1</b>	<b>2.9</b>	<b>0.1</b>	<b>9.0</b>	<b>2.1</b>	<b>1.1</b>	<b>0.2</b>	<b>2.8</b>	<b>57.1</b>
As at 27 March 2022	4.9	36.5	2.6	0.1	6.7	1.1	1.0	0.1	4.1	57.1

Freehold land and buildings include NT Studio land at a cost of £0.7m (2022: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2022: £5.7m). The Studio building has been provided as security in the form of a 30-year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

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

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

**NOTES TO THE FINANCIAL STATEMENTS****11. TANGIBLE ASSETS (COMPANY) (continued)**

	Freehold Land & Buildings	Leasehold Improvements (20 years)	Leasehold Improvements (10 years)	Leasehold Improvements (5 years)	Equipment (10 years)	Equipment (5 years)	Equipment (3 years)	Work in Progress (Restricted)	Work in Progress (Unrestricted)	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>										
As at 28 March 2022	6.6	60.0	38.8	0.6	10.2	3.6	47.4	0.1	4.1	171.4
Additions	-	-	-	-	-	-	-	0.2	5.2	5.4
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
Transfers from work in progress	-	0.6	0.5	-	3.1	1.1	0.9	(0.1)	(6.1)	-
<b>As at 26 March 2023</b>	<b>6.6</b>	<b>60.6</b>	<b>39.3</b>	<b>0.6</b>	<b>13.3</b>	<b>4.7</b>	<b>46.7</b>	<b>0.2</b>	<b>3.2</b>	<b>175.2</b>
<b>Accumulated Depreciation</b>										
As at 28 March 2022	1.7	23.5	36.2	0.5	5.6	2.7	46.4	-	-	116.6
Charge for period	0.1	3.0	0.6	-	1.1	0.4	0.8	-	-	6.0
Disposals	-	-	-	-	-	-	(1.6)	-	-	(1.6)
<b>As at 26 March 2023</b>	<b>1.8</b>	<b>26.5</b>	<b>36.8</b>	<b>0.5</b>	<b>6.7</b>	<b>3.1</b>	<b>45.6</b>	<b>-</b>	<b>-</b>	<b>121.0</b>
<b>Net book value</b>										
As at 26 March 2023	4.8	34.1	2.5	0.1	6.6	1.6	1.1	0.2	3.2	54.2
As at 27 March 2022	4.9	36.5	2.6	0.1	4.6	0.9	1.0	0.1	4.1	54.8

**NOTES TO THE FINANCIAL STATEMENTS****12. INVESTMENTS**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Expendable endowment (20-year gilt bond)	0.2	0.2	0.2	0.2
	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>

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

See Note 24 for details of investments in subsidiary undertakings.

**13. STOCKS**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Consumable Items	0.2	-	0.1	0.1
Goods for resale	-	-	0.2	-
	<u>0.2</u>	<u>-</u>	<u>0.3</u>	<u>0.1</u>

Stock impairment losses charged to the statement of financial activities during the year for the group were £0.1m (2022: £Nil) and for the Company were £Nil (2022: £Nil).

**NOTES TO THE FINANCIAL STATEMENTS****14. COST OF PRODUCTIONS NOT YET OPENED**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
National Theatre – Productions	0.2	0.2	0.7	0.7
National Theatre – NT Live screenings scheduled 2023-24	0.9	-	0.1	-
	<b>1.1</b>	<b>0.2</b>	<b>0.8</b>	<b>0.7</b>

These costs relate to productions which are planned to start in the financial year ended 31 March 2024 for which expenditure has been incurred in the year to 26 March 2023.

**15. DEBTORS**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
<b>Amounts falling due within one year:</b>				
Trade debtors	3.6	2.2	2.1	1.2
Amounts owed by group undertakings	-	14.2	-	6.4
Other debtors	1.6	1.4	1.1	0.7
Tax recoverable	13.2	2.4	5.6	1.5
Prepayments and accrued income	10.7	8.3	9.3	6.4
	<b>29.1</b>	<b>28.5</b>	<b>18.1</b>	<b>16.2</b>

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



**NOTES TO THE FINANCIAL STATEMENTS****16. INVESTMENTS AND CASH AT BANK AND IN HAND**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
<b>Current asset investments:</b>				
Bank deposits with maturity > 3 months	12.8	12.8	12.6	12.6
<b>Cash at bank and in hand:</b>				
Cash and bank balances	29.0	26.2	41.6	37.7

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
<b>Amounts falling due within one year:</b>				
Trade creditors	3.0	2.6	1.9	1.6
Amounts owed to group undertakings	-	-	-	0.7
Advance bookings	4.3	4.3	3.0	3.0
Taxation and social security	1.0	0.7	0.7	0.7
Other creditors and accruals	12.3	9.6	14.3	9.6
Deferred income (all utilised in year)	2.6	1.5	3.0	1.2
	<b>23.2</b>	<b>18.7</b>	<b>22.9</b>	<b>16.8</b>

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

**NOTES TO THE FINANCIAL STATEMENTS****18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Concessionary loan	20.5	20.5	20.1	20.1
	<u>20.5</u>	<u>20.5</u>	<u>20.1</u>	<u>20.1</u>

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

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

The interest charge for the year was £0.4m (2022: £0.4m).

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

**NOTES TO THE FINANCIAL STATEMENTS****19. THE FUNDS OF THE GROUP & COMPANY**

	Balance at 28 March 2022 £m	Income £m	Expenditure £m	Transfers £m	Balance at 26 March 2023 £m	Balance at 29 March 2021 £m	Income £m	Expenditure £m	Transfers £m	Balance at 27 March 2022 £m
<b>UNRESTRICTED:</b>										
Unrestricted operations fund*	(4.0)	82.2	(78.8)	(3.1)	(3.7)	16.0	75.2	(67.1)	(28.1)	(4.0)
<b>Unrestricted designated</b>										
NT Future Fund	6.2	-	(0.5)	(1.2)	4.5	6.7	-	(0.5)	-	6.2
Building & Equipment Fund	30.4	-	(2.6)	6.8	34.6	14.4	-	(1.7)	17.7	30.4
Security Fund	0.3	-	-	-	0.3	0.4	-	(0.1)	-	0.3
Loan Repayment Fund	1.5	-	-	-	1.5	-	-	-	1.5	1.5
Risk Fund	4.9	-	-	-	4.9	-	-	-	4.9	4.9
Investment Fund	1.0	-	-	-	1.0	-	-	-	1.0	1.0
Programme Development Fund	3.0	-	-	-	3.0	-	-	-	3.0	3.0
<b>TOTAL unrestricted designated funds</b>	<b>47.3</b>	<b>-</b>	<b>(3.1)</b>	<b>5.6</b>	<b>49.8</b>	<b>21.5</b>	<b>-</b>	<b>(2.3)</b>	<b>28.1</b>	<b>47.3</b>
<b>TOTAL unrestricted funds</b>	<b>43.3</b>	<b>82.2</b>	<b>(81.9)</b>	<b>2.5</b>	<b>46.1</b>	<b>37.5</b>	<b>75.2</b>	<b>(69.4)</b>	<b>-</b>	<b>43.3</b>
<b>RESTRICTED : Project funds</b>										
NT Performance	0.2	0.8	(0.5)	-	0.5	0.1	0.6	(0.5)	-	0.2
NT Live & Digital	-	0.7	(0.7)	-	-	-	0.8	(0.8)	-	-
NT Learning & Public Engagement	0.8	3.5	(3.2)	-	1.1	1.2	2.9	(3.3)	-	0.8
NT Studio Projects (R&D)	-	0.3	(0.3)	-	-	0.1	0.5	(0.6)	-	-
NT Access & Inclusion	-	0.1	(0.1)	-	-	-	0.1	(0.1)	-	-
ACE UK Touring	-	0.2	(0.2)	-	-	-	-	-	-	-
General Activity	-	0.3	(0.3)	-	-	1.5	0.1	(1.6)	-	-
Capital	-	0.9	-	0.4	1.3	-	-	-	-	-
<b>TOTAL restricted project funds</b>	<b>1.0</b>	<b>6.8</b>	<b>(5.3)</b>	<b>0.4</b>	<b>2.9</b>	<b>2.9</b>	<b>5.0</b>	<b>(6.9)</b>	<b>-</b>	<b>1.0</b>
<b>RESTRICTED : Long term funds</b>										
NT Future Fund	23.1	-	(2.6)	-	20.5	25.6	-	(2.5)	-	23.1
ACE NT Future Fund	12.3	-	(1.0)	-	11.3	13.3	-	(1.0)	-	12.3
ACE Lottery Fund	0.9	-	-	-	0.9	0.9	-	-	-	0.9
Studio Refurbishment Fund	4.0	-	(0.1)	-	3.9	4.1	-	(0.1)	-	4.0
Drum Revolve Fund	0.2	-	-	(0.2)	-	0.3	-	(0.1)	-	0.2
Staging Technology Fund	1.4	-	-	(1.4)	-	1.0	0.5	(0.1)	-	1.4
Expendable Endowment	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Other Long-Term Funds	1.3	-	-	(1.3)	-	1.2	0.1	-	-	1.3
<b>TOTAL long-term funds</b>	<b>43.4</b>	<b>-</b>	<b>(3.7)</b>	<b>(2.9)</b>	<b>36.8</b>	<b>46.6</b>	<b>0.6</b>	<b>(3.8)</b>	<b>-</b>	<b>43.4</b>
<b>TOTAL restricted funds</b>	<b>44.4</b>	<b>6.8</b>	<b>(9.0)</b>	<b>(2.5)</b>	<b>39.7</b>	<b>49.5</b>	<b>5.6</b>	<b>(10.7)</b>	<b>-</b>	<b>44.4</b>
<b>TOTAL Group funds</b>	<b>87.7</b>	<b>89.0</b>	<b>(90.9)</b>	<b>-</b>	<b>85.8</b>	<b>87.0</b>	<b>80.8</b>	<b>(80.1)</b>	<b>-</b>	<b>87.7</b>

**NOTES TO THE FINANCIAL STATEMENTS****19. THE FUNDS OF THE GROUP & COMPANY (CONTINUED)**

	At 26 March 2023 £m	At 27 March 2022 £m
* Analysis of unrestricted funds held between parent and subsidiaries:		
Company unrestricted operations fund (as disclosed in the Company Balance Sheet)	(6.6)	(6.3)
Unrestricted retained surplus held by trading subsidiaries (note 24c)	2.9	2.3
Group unrestricted operations fund	(3.7)	(4.0)

**DESIGNATED FUNDS****NT Future Fund**

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

**Building & Equipment Fund**

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

£3.1m (2022: £17.7m) was transferred from the operations fund into the buildings and equipment fund during the period. The expenditure for the current period represents depreciation on assets acquired through this fund and expenditure related to the implementation of capital plans.

**Security Fund**

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**Loan Repayment Fund**

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

**Risk Fund**

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

**Investment Fund**

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

**Programme Development Fund**

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

**RESTRICTED FUNDS: PROJECT FUNDS**

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

**NT Performance Fund**

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

## NOTES TO THE FINANCIAL STATEMENTS

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

#### NT Live & Digital Fund

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

#### NT Learning & Public Engagement Projects Fund

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

#### NT Studio Projects (Research & Development) Fund

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

#### NT Access and Inclusion Fund

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

#### ACE UK Touring Fund

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

#### General Activity Fund

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

#### Capital Fund

The Capital Fund represents restricted funding for capital projects.

#### RESTRICTED FUNDS: LONG TERM FUNDS

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

#### NT Future Fund

This fund was created to support a major refurbishment of The Royal National Theatre, completed in 2016 (excluding funds from ACE). Expenditure was £2.6m (2022: £2.5m) and represents depreciation on NT Future assets.

## NOTES TO THE FINANCIAL STATEMENTS

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

#### ACE NT Future Fund

This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of The Royal National Theatre, completed in 2016. Expenditure was £1.0m (2022: £1.0m) and represents depreciation on NT Future assets and direct project expenditure.

#### ACE Lottery Fund

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

#### Studio Refurbishment Fund

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

#### Drum Revolve Fund

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

#### Staging Technology Fund

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

#### Expendable Endowment

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

**NOTES TO THE FINANCIAL STATEMENTS****20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (GROUP)**

	Tangible fixed assets	As at 26 March 2023 Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets	Tangible fixed assets	As at 27 March 2022 Cash & current asset investments	Other net (liabilities) /assets	Total net (liabilities) / assets
	£m	£m	£m	£m	£m	£m	£m	£m
<b>UNRESTRICTED:</b>								
Operations fund	-	10.1	(13.8)	(3.7)	-	19.8	(23.8)	(4.0)
<b>Unrestricted designed</b>								
NT Future Fund	2.7	1.8	-	4.5	3.4	2.8	-	6.2
Building & Equipment Fund	17.5	17.1	-	34.6	12.1	18.3	-	30.4
Security Fund	0.3	-	-	0.3	0.3	-	-	0.3
Loan Repayment Fund	-	1.5	-	1.5	-	1.5	-	1.5
Risk Fund	-	4.9	-	4.9	-	4.9	-	4.9
Investment Fund	-	1.0	-	1.0	-	1.0	-	1.0
Programme Development Fund	-	3.0	-	3.0	-	3.0	-	3.0
<b>TOTAL unrestricted designated funds</b>	<b>20.5</b>	<b>29.3</b>	<b>-</b>	<b>49.8</b>	<b>15.8</b>	<b>31.5</b>	<b>-</b>	<b>47.3</b>
<b>TOTAL unrestricted funds</b>	<b>20.5</b>	<b>39.4</b>	<b>(13.8)</b>	<b>46.1</b>	<b>15.8</b>	<b>51.3</b>	<b>(23.8)</b>	<b>43.3</b>
<b>RESTRICTED : Project funds</b>								
NT Performance	-	0.4	0.1	0.5	-	0.2	-	0.2
NT Learning & Public Engagement	-	0.7	0.4	1.1	-	0.9	(0.1)	0.8
NT Studio (Research & Development)	-	-	-	-	-	0.1	(0.1)	-
Capital	-	1.3	-	1.3	-	-	-	-
<b>TOTAL restricted project funds</b>	<b>-</b>	<b>2.4</b>	<b>0.5</b>	<b>2.9</b>	<b>-</b>	<b>1.2</b>	<b>(0.2)</b>	<b>1.0</b>
<b>RESTRICTED : Long term funds</b>								
NT Future Fund	20.5	-	-	20.5	23.1	-	-	23.1
ACE NT Future Fund	11.3	-	-	11.3	12.3	-	-	12.3
ACE Lottery Fund	0.9	-	-	0.9	0.9	-	-	0.9
Studio Refurbishment Fund	3.9	-	-	3.9	4.0	-	-	4.0
Drum Revolve Fund	-	-	-	-	0.2	-	-	0.2
Staging Technology Fund	-	-	-	-	0.6	0.6	0.2	1.4
Expendable Endowment	-	-	0.2	0.2	-	-	0.2	0.2
Other Long-Term Funds	-	-	-	-	0.2	1.1	-	1.3
<b>TOTAL long-term funds</b>	<b>36.6</b>	<b>-</b>	<b>0.2</b>	<b>36.8</b>	<b>41.3</b>	<b>1.7</b>	<b>0.4</b>	<b>43.4</b>
<b>TOTAL restricted funds</b>	<b>36.6</b>	<b>2.4</b>	<b>0.7</b>	<b>39.7</b>	<b>41.3</b>	<b>2.9</b>	<b>0.2</b>	<b>44.4</b>
<b>TOTAL Group funds</b>	<b>57.1</b>	<b>41.8</b>	<b>(13.1)</b>	<b>85.8</b>	<b>57.1</b>	<b>54.2</b>	<b>(23.6)</b>	<b>87.7</b>

Note: Other net assets/(liabilities) includes the cultural recovery fund concessionary loan of £20.5m (2022: £20.1m). This loan and interest is repayable over a 20-year period with an initial four-year repayment holiday, in six-monthly equals instalments of £0.75m, the first instalment being due in March 2025, the final instalment in March 2041. Trustees are comfortable that no further steps are necessary to eliminate this deficit.



**NOTES TO THE FINANCIAL STATEMENTS****21. CAPITAL COMMITMENTS (GROUP & COMPANY)**

	Group 2023 £m	Company 2023 £m	Group 2022 £m	Company 2022 £m
Commitments:				
Theatre Sound Console	-	-	0.1	0.1
Other commitments (<£100k)	0.2	0.2	0.5	0.5
	<b>0.2</b>	<b>0.2</b>	<b>0.6</b>	<b>0.6</b>

The amount payable within one year is £0.2m (2022: £0.6m).

**22. OPERATING LEASE COMMITMENTS**

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

	Group 2023 £m	Group 2022 £m
Within one year	0.3	0.2
In two to five years	0.5	0.2
In more than five years	0.3	-
	<b>1.1</b>	<b>0.4</b>

Expenditure within the period on operating leases was £0.4m (2022: £0.3m).

**NOTES TO THE FINANCIAL STATEMENTS****23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS****ROYAL NATIONAL THEATRE FOUNDATION**

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

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

During the period, The Royal National Theatre received legacy income of £0.2m (2022: £1.2m) which was paid to The Royal National Theatre Foundation.

During the period, the Foundation granted £623k (2022: £117k) for The Royal National Theatre's work with: Capital £500k; Legacy Development costs £43k; Welfare £50k and Peter Hall Award £30k. In 2022, the £117k principally comprised grants for the Voice Project Research £15.8k, Welfare £63.2k and Peter Hall Award £38k. The Foundation owed The Royal National Theatre £664k at the year-end (2022: £11k). The Foundation also made £76k (2022: £22k) benevolent grants to members and former members of the staff and Company.

**AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE**

The American Associates of The Royal National Theatre (the "AANT") is an independent not-for-profit charity registered in New York, USA. During the period, \$3.15m (2022: \$4.86m) was raised by the AANT for The Royal National Theatre. The AANT owed The Royal National Theatre £1.7m at the year-end (2022: £2.7m).

**OTHER RELATED PARTY TRANSACTIONS**

During the period, Trustees donated a total amount of £276k (2022: £867k).

**NOTES TO THE FINANCIAL STATEMENTS****23. CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS (CONTINUED)****OTHER RELATED PARTY TRANSACTIONS (CONTINUED)**

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

The Buffini Chao Foundation (the Chair of the National's Trustee Board, Damon Buffini, and his wife, are two of the four trustees of the Foundation) donated £250,172 (2022: £250,000) (as part of a £1m total commitment over a four-year period 2021-2024) towards the NT's engagement with and programmes for children and young people. The RNT acknowledged this grant by naming The Deck, one of its event venues, as the Buffini Chao Deck.

Tanya Ronder, wife of Rufus Norris, the National's Artistic Director and Chief Executive, wrote Hex, a production which played at the National during 2021-22 and 2022-23. As a writer of a new production at the National she received royalties of £31k (2022: £18k) based on her share (2%) of eligible receipts and will be entitled to the same in respect of future productions.

Patrick Dillon Architect Ltd (Patrick Dillon, the partner of the National's Chief Executive, Lisa Burger (resigned April 2022), is the director and sole shareholder of this company) provided architectural services for the National Theatre. The amount paid in the year was £nil (2022: £8k).

The Royal National Theatre (RNT) is owed by the National Theatre Productions Limited (NTPL) a net balance of £2.6m (2022: £2.2m). This represents the balance of operational transactions and other operational transactions.

The Royal National Theatre (RNT) is owed by the Royal National Theatre Enterprises Limited (RNTE) a net balance of £0.6m (2022: £0.6m owed to). This represents the balance of operational transactions between The Royal National Theatre & RNTE, including a charge for catering provided for Events £nil (2022: £0.4m). This is offset by the RNTE Management Fee £0.2m (2022: £0.2m) and the Gift Aid of profit £2.9m (2022: £1.3m) to its parent company.

The Royal National Theatre (RNT) is owed by the National Theatre Live Limited (NTLL) a net balance of £1.1m (2022: £0.1m owed to). This represents the balance of the Commissioning Fee payable by RNT of £4.2m (2022: £1.8m) and the operational transactions payable by NTLL.

The Royal National Theatre (RNT) is owed by the National Theatre Staging Limited (NTSL) a net balance of £9.8m (2022: £3.3m). This represents the balance of the Commissioning Fee payable by RNT of £28.5m (2022: £22.6m) and the operational transactions payable by NTSL.

The Royal National Theatre (RNT) is owed by the Royal National Theatre North America LLC (NTNA LLC) a net balance £0.1m (2022: £0.9m). This represents the balance of operational transactions.

See Note 24 for details of transactions with subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS****24. SUBSIDIARIES & RELATED UNDERTAKINGS**

All subsidiaries have coterminous year ends with the parent Company. As at 26 March 2023, The Royal National Theatre had an interest in the following subsidiary undertakings and related undertakings:

**a) SUBSIDIARIES**

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

**NOTES TO THE FINANCIAL STATEMENTS****24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)****b) PARTNERSHIPS ACCOUNTED FOR AS SUBSIDIARIES**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS****24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)****c) FINANCIAL INFORMATION**

The financial results and position for the period were:

	Royal National Theatre Enterprises Limited		National Theatre Productions Limited		National Theatre Staging Limited		National Theatre Live Limited		Royal National Theatre North America LLC		Three Brothers Broadway LLC	
Company Number:	(01247285)		(01817002)		(07884772)		(09541676)		N/A		N/A	
	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m	2023 £m	2022 £m
Income	15.0	6.9	8.6	5.2	28.5	22.6	4.2	1.8	0.6	0.5	1.2	17.3
Expenditure+	(12.1)	(5.6)	(8.6)	(5.2)	(34.7)	(24.4)	(4.9)	(2.1)	(0.6)	-	(1.2)	(17.3)
Net Surplus/(Deficit)	2.9	1.3	-	-	(6.2)	(1.8)	(0.7)	(0.3)	-	0.5	-	-
Gift Aid/Profit distribution due to parent company	(2.9)	(1.3)	-	-	-	-	-	-	-	-	-	-
Tax Credit	-	-	-	-	6.9	2.8	0.7	0.3	-	-	-	-
Retained in the subsidiary	-	-	-	-	0.7	1.0	-	-	-	0.5	-	-
Assets	1.0	1.2	5.4	3.2	12.8	5.5	2.0	1.0	0.1	0.7	0.3	2.7
(Liabilities)	(1.0)	(1.2)	(5.4)	(3.2)	(9.8)	(3.2)	(2.0)	(1.0)	(0.1)	(0.7)	(0.3)	(2.7)
Net Assets	-	-	-	-	3.0	2.3	-	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS****24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)**

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

	Payable to the National Year ended 26 March 2023 £m	Year ended 27 March 2022 £m
Royal National Theatre Enterprises Limited	0.2	0.2
National Theatre Productions Limited *	-	-
Royal National Theatre North America LLC +	-	-
	<u>0.2</u>	<u>0.2</u>

\* The charge in 2022 is less than £0.1m; the charge in 2023 has been waived by The Royal National Theatre

+ The charge above in 2022 and 2023 in each case is less than £0.1m

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS****24. SUBSIDIARIES & RELATED UNDERTAKINGS (CONTINUED)**

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

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

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

	Group 2023	Group 2022
	£m	£m
Net (loss)/income for period (as per Statement of Financial Activities)	(1.9)	0.7
Adjustments for:		
Depreciation	6.7	6.0
Loss on disposal of tangible fixed assets	-	0.2
Loan interest	0.4	0.4
Interest income	(0.5)	-
Exchange gains on cash and cash equivalents	(0.3)	-
Working capital movements:		
Decrease in stocks	0.1	0.1
Increase in work in progress	(0.3)	-
Increase in debtors	(11.0)	(0.3)
Increase in creditors	0.3	7.7
<b>Net cash flow (used in) / provided by operating activities</b>	<b>(6.5)</b>	<b>14.8</b>



## ACKNOWLEDGEMENTS

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES, COMMITTEE MEMBERSHIP AND ADVISERS FOR THE PERIOD 27 MARCH 2022 to 26 MARCH 2023

#### The Royal National Theatre Board

Sir Damon Buffini (Chair)  
 Sabine Chalmers  
 Louise Charlton (néé Durrant)  
 Sir Lenny Henry (resigned 31 January 2023)  
 Dame Vikki Heywood CBE  
 Simon Minty  
 Vicki Mortimer  
 Dame Karen Pierce  
 Amanda Pritchard (from 2 October 2023)  
 Elizabeth Pryce  
 Melanie Richards CBE  
 Tim Score  
 Farrah Storr  
 Simon Warshaw

#### Finance and Audit Committee

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

#### Nominations Committee

Elizabeth Pryce (néé Offord) (Co Chair)  
 Simon Warshaw (Co Chair)  
 Sir Damon Buffini  
 Sir Lenny Henry (resigned 31 January 2023)

#### Royal National Theatre Enterprises Limited Board

Karen Jones (Chair)  
 Alex Bayley  
 Louise Charlton (néé Durrant)  
 Liz Fosbury  
 Huw Gott  
 John Langley (resigned 31 January 2023)  
 Geoffrey Matthews  
 Kate Booth (néé Varah)  
 Lisa Burger (resigned 15 April 2022)

#### National Theatre Productions Limited Board

Dame Vikki Heywood CBE (Chair)  
 Liz Fosbury  
 Linda James (resigned 11 August 2023)  
 Tim Score  
 Farrah Storr  
 Kate Booth (néé Varah) (appointed 19 April 2022)  
 Michael Harrison (appointed 14 June 2022)  
 Kathryn Bennett  
 Lisa Burger (resigned 15 April 2022)

#### National Theatre Staging Limited Board

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

#### National Theatre Live Limited Board

Dame Vikki Heywood CBE (Chair)  
 Liz Fosbury  
 Rebecca Thompson  
 Kate Booth (néé Varah) (appointed 19 April 2022)  
 Farrah Storr (appointed 1 August 2023)  
 Emma Keith (néé Davies) (appointed 1 August 2023)  
 Lisa Burger (resigned 15 April 2022)

#### Royal National Theatre North America LLC

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

## ACKNOWLEDGEMENTS

### Development Board

Elizabeth Pryce (née Offord) (Chair)  
Nick Barnes  
Sujata Bhatia  
Alan Bookbinder  
Sir Damon Buffini  
Louise Charlton (née Durrant)  
James Garvey  
Robin Geffen  
Kate Groes  
Kitty Harris  
Steven Larcombe  
Jonathan Lenson  
Hannah Lewis  
George Marcotte  
Rafael Marquez  
Sheryl Needham  
Sinead Ní Mhuircheartaigh  
John Owen  
Elizabeth Rantzen  
Maria Sebastian  
Phil Smith  
Charlotte Warshaw  
Simon Warshaw  
Coram Williams  
Jacqueline Worswick

### Executive

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

### Bankers

Coutts & Co  
440 Strand, London, WC2R 0QS

### Independent Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

The annual report is available to download at  
[www.nationaltheatre.org.uk/annualreport](http://www.nationaltheatre.org.uk/annualreport)  
If you would like to receive it in large print, or you are visually  
impaired and would like a member of staff to talk through the  
publication with you, please contact the Board Secretary at the  
National Theatre

### Registered Office & Principal Place of Business:

The Royal National Theatre  
Upper Ground  
London  
SE1 9PX

Company registration number: 749504.

Registered charity number: 224223.