

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 week period ended 29 March 2015

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ROYAL NATIONAL THEATRE ENTERPRISES LIMITED
Report and Financial Statements for the 52 Weeks ended 29 March 2015

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ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

Company Information

Report and Financial Statements for the 52 weeks ended 29 March 2015

Company registration number: 1247285

Directors: Ros Haigh (Chair)
Alex Bayley
Lisa Burger
Patrick Harrison (resigned 31 October 2014)
Mark Hix (resigned 18 March 2015)
Karen Jones
John Langley
Geoffrey Matthews
Kate Mosse (resigned 31 October 2014)
Farah Ramzan Golant
Nick Starr (resigned 31 October 2014)
Robyn Lines (appointed 5 April 2015)

Registered Office: Upper Ground
South Bank
London
SE 1 9PX

Independent Auditors: PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers: Coutts & Co
440 Strand
London
WC2R 0QS

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

Directors' Report

Company registration number: 1247285

The Directors are pleased to submit their report and the audited financial statements of Royal National Theatre Enterprises Limited ("RNTE") for the 52 week period ended 29 March 2015.

In preparing this report the directors have taken advantage of the small companies exemptions provided within Part 15 of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

PRINCIPAL ACTIVITIES

During the period, the company continued its main activity as the trading subsidiary of The Royal National Theatre ("the National Theatre" or "the National"). Its business comprises catering and functions business, the sale of ice creams and chocolates, the sale of books, publications and merchandise, the provision of public tours of the National's building, the hiring out of costumes and props, and the running of the car park at the National Theatre. In addition to these activities Royal National Theatre Enterprises Limited receives commercial promotion (sponsorship) income.

RESULTS AND DISTRIBUTIONS

The company's profit on ordinary activities before gift aid for the period was £455,000 (2014: £582,000) of which £455,000 (2014: £564,000) will be paid to the National Theatre under a Gift Aid arrangement.

No other dividends were declared/paid during the financial period (2014: £nil).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Total turnover was £10.56m (2014: £10.6m); a small reduction of £45,000 has arisen mainly as a result of the continued impact of NT Future works during the year. Several trading areas, including the Lyttleton Bookshop and the Mezzanine Restaurant, were not able to trade for the full financial year and access to other areas was significantly disrupted. In addition, the "Propstore", an outdoor pop-up bar which has proved very popular in previous years and has contributed significantly to turnover, could not be opened during summer 2014. Included within turnover is income of £550,000 (2014: £494,000) relating to commercial promotion (sponsorship).

The management charge payable to the National Theatre for 2014/15 has been adjusted to reflect the impact of NT Future works during 2014/15. In previous years the management fee has been calculated based on 11% of income, however as several areas were not open for trading for the full year, a rent-free period of 5 months has been applied to the areas affected and 11% has then been applied to the balance.

The management fee payable to the National Theatre for 14/15 was £866,630 (2014: £1,166,000).

As the NT Future building works draws to a close towards the end of 2015, the company expects to be fully operational and in a position to fully optimise the new trading areas that have recently opened. Further information on NT Future and other NT activities can be found in the NT's annual report at www.nationaltheatre.org.uk

PRINCIPAL RISKS AND UNCERTAINTIES

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The company is exposed to a range of risks – strategic, operational and compliance. The Directors of RNTE review and assess these risks. A risk register identifies risks and assigns specific actions and responsibilities for mitigating them. Actions required to mitigate risks and address uncertainties are incorporated into the National's Business Plan. The Directors consider the following risk to be significant to the company:

Audience numbers – there is a strong correlation between audience numbers at the National Theatre and income from the company's front-of-house trading operations. As such, the company's profitability is, to an extent, dependent on the ongoing ability of the National to attract audiences. Further details of how the National manages this risk, including information about repertoire and audiences, can be found in the *Structure, Governance and Management* section of the National Theatre's group financial statements. Other risks that relate to the National Theatre as a whole are covered in those financial statements.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors Indemnities

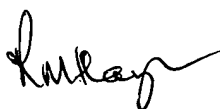
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also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

Statement on disclosure of information to the auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board, and authorised for issue on 28 September 2015.



Ros Haigh
Director

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

NDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report on the financial statements

Our opinion

In our opinion, Royal National Theatre Enterprises Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 29 March 2015 and of its result for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Royal National Theatre Enterprises Limited's financial statements comprise:

- the balance sheet as at 29 March 2015;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

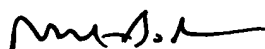
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 September 2015

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED**Report and Financial Statements for the 52 Weeks ended 29 March 2015****Profit and Loss Account for the 52 weeks ended 29 March 2015**

	Note	52 weeks to 29 March 2015 £'000	52 weeks to 30 March 2014 £'000
Turnover	2	10,556	10,601
Cost of Sales		(9,234)	(8,853)
Gross Profit		1,322	1,748
Administrative Expenses		(867)	(1166)
Operating Profit	3	455	582
Profit on Ordinary activities before Gift Aid		455	582
Profit transferred by Gift Aid			
- in relation to prior year		(57)	(46)
- in relation to current year		(411)	(518)
(Loss)/Profit on Ordinary activities before taxation		(13)	18
Tax on loss/profit on ordinary activities	4	13	(13)
Result/Profit for the financial period		-	5

The company has not recognised gains or losses other than the result/profit for the periods and therefore no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the result/profit on ordinary activities before taxation and the result/profit for the financial periods stated above and their historical costs equivalents. All amounts relate to continuing activities.

The notes on pages 9 to 11 form part of these financial statements.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED
Report and Financial Statements for the 52 Weeks ended 29 March 2015

Balance Sheet

	Note	As at 29 March 2015 £'000	As at 30 March 2014 £'000
Current Assets			
Stocks	6	435	362
Debtors	7	444	286
Cash at bank and in hand		14	220
		<u>893</u>	<u>868</u>
Creditors: Amounts falling due within one year	8	(893)	(868)
Net Assets		<u>-</u>	<u>-</u>
Capital and Reserves			
Called up share capital	9	-	-
Profit and loss account		-	-
Total shareholders' funds	10	<u>-</u>	<u>-</u>

The financial statements on pages 7 to 11 were approved by the Directors on 28 September 2015 and signed on their behalf by:



Ros Haigh
Director

The notes on pages 9 to 11 form part of these financial statements.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED

Report and Financial Statements for the 52 Weeks ended 29 March 2015

Notes to the Financial Statements for the 52 weeks ended 29 March 2015

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

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 in accordance with applicable United Kingdom accounting standards and the Companies Act 2006, and on a going concern basis.

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Royal National Theatre, a company incorporated in Great Britain.

(b) Turnover

Turnover represents the value of goods and services provided to customers excluding VAT and net of volume related discounts. It is recognised on a receivable basis or when delivery has occurred.

(c) Administrative Expenses

A management fee is charged by the National to the Company based on turnover. The amount is calculated with reference to space occupied and staff numbers. A rent-free period of 5 months has been included in the calculation of this year's management fee and applied to trading areas affected by NT Future works. A fee of 11% has been applied to the resulting income figure; in line with 2012/13 and 2013/14. This results in a management fee payable to the National Theatre of £866,630 (2014: £1,166,000).

All administrative expenses are accounted for on an accruals basis.

(d) Stocks

The majority of stocks are goods held for resale in the catering, bookshop and publications operations. All stock is valued at the lower of cost and net realisable value. Cost is based on the latest purchase price.

(e) Foreign Currencies

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

Foreign exchange differences incurred in respect of overseas operations are recorded in the profit and loss account within the activity income or expenditure for the period in which they are incurred.

Any exchange gains or losses are accounted for in the profit and loss account.

2. TURNOVER

	2015 £'000	2014 £'000
Catering & Hospitality	6,633	6,270
Retail	754	1,155
Costume & Props Hire	850	875
Usher Sales	578	652
Car Park	671	639
Commercial Promotion	550	494
Publications	186	210
Merchandising	198	161
Backstage Tours	109	107
Exhibitions & Venue Hire	27	38
	10,556	10,601

All turnover is related to activity in the United Kingdom.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED
Report and Financial Statements for the 52 Weeks ended 29 March 2015

Notes to the Financial Statements for the 52 weeks ended 29 March 2015

3 Operating Profit

	2015 £'000	2014 £'000
Operating profit is stated after charging:		
Audit fee	6	6
Tax and other fees payable to statutory auditors	<u>4</u>	<u>3</u>

4 Tax on Loss/Profit on Ordinary activities

Taxable profits are payable to the National Theatre under Gift Aid and consequently, there is no corporation tax payable in relation to the current year (2014: £13,000)

a) Analysis of tax on (loss)/profit on ordinary activities:

	2015 £'000	2014 £'000
Current year charge/(credit)	-	13
Adjustments in respect of prior years	(13)	-
United Kingdom corporation tax at 21% (2014 23%)	<u>(13)</u>	<u>13</u>

b) Factors affecting the tax charge:

The tax assessed for the year is lower (2014: lower) than the resulting from applying the standard rate if corporation tax in the UK of 21% (2014: 23%)

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	<u>455</u>	<u>582</u>
Corporation tax at 21% thereon (2014: 23%)	96	134
Effects of:		
Profit transferred by gift aid	(96)	(121)
Adjustments in respect of prior years	(13)	
Current year charge/(credit)	<u>(13)</u>	<u>13</u>

5 Remuneration of Directors and employments costs

The directors did not receive any remuneration in respect of their services as directors of the company. Five of the directors are also employees of the parent company and receive salaries from the National Theatre in this capacity.

The company had no employees during the period (2014: nil). Administrative services are provided by the parent company and recharged to Royal National Theatre Enterprises Limited.

ROYAL NATIONAL THEATRE ENTERPRISES LIMITED**Report and Financial Statements for the 52 Weeks ended 29 March 2015****6 Stocks**

	2015 £'000	2014 £'000
Goods for resale	<u>435</u>	<u>362</u>

7 Debtors

	2015 £'000	2014 £'000
Trade debtors	229	72
Prepayments and accrued income	<u>215</u>	<u>214</u>
	<u>444</u>	<u>286</u>

8 Creditors: Amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	299	104
Amounts owed to group undertakings	248	467
Other creditors and accruals	165	52
Deferred income	<u>181</u>	<u>245</u>
	<u>893</u>	<u>868</u>

9 Called up Share Capital

Allotted, issued and fully paid: 2 (2014: 2) ordinary shares of £1 each, both held by The Royal National Theatre.

10 Reconciliation of movements in total Shareholders' Funds

	2015 £'000	2014 £'000
Result/Profit for the financial period	-	5
Balance at beginning of period	-	<u>(5)</u>
Balance at end of period	<u>-</u>	<u>-</u>

11 Related Party Transactions

As a wholly owned subsidiary, Royal National Theatre Enterprises Limited has taken advantage of the exemption, allowed by Financial Reporting Standard 8, from disclosing details of transactions with its parent company, The Royal National Theatre because group financial statements are prepared.

12 Ultimate Parent Undertaking

The ultimate parent undertaking and controlling party of Royal National Theatre Enterprises Limited is The Royal National Theatre, a company registered in England. Group financial statements for The Royal National Theatre, the smallest group to consolidate the company's financial statement, are available from the Board Secretary, National Theatre, Upper Ground, London SE1 9PX.