PUBLIC BENEFIT STATEMENT

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

The Annual Report is available to download at www.nationaltheatre.org.uk/annualreport

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

Registered Office & Principal Place of Business:
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London.
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+44 (0)20 7452 3333

Company registration number  749504.
Registered charity number 224223.
Registered in England.
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In this document The Royal National Theatre is referred to as “the NT”, “the National”, and “the National Theatre”.
CURRENT BOARD MEMBERS

Board Members

Sir Damon Buffini (Chair)
Kate Mosse OBE (Deputy Chair)
Peter Bennett-Jones
Dame Ursula Brennan DCB
Dominic Casserley
Tim Clark
Glenn Earle
Farah Ramzan Golant CBE
Ros Haigh
Sir Lenny Henry
Elisabeth Offord
Alan Rusbridger
Clive Sherling

Executive

Director Rufus Norris
Executive Director Lisa Burger
THE BOARD
The Board is the non-executive and unpaid governing body of the National. Board members are both directors of the company and charity trustees and under company and charity law are responsible for policy, administration and general control. The Board works with the Executive to ensure that the National’s remit is fulfilled, its work remains of the highest quality and it is managed efficiently and cost-effectively. The Board delegates to the Director the selection and staging of all productions and does not interfere in repertoire decisions. At its September meeting the Board received a presentation on all aspects of producing and running the NT from the Senior Management Team. The Board also considered feedback from the Board Skills Audit, a review of Board skills and expertise which had been undertaken by all Board members over the summer. During 2015-16, the Board met six times, with the Executive present, to ensure it was maintaining effective control over strategic, financial, organisational and compliance issues. The Board received and considered regular reports from its Committees and subsidiary companies.

In October 2015, the Board began a search for a new Chair to succeed John Makinson. A Succession Committee (a sub-Committee of the Board) was established, and Egon Zehnder were appointed as consultants to lead a recruitment process. The members of the Succession Committee were Tim Clark (Chair), Peter Bennett-Jones, Ursula Brennan, Glenn Earle and Kate Mosse and the process included Rufus Norris and Lisa Burger. On 22 March 2016, Board members appointed Sir Damon Buffini Chair Designate to succeed John Makinson when he stepped down from the Board on 9 June 2016.

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

ASSOCIATE DIRECTORS* AND NT ASSOCIATES
Rufus Norris was supported in making repertoire decisions by the National’s Associate Directors.

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

BOARD MEMBERSHIP
The Board is chaired by Sir Damon Buffini and a list of Board members at the date of this Report is listed on page 4. Board members are appointed for an initial term of four years. Members may be appointed for a second term of up to four years which is extended only in exceptional circumstances.

BOARD COMMITTEES AND SUBSIDIARY COMPANIES
The membership of the Committees is listed on pages 86 to 87 of this Report and details of the subsidiaries are set out in Note 23 to the financial statements.
FINANCE AND AUDIT COMMITTEE
Members of the Finance and Audit Committee are appointed by and from the Board. Key responsibilities are for Finance and Control, Audit and Risk. The Committee met six times during the year and met the Auditors on two occasions. The Executive and Chief Operating Officer attend all meetings. The Finance and Audit Committee also has responsibility for setting the remuneration of the Executive.

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

DEVELOPMENT COUNCIL
The Development Council assists in fundraising for the National. Its members, who are co-opted onto the Council, represent the three working fundraising groups. It meets at least three times a year and reports regularly to the Board through its Chair, who is a member of the main Board.

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

EXECUTIVE MANAGEMENT AT THE NATIONAL
The review of activities shows that the National has many facets. The Director and Executive Director hold the overall responsibility for the day to day management of the NT with the assistance of a Senior Management team who are responsible for different areas and who report to a member of the Executive, who in turn report to the Board. The Senior Management team comprises: Alex Bayley, Director of Audiences & Marketing, Kash Bennett, Managing Director of NT Productions, Jon Cheyne, Director of Information & Technology, Liz Fosbury, Chief Operating Officer, Alice King-Farlow, Director of Learning, Robyn Lines, Director of Commercial Operations, Sacha Milroy, Director of Production & Planning, Tony Peers, Director of Human Resources, Martin Prendergast, Director of Communications, Ben Power, Deputy Artistic Director, John Rodgers, Director of Development, and Jonathan Suffolk, Technical Director. In addition to a weekly meeting of the Senior Management Team, efficient cross-departmental working is managed through a series of groups meeting on a regular basis. The key decision-making groups include producing, planning, capital projects, National Theatre Productions, Enterprises and Health and Safety.

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

The National has a five year diversity plan (see also pages 9, 10 and15). All staff are required to cooperate with the National's policies and procedures to promote inclusivity and diversity, and whilst the diversity of our workforce is reflective of the UK population, particular focus has been given to understanding why the National's workforce is not better representative of the population of London; what barriers if any there might be and what measures might be taken to improve diversity.
STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

OTHER MATTERS

TRUSTEES’ TRANSACTIONS

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

My first statement as Chair finds the National Theatre in good health. In the year covered by this Annual Review, the theatre’s first under Rufus Norris as Director and Lisa Burger as Executive Director, ticketed audiences at the South Bank were 787,000 - a seven-year high - and we were, on average, 88% full.

Our productions reached many more than just those at the NT on the South Bank. Through our touring programme, and NT Live broadcasts which played in more than 1,000 venues across the UK from cinemas to church halls, our ticketed audience in the UK was 2.5m. Nearly 60% of this audience came from outside London. Our global paying audience was 4m and when we take into account the audiences who saw our co-productions, as well as our non-ticketed and digital audiences, our total global reach was 7.6m.

The work was critically acclaimed with dozens of awards and nominations and, thanks in part to digital innovations like On Demand In Schools, our work was shared more widely, both across the UK and around the world, than at any other point in the NT’s history.

On Demand In Schools, our ground-breaking scheme to make syllabus-relevant NT Live productions available for free to every Secondary School in the UK, has now been adopted by at least 30% of State Secondary Schools which equates to approximately 1.7m young people. The year was notable also for the 21st anniversary of Connections, our nationwide, flagship learning project for young people. We celebrated by working with twice as many youth groups, over 450 in total, made possible by our close working relationship with 45 partner theatres from Truro to Inverness.

Financially the NT had a better than expected year due to strong box office income and continued support from our generous donors. However we face a challenging landscape of declining revenues from transferred productions and, whilst some decisions have been taken to reduce costs, we will rely more than ever on support from our donors and self-generated revenue. The year was notable for the Government's vocal commitment to the value of the Arts. This belief that the Arts are a crucial part of the global success of the Creative Industries was borne out in the November 2015 Spending Review, with ring-fenced funding for Arts Council England. It was heartening also to hear the Government talk about the value of art for art’s sake. We fervently hope, for ourselves and the wider sector, that the new Government shares this commitment.

The last performance of War Horse in London on 12 March 2016 was an emotional night. Over eight wonderful years and 3,000 performances War Horse played in the West End to an audience of 2.7m. Since opening in 2007 productions have been seen in 10 countries with a global audience to date of 7m. The Mandarin production of War Horse continues to delight audiences in China as part of a partnership with the National Theatre of China. War Horse will return for a UK tour starting in September 2017.

That the National Theatre can achieve all this is testament to the skill, talent and dedication of the 1,100 strong staff, now led so ably by Rufus and Lisa and to them I offer the heartfelt thanks and admiration of the entire NT Board.

I am thrilled and hugely privileged to have become Chair of the National Theatre in June 2016 and I want to pay tribute to my predecessor John Makinson who in the six years of his Chairmanship led the National Theatre with enthusiasm, dedication, and skill.

Of the many reasons to be grateful to him, not least is the central role he played in steering the £80m NT Future project through to its wonderful conclusion. Anyone visiting the NT today, whether enjoying the revitalised public spaces, the new Dorfman theatre, the Clore Learning Centre or the many other transformations brought about by NT Future, are doing so thanks in no small part to John’s tireless energy and commitment.
The Board said farewell this year to Howard Davies, Lloyd Dorfman and Farah Ramzan Golant. A heartfelt thanks to them for their excellent contribution to the life of the NT, and we welcome Lenny Henry, the actor, writer and campaigner to the Board.

I want also to thank our donors, sponsors and our supporters. We live in uncertain, changing times and it is very good to know that we have your generous and steadfast support for all that we want to do.

As ever, the economic and political environment presents challenges for the year ahead: Brexit has created uncertainty amongst corporate sponsors and there is continued pressure on Government funding. However, the National Theatre is fully in its stride with a clear-eyed sense of its purpose and mission. I am enormously excited by the year ahead – there is much to look forward to.

**OUR MISSION**

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

And we make it for everyone.

**OUR VISION**

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

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

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

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

**OUR STRATEGY**

Our work breaks down into four areas of strategic focus - Productions, Audiences, Learning and Culture. Running through all of these are our three priorities – national reach, diversity, and the development of talent.
STRATEGIC REPORT

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

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

- **Reach.** We collaborate with partners from all around the UK - co-producing, touring and supporting the development of work.

- **New Work.** The New Work Department collaborates with hundreds of artists each year to develop work for the NT’s stages and beyond, exploring a diverse range of progressive new voices and forms and supporting practitioners through development and training.

- **Diversity.** We aim to reflect the diversity of the population of the United Kingdom in our work on stage and amongst our creative teams and performers. We have specific, publicly available targets on gender and ethnicity to help us achieve this ambition and we are working with external partners to develop targets in relation to the employment of performers and creatives with disabilities.

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

- **Attendance.** We aim for our theatres to be at least 80% full, and we work to reach out beyond regular audiences. We have targets to increase attendance by people under-35, and first time attenders (who we also aim to bring back). These are supported by our audience insight programme which allows us to understand our audiences better and deepen our relationship with them. We are developing targets to reach BAME audiences which will be in place by April 2017.

- **Pricing.** We make hundreds of thousands of cheap tickets available, for young people in particular.

- **Access.** We always aim to meet the needs of audience members with disabilities. When our productions travel, we work with venues to extend this approach to access.

- **Experience.** We strive to make our building as inviting, welcoming and lively as possible, and always provide things to experience or explore for free.

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

- **Sharing skills.** The NT is a centre of excellence for theatre-making. Our new Clore Learning Centre gives schools, teachers, young people, families and adults opportunities to discover and develop skills in theatre.
STRATEGIC REPORT

- **Opening up theatre.** We create opportunities for under-represented and disadvantaged groups to engage with theatre, developing skills and opening up pathways into training or apprenticeships.

- **Young people.** We work in partnership with schools, theatres and youth theatres nationwide to create and extend inspirational opportunities for theatre-making, on and off-stage.

- **Theatre education.** We provide professional development for teachers, youth theatre leaders and theatre education practitioners. We share the work of the NT through high quality digital resources and publications and by opening up our Archive. And, *On Demand In Schools* makes NT Live productions available to every school in the UK, free of charge.

- **Discovering theatre.** At the NT, a diverse and innovative programme of talks, exhibitions, debates and events provides fresh perspectives and insights into theatre, culture and society.

- **Leadership and advocacy.** We believe all young people should have the chance to take part in theatre. Our programmes, partnerships, resources and training opportunities support this aim but we also advocate for theatre as a vital part of education and civic life.

CULTURE

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

- **Leadership.** We have particular responsibility for fostering the health of the whole UK theatre sector, representing our country both at home and internationally. This work consists of advocacy, creative innovation and the development of best practice, including in the area of environmental strategy.

- **Finance.** As an institution in receipt of government funds and reliant on donor support, the National Theatre has a particular responsibility to operate responsibly, prudently and sustainably. We must ensure that our planned activities, whilst delivering against our vision for the NT, are also manageable within a balanced budget. We continue to seek to exploit our successes in the West End, nationally and internationally. In building a long term financial model we will seek to use such earnings in excess of a core sustainable level to build reserves, invest in capital and seed-fund development projects.

- **Staff.** Our colleagues are integral to our success and our staff and the artists we work with are amongst the most talented, expert and respected in the industry. We are committed to supporting, nurturing and developing the talent of our colleagues and actively seek to draw our staff from the widest and most diverse pool.

OUR ACHIEVEMENT AND PERFORMANCE

INTRODUCTION

In 2015-16, the ticketed audience for National Theatre productions and broadcasts of NT Live in the UK was 2.5m, 57% of whom came from outside London. 4m tickets were sold globally. In the financial year, incoming resources were £121.6m with £117m of expenditure. Net assets at 27 March 2016 were £91.5m.
**STRATEGIC REPORT**

**REVIEW**

The National achieved a net surplus of £4.6m for the year, inclusive of NT Future income and expenditure which is treated as a long term project and movements in any other long term restricted funds; exclusive of these restricted project funds it generated a net surplus of £7.1m for the year. This positive result is largely attributable to the exceptionally strong net contribution in respect of commercial production transfers in the West End and internationally, the final settlement of a significant insurance claim relating to the 2013-14 financial year and the one off benefit of Film Tax Credit income relating to the previous financial year.

Our total ticketed global audience in 2015-16 was 4m, and our total UK ticketed audience was 2.5m. Through free, un-ticketed events, digital and TV broadcast we reached a further 3.6m, giving us a total global reach of 7.6m.

1,301 performances across 35 productions, of which 27 were new productions, were presented at the NT on the South Bank during the year, attracting audiences of 787,107 (723,993 in 2014-15). The average seat attendance capacity was 88% and our approval rating of ‘fantastic’ or ‘very good’ was 80%.

National Theatre On Demand In Schools made three core-curriculum productions available to over 1 million schoolchildren around the UK. We launched the 21st anniversary of Connections, the largest youth theatre festival in the world, working with 10,000 young theatre-makers across the UK at 45 partner theatres.

2015-16 was the first full year to benefit from our transformed facilities under NT Future, including the Dorfman Theatre, the Clore Learning Centre, the Sherling High-Level Walkway and the Max Rayne Production Centre, all of which have better enabled the NT to deliver its objectives. The fundraising target of £83m has been achieved.

The Clore Learning Centre has transformed the National’s approach to education, embedding it at the heart of the building. New programmes for schools, 16-21 year olds, families and adult learners have been launched, drawing on the skills of artists and staff from across the NT to open up all aspects of theatre making from playwriting to design and technical skills. In its first full twelve months, attendances were 36,000 across a wide range of projects and programmes, varying from an hour’s talk to a 10 week course.

NT Live reaches 600 cinemas in the UK and internationally in 55 countries. Catchment predictions show that in the UK 36 million adults live within 12 minutes’ drive of a cinema showing NT Live. This is approximately 68% of the UK population. In pursuit of our ambition to reach national audiences the NT continues to partner with other theatres across the UK.

The funding received from the Arts Council and our donors is vitally important to maintain the innovation, accessibility and reach of which the NT is proud. Arts Council revenue funding was marginally down on the prior year, at £17.2m (2014-15 £17.6m); this represents 14.5% of the income received by the NT. Fundraising revenue from our donors, including individuals, trusts, foundations, corporate donations and sponsorship, contributed £9.5m in revenue funding which represents 8% of our income, and £1.5m in capital funding to support NT Future. The remaining 77.5% of our income is self-generated, coming from Box Office, Commercial Transfers and Trading.

Income from commercial transfers in both the UK and internationally has significantly increased to offset the impact of the real term cut (24.6% since 2010-11) in Arts Council funding and delivered £5.3m net earnings in 2015-16. The business model with effect from 2016-17 onwards has been reviewed to reduce the reliance on this uncertain income source to a sustainable level, anticipated to be circa £1 million per annum, as discussed further under the Financial Sustainability section of this report.

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

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There were 35 productions in repertoire at the National during the year, 27 of which were new productions built and staged at the National.

REPERTOIRE

In 2015-16 we upheld our commitment to excellence and a broad repertoire. Whilst striving to deliver the highest standards of production and performance, we have worked to broaden our programme, embracing new voices and new forms, reinvigorating both familiar and neglected classics.

With new plays by David Hare, Tanya Ronder, Stephen Adly Guirgis, Tom Stoppard, Sam Holcroft, Patrick Marber, Duncan Macmillan, Carol Churchill, Wallace Shawn and a range of progressive premieres in the Temporary Theatre, new work was at the heart of our 2015/16 programme. By telling new stories in new ways we have reached new audiences, challenged our existing audiences, and ensured a multiplicity of viewpoints across our stages.

We sought new ways to engage with the canon, via revivals of Shakespeare, Shaw, Farquhar and Granville Barker, and adaptations of Turgenev, Bronte and Lawrence. The Medieval morality play ‘Everyman’ was reimagined for contemporary audiences. We presented recent plays by Timberlake Wertenbaker, Sarah Kane and Carol Churchill, establishing them as modern masterpieces.

Theatre for family audiences ranged from large-scale Olivier productions of Bryony Lavery's adaptation of ‘Treasure Island’ and Moira Buffini and Damon Albarn’s new musical ‘wonder.land’ to Wils Wilson’s ‘I Want My Hat Back’ for very young audiences.

In addition to the 35 productions in repertoire at the NT, there were productions of ‘War Horse’ in the West End and on tour in China, and of ‘The Curious Incident of the Dog in the Night-Time’ in the West End, on Broadway and on a UK Tour, and a transfer of ‘People, Places and Things’ to the West End. War Horse in the West End closed on 16 March after 2,904 performances at the New London theatre.

In addition to our core artistic programme, we produced several new events and initiatives designed to reach a broader base of audiences and artists.

The Temporary Theatre was used as a music venue for nine gigs by musicians with a theatrical connection and interest, such as Duke Special and Josienne Clarke who was composer and performer in ‘Our Country’s Good’. Combined with Russell Brand’s ‘A Trew Work in Progress’ these new strands of programming sold 3,131 tickets.
Graeae's ‘The Solid Life of Sugar Water’ was the first ever production by a disabled company at the NT, informing a growing conversation about the barriers to engagement at the NT experienced by disability arts groups.

Part of our vision is to position theatre as a way of throwing light on contemporary issues, so we produced a series of current affairs panel discussions with the Guardian. Topics were themed around NT productions, and included London's housing crisis, the future of football and the growth of polarised politics.

We launched the outdoor River Stage festival, which ran throughout the school summer holidays on the South Bank, with an estimated footfall of 24,700. This built on our commitment to introduce new and diverse audiences to high quality programming both within and outside of the main theatre spaces – with productions, street artists and musicians suitable for families and children, with DJ takeovers at night.

Full details of the productions opened in 2015-16 are set out at the end of this Strategic Report.

REACH

Taking our live work to audiences outside of London has been central to our programming this year and our desire to be truly national led to partnerships with theatres in Manchester, Bristol, Cardiff and touring companies including Headlong and Graeae.

Co-producing and the presentation of visiting companies in the Temporary Theatre allowed us to support great work from across the nation. Companies worked with included:

- Bristol Old Vic - ‘Jane Eyre’
- Manchester International Festival - ‘wonder.land’
- Manchester Royal Exchange - ‘Husbands and Sons’
- Sherman Theatre Cardiff – ‘Iphigenia in Splott’
- Orange Tree Theatre and Manchester Royal Exchange – ‘Pomona’
- Yard Theatre - ‘Beyond Caring’
- Graeae and Theatre Royal Plymouth – ‘The Solid Life of Sugar Water’
- Headlong Productions – ‘People, Places, Things’

‘Curious Incident’ toured 23 cities in the UK and Ireland. We continued to explore working with media. 701,500 viewers watched ‘My Curious Documentary’ on BBC 1 (with an 'excellent' Al score 85) exploring its adaptation for the stage and speaking to artists, children and families affected by autism.

NT Live grew 39% internationally, driven in particular by strong growth in China, including work with the Young Vic, Donmar and Royal Court Theatres and Sonia Friedman from the Barbican, cementing its place as the key platform for British theatre internationally. We also co-produced and distributed the feature film ‘London Road’, which played at Toronto IFF, San Sebastian FF and Vancouver IFF.

NEW WORK

The New Work Department (NWD) was created in 2015 by bringing together the NT Studio and the Literary Departments, creating a laboratory for theatrical experimentation - the engine room of the National Theatre. It is where much of the work for the NT stages is created and is a place for exploring new forms, embracing a diversity of ideas and talent, all the time keeping questions about audience and the programming priorities of the National Theatre at its heart.
It is also a creative resource made available to partner theatres across the UK including in 2015-16 Northern Stage, National Theatre of Scotland and Bristol Old Vic. In light of the planned closure of the Temporary Theatre at the beginning of the next financial year, the focus of activity during the year was to support artists in the development of work for the Dorfman Theatre in 2016-17. Work was developed with a number of artists including Bryony Kimmings, Alex Zeldin and Suayla El-Bashra.

We recognise the need to develop relatively established directors and designers who can work on the NT’s largest stages. We have created two bursaries as part of the NWD:

- The Peter Hall Award for directors
- The Max Rayne Design Bursary

We established the Jenny Harris Award to recognise an exceptional young artist or company working with young people, and made two awards in late 2015. All three bursaries are funded by grants from the Royal National Theatre Foundation.

**DIVERSITY**

Diversity is at the heart of the mission of the National Theatre. Our informing principle is ‘Theatre is for Everyone’ and in order to deliver this in practice we have established a clear set of diversity targets, as set out in our Equality and Diversity (E & D) Action Plan.

These targets, to be met by March 2021, are set out below, with details of our progress in 2015-16 against them:

- 20% Work on stage written or adapted by non-white writers.
  - 11% achieved in 15-16
- 20% directors non-white
  - 12% achieved in 15-16
- 50% of new work by female writers
  - 51% achieved in 15-16
- 50% of directors will be female
  - 46% achieved in 15-16
- Minimum of 20% non-white performers on-stage
  - 31% achieved in 15-16

This year’s programming reflected our ambition, beginning with the award winning ‘Dara’ and ‘Behind the Beautiful Forevers’ and ending with the award winning ‘Ma Rainey’s Black Bottom’ and ‘The Suicide’ while ‘Les Blancs’ and ‘Another World’ were in rehearsal.

We introduced new voices within our artistic and organisational leadership. The NT Associates guide and advise the artistic programme of the NT and are now 5:4 men to women, and 7:2 people of colour. We also work closely with Act For Change and the NT hosted their 2015 conference. Act For Change now has a desk within the NT.

Disability: As set out in our E&D Action Plan, we have taken this year to learn more about disability issues and we will develop an informed strategy during 2016-17. As part of our mission to understand disability issues better we have hosted Graeae’s ‘Secret Life of Sugar Water’, the first-ever Deaf & Disabled company to play at the NT.
All of these changes are part of our increased, company-wide commitment to diversity and will help us to achieve our publicly-stated ambition to reflect the diversity of the UK on our stages, within our staff and amongst our audiences.

AUDIENCES

Our total ticketed global audience in 2015-16 was 4m, and our total UK ticketed audience was 2.5m. Through free, un-ticketed events, digital and TV broadcast we reached a further 3.6m, giving us a total global reach of 7.6m.

ATTENDANCE

The table below show the five year trend of attendances.

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<td>Other</td>
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NT at the South Bank

The total audience of 787,107 (723,993 in 2014-15) represented on average 88% (89% in 2014-15) capacity across all theatres, with 30% of these being first time bookers.

Our audience was younger on average that last year, with an average age of 51 (55 in 2014-15), closer to the UK average of 47. 22% of bookers were under 35, up from 15% the year before.

Part of this success can be attributed to the character and appeal of several specific productions - ‘Everyman’ and ‘wonder.land’ were our most popular productions with under-35 and BAME audiences. The Temporary Theatre attracted a younger, less affluent audience, with 35% of ticket bookers under 35, and 30% first-time visitors. 82% of these visitors rated the production as ‘excellent’.

The NT’s rolling audience insight programme forms the backbone of the organisations research function. Audiences are surveyed post booking and post visit to understand motivations for attendance, experience, reactions to work, demographics, and lifestyle. 80% of audiences rated our plays as ‘excellent or very good’ (our four-year average is 81%) and 46% of our audiences agreed with the statement: “This play increased my expectations of what theatre can achieve”, an increase of 5 percentage points over 2014-15.

The ability to spot trends is invaluable in evaluating success and informing future planning, and has informed the audiences plan for 2016-18.

NT National

Since March 2015, the UK tour of The Curious Incident of the Dog in the Night-Time visited 23 cities in the UK and Ireland, playing to a total audience of 278,653 people. Other national activity is detailed in the relevant section of this report below.

NT International

Our total audience outside of the UK was 1.2m. This was made up of 662,710 people who saw NT Live broadcasts in 55 countries around the world, and 557,000 who saw live NT productions. The live audiences were made up of:

- War Horse in Holland: 60,156
- War Horse in China: 137,319
- Curious Incident on Broadway: 359,589

A milestone in the National’s collaboration and skills exchange with the National Theatre of China (NTC) was realised in September when the Chinese production of War Horse opened in Beijing. Originally announced in 2013 during a government trade delegation to Shanghai, the Chancellor launched his 2016 delegation to China with a visit to the theatre and met the Chinese cast; a tribute to theatre as a cultural export. Since opening it has played 127 performances in Beijing, Shanghai and Guangzhou and continues throughout 2016. As part of this strategic partnership we are working with NTC to assess the technical capabilities of theatres in 1st and 2nd tier Chinese cities, laying the groundwork for further touring and other possible collaborations.
We are developing a creative dialogue with theatres and artists in the US. ‘The Curious Incident of the Dog’ in the Night-Time became the longest running play on Broadway in over ten years, winning five Tony Awards. ‘The Effect’ opened off Broadway, and high-profile American artists and work came to the NT, including ‘The Motherfucker in the Hat’ and ‘The Flick’.

**PRICING**

Accessible ticket pricing remained a priority for us:

- 155,763 tickets cost £15 or less, including 97,192 Travelex tickets
- 25,336 £5 tickets sold through Entry Pass to 16-25 year olds

**ACCESS**

Our audience development priorities are:

- Under 35 year olds
- BAME audiences
- Audiences with access requirements or disabilities

In addition to programming considerations, in each case we have audience development practices in place. These include ticket entry schemes (Entry Pass, Friday Rush), an allocation of marketing spend on BAME specific media and an access scheme to facilitate booking for audiences with access needs.

- 21,895 concessionary tickets sold to disabled people and their companions for NT productions in London where we provided 45 captioned performances, 1 sign language interpreted performance, 44 audio- described performances, 28 Touch Tours and 2 relaxed performances.
- On tour in the UK there were 16 audio described performances, 13 touch tours, 14 captioned performances, 16 sign language interpreted performances and 1 relaxed performance.

**LEARNING**

**SHARING SKILLS**

2015-16 was the first full year of operation for the Clore Learning Centre. Over the year there were just under 36,000 attendances through Learning activity at the NT, of which 70% were children and young people, 17% were adults participating in sessions involving children and young people, and 13% were adults participating in over 18 only/ adult sessions.
We launched a number of new projects for children and young people including a structured work experience week for KS4 students and Theatre First, an interactive production in the Dorfman Theatre for KS1 children. Our schools programme has continued to evolve in response to the changing educational climate, and we have seen a steady growth in take up of our primary school Make Theatre Days. Secondary schools have responded positively to the programme of student conferences, study days and masterclasses which link strongly to the curriculum and give students direct access to inspirational artists and practice.

A detailed evaluation of the Clore youth programme’s first year, offering 58 different workshops, courses and creative opportunities for 16-21 year olds, showed that 86% of participants had developed technical and creative skills and 73% had gone on to develop their own work.

The NT archive welcomes increasing numbers of Secondary, FE and HE students to explore past productions.

OPENING UP THEATRE

A cast of 44 non-professionals joined the cast of *Light Shining in Buckingshire*, the first time a community ensemble has performed as part of a main-stage production at the NT. 31 members of the ensemble created a companion piece, *A Declaration from the People*, devised with writer Chris Bush and director Emily Lim and performed in the Dorfman Theatre.

We also ran a design project focused on wonder.land with adults with mental health issues, and a playwriting programme for residents of the Peabody Estate.

YOUNG PEOPLE

Beyond the NT, we doubled the size of our 2016 (spanning 2015-16 and 2016-17) Connections programme, the NT’s major youth theatre participative activity, to mark its 21st anniversary, involving 450 youth theatres nationwide, including many new to it and from disadvantaged communities. New Views, a playwriting competition, ran in 66 schools across England and a record number of over 300 scripts were entered for the 2016 competition.

A production of *The Comedy of Errors* and accompanying education programme toured to primary schools across London, to Stratford Circus, and ran for three weeks at the Temporary Theatre, 3,352 from 43 schools in 13 London boroughs saw the production and took part in the education programme. An extensive learning programme ran alongside the *Curious* tour, including 6 week-long projects with ASD students, involving 6,046 students.

DISCOVERING THEATRE

We opened five free exhibitions at the NT, including a major digital archive project in the Lyttleton Lounge. The enter wonder.land digital installation to support engagement with this production attracted 90,000 visitors. It used technology and design from the production, allowing audiences to interact with the world of wonder.land.

This year has seen growth in our digital platforms and use of technology to share and enhance our work.

We reached a substantial audience with original content through social media. In 2015-16 we provided:

- 43 Podcasts of talks and discussions, 228,374 downloads
- 202 new videos, 13,105 new subscribers and 3,478,343 views across National Theatre and National Theatre Discover YouTube channels. 38% of views from UK, with major audiences in US, Australia, Canada and Germany.
- 15,400 people followed our new Instagram account
1,000 live viewers watched ‘wonder.land’ from the stage using Periscope, and 2,500 viewers watched five current affairs debates in the Lyttleton Theatre.

We launched the National Theatre Backstage app, giving access to premium audio-visual and written content, including enhanced digital programmes and archive programmes from our 50 year history.

We launched ‘Fabulous wonder.land’ a free VR experience to compliment ‘wonder.land’ – both as an app and the enter wonder.land exhibition. The film was selected for Cannes Film Festival and Sundance Film Festival.

**THEATRE EDUCATION, LEADERSHIP AND ADVOCACY**

We launched On Demand in Schools in September 2015, a ground breaking free digital resource giving access to theatre performances to schools. Within six months of its launch over a quarter of UK secondary schools had registered for On Demand In Schools, a ground breaking free streaming service allowing access to three core-curriculum plays – ‘Hamlet’, ‘Othello’ and ‘Frankenstein’, with curriculum-linked resources supporting each play.

*All About Theatre*, the first children’s book about theatre-making, was published in October 2015.

Our digital resources, publications and learning programmes support young people’s involvement in theatre across the UK. In addition we provided professional development opportunities for 1,467 teachers (primary, secondary, FE), youth theatre directors and theatre education practitioners, including our flagship Drama Teacher Conference at the NT.

Connections 2016 was run in partnership with 45 theatres across the UK, establishing a network to support youth theatre and theatre-making in schools.

The NT hosted *The Transforming Power of Art*, a one-day conference in partnership with the National Criminal Justice Arts Alliance. Inspired by *Our Country’s Good*, the event brought together arts organisations, practitioners and academics who work in criminal justice settings, using theatre and the arts to bring about positive change.

**CULTURE**

**LEADERSHIP**

We take our responsibility to the sector very seriously and aim to provide support and leadership, whilst advocating to Government and other influencers on behalf of British theatre.

**FINANCIAL SUSTAINABILITY**

Unrestricted income of £115.7 million was 1.3% higher than the previous year reflecting growth in donations and other trading activities, and despite a fall to income from charitable activities (down £12.8 million) as a result of less touring activity in the year. The net movement in unrestricted operational funds was £5.5 million, increasing operational reserves to £9.4 million. This positive financial outcome was supported by strong commercial production transfer net earnings, the final settlement of a significant insurance claim and the one off benefit of Film Tax Credit income relating to the previous financial year.
Over the past five years the NT has coped with cuts to its ACE funding and has been able to deliver activity growth by increasing its commercial transfer earnings. The recognised challenge for the NT is that the pipe-line of productions which have the capacity to extend beyond the South Bank is very uncertain. The extent to which core activity has become dependent on this uncertain income source has been a cause of concern for some time.

Given this, and the closure of ‘War Horse’ in the West End in March 2016, we determined to adjust our financial model to significantly reduce reliance on this income source to circa £1 million going forward; in line with expected levels in 2016-17, whilst continuing to consider the potential for further commercial exploitation of all shows presented at the NT to both extend our reach, provide much needed funding to support capital and development projects and to strengthen longer term financial sustainability through building our reserves. A review of capital replacement and renewal requirements over the next five years identified a need to increase our annual allocation to capital by £1 million to £3.5 million by 2017-18.

In order to balance our financial model in light of the impacts referenced above, an extensive review of all income growth opportunities, our cost base and activity plans was undertaken in 2015-16, with a view to increasing income and/or deceasing costs by circa £5 million, whilst delivering the breadth of work and reach that the National aspires to and protecting any impact to the achievement of our core strategic objectives.

Significant progress has been made to delivering this, although we have a deficit budget of £0.4m in 2016-17 to be funded from unrestricted reserves; we intend to deliver a break even position by 2017-18. This has been achieved through a combination of growth to income and reductions to expenditure. Income growth includes additional box office revenues following a pricing review, increasing our fundraising support and further growth to trading activities. Expenditure reductions include lower production costs, achieved partly through the early closure of the Temporary Theatre and ceasing Sunday performances, and reductions to support costs.

The NT’s current level of activity is heavily dependent on the funding received from the Arts Council for its core activities, which in 2015-16 was £17.2m.

In order to ensure financial sustainability, the National has a rolling three year business plan which looks in detail at potential challenges as well as opportunities for the organisation. In addition to the need to reduce reliance on commercial productions transfer earnings referred to above, the business plan includes a diversification strategy focussing principally on growing fundraising but also planned earnings growth from NT Live and on-site retail trading following the investment in new bars and cafes. In addition, the cost base is reviewed constantly, ensuring value for money.

**STAFF**

Our focus this year has been effective staff communication and engagement, to ensure all staff understand our strategic focus under the new Executive leadership and have the opportunity to engage with this. To support this, and in addition to the regular weekly briefings, we have introduced staff meetings six times a year to provide a forum to update staff on achievements and future plans, and the opportunity for a two way dialogue with the Executive and Senior Management Team; two of these meetings are primarily focused on health and safety.

We introduced a new annual staff survey, the findings and actions arising from this being shared with staff in an open briefing session with the opportunity for questions and a two way dialogue. We have taken positive steps to improve the Safety Risk culture across the organisation, including significant training and the development of a Duty Director role, and engaged staff in two Mental Health Awareness weeks to encourage openness on this subject.

The NT Apprenticeship programme continues to mature and develop. A total of thirteen apprenticeships were supported in 2015-16 in areas as diverse as Carpentry, Marketing, IT, Sound, Engineering, Development and Wigs, hair and Make-Up, in all cases supporting new routes into employment in these fields. The majority of the
apprentices were from groups not normally represented in their chosen profession, in terms of race, gender or socio-economic group. The NT has increasingly engaged with the national debate on apprenticeships, submitting evidence to Parliament and playing a key role in the development of industry-wide standards for the performing arts sector.

Step Change marked its sixth cohort of participants by successfully piloting the shift to a national remit, partnering with Live Theatre, Newcastle-Upon-Tyne, Bristol Old Vic and the Lowry, Salford; with Paines Plough, Theatre Royal Stratford East (TRSE) and Ambassador’s Theatre Group trialling the role of Supporting Organisations. This move enabled the recruitment of a cohort of participants drawn from across England and Wales, thus supporting the National’s aims to develop regional talent and enhance the regional diversity of our work.

Environmental Sustainability
The National Theatre recognises that, as one of the world’s major production theatre companies, its activities have significant and wide-ranging environmental impacts and that it has a responsibility to minimise those impacts. As an organisation, the National Theatre also aspires to lead by example within the theatre sector. This is demonstrated by the Theatre’s NT Future project which aimed to reduce the organisation’s energy use and carbon emissions.

2015-16 saw a number of positive advances to the NT’s sustainability record:

- Our zero-to-landfill policy achieved 61% of its waste recycled, an improvement on our revised figure of 52% in 2014-15. General waste is taken to an energy-from-waste facility where it is incinerated and the energy generated is put back into the National Grid.
- Our Display Energy Certificate was upgraded from a G to a C.
- Carbon emissions have been reduced by 10%, down from 1035 tonnes to 935 tonnes. Although our electricity consumption rose by 10%, all our purchased electricity was from renewable sources and therefore did not impact our carbon emissions overall.

The rise in our electricity usage was due to the heightened level of activity sustained over the last year following the completion of NT Future, with four busy theatres and our operational areas working harder. In the long term, any expanded energy requirements should be more than offset by our Combined Heat and Power (CHP) plant, which was installed as part of NT Future. We are still in the process of bedding in and optimising this system – when in full use, the plant should deliver reductions to the amount of electricity we use and purchase, which will boost environmental and financial sustainability.

We formed an internal environmental working group, tasked with developing the NT’s future five year environmental strategy following the completion of NT Future, and promoting sustainable behaviour among staff and visitors. This new strategy will be launched in 2016-17.

Self-Evaluation
We have strengthened our ability to measure the quality and impact of our work through surveys, qualitative research and data analysis. In addition to the continuing measurement of audience response for NT productions, new measures include:

- Commissioning bespoke evaluations, in areas such as NT Live, NT Future, Membership and the NT’s youth programme;
- Creation of a new research apprentice post, delivering insight and analysis;
Commitment to bring audience insight into the production planning process.

**RECOGNITION**

The NT won a number of awards during the year – these are listed at the end of this Strategic Report.

**FUTURE PLANS**

The following objectives have been set for the 2016-17 financial year:

- To present a diverse and popular repertoire to reach the widest possible audience of around 25 productions at the South Bank, and following the closure of the Temporary Theatre in early 2016, to transfer the spirit of the programming inspired by this theatre onto the main NT stages.
- To continue to extend the diversity of our audience and to transfer the new, young and diverse audience attracted to the Temporary theatre into the main NT stages.
- To deliver a large scale nationwide Community Project in collaboration with Birmingham Rep, National Theatre of Wales and National Theatre of Scotland.
- To build on the networks created through NT Live, Connections and the Community Project to develop a strategy for deeper engagement across the UK.
- To refine the strategy for the New Work department and set targets for productions developed through this facility to reach NT stages over the next five years. This target for 2016-17 is to develop four new pieces of work for presentation on NT main stages in 2017-18, including one piece for families.
- To support the development of directors through the launch of the Peter Hall Directors programme.
- *NT Connections*, the flagship Learning programme, will celebrate its 21st anniversary in 2016 by doubling the number of participants with a particular focus on engaging with harder to reach groups across the UK.
- To identify opportunities to extend access to our archive of theatre performances and supporting material by educational establishments.
- To engage all our staff and colleagues in our Diversity and Inclusion strategy through a series of workshops and seminars, to continue to make progress against our diversity targets and to be publically accountable for this – they will be published on our web site and reported on every six months.
- To continue our digital research and development work, to include establishing an immersive story telling laboratory in the New Work Department.
- Financial sustainability – to continue to grow fundraising revenues by 15% and identify other cost saving and revenue generating opportunities, to support our financial needs in light of lower expected returns from commercial production transfers following the closure of the long running production of ‘War Horse’ in the West End.
- To develop the next phase of our Environmental Sustainability policy now the NT Future project and its associated environmental benefits have been, or will soon be, successfully delivered.
PRODUCTIONS OPENED IN 2015-16

LIGHT SHINING IN BUCKINGHAMSHIRE
Caryl Churchill
Director Lyndsey Turner
Set Designer Es Devlin
Costume Designer Soutra Gilmour
Lighting Designer Bruno Poet
Choral Music Helen Chadwick
Movement Director Joseph Alford
Sound Designer Christopher Shutt
Music Director Helen Porter
Dialect Coach Majella Hurley
Company Voice Work Jeannette Nelson
Staff Director Mel Hillyard
Lyttelton, 23 April
Sponsored by Travelex

The Yard Theatre presents
BEYOND CARING
A new play by Alexander Zeldin, through devising with the company
Director Alexander Zeldin
Designer Natasha Jenkins
Sound Designer / Composer Josh Grigg
Lighting Designer Marc Williams
Assistant Director Grace Gummer
Temporary Theatre, 28 April – 16 May

EVERYMAN
A new adaptation by Carol Ann Duffy
Director Rufus Norris
Choreographer & Movement Director Javier De Frutos
Set Designer Ian MacNeil
Costume Designer Nicky Gillibrand
Lighting Designer Paul Anderson
Video Designer Tal Rosner
Music Williams Lyons
Sound Designer Paul Arditti
THE BEAUX’ STRATAGEM
George Farquhar
Director Simon Godwin
Designer Lizzie Clachan
Lighting Designer Jon Clark
Movement Director Jonathan Goddard
Music Michael Bruce
Sound Designer Christopher Shutt
Fight Director Kev McCurdy
Company Voice Work Jeannette Nelson
Dialect Coach Michaela Kennen
Staff Director Lilly McLeish
Dramaturgy Simon Godwin and Patrick Marber
Olivier, 26 May
Sponsored by Travelex

THE RED LION
Patrick Marber
Director Ian Rickson
Designer Anthony Ward
Lighting Designer Hugh Vanstone
Sound Designer Ian Dickinson
Music Stephen Warbeck
Fight Director Terry King
Company Voice Work Kate Godfrey
Staff Director Anna Girvan
Dorfman 10 June
Neptune Investment Management
Production supported by Clive & Sally Sherling
RashDash and the NT
WE WANT YOU TO WATCH
RashDash and Alice Birch
Director Caroline Steinbeis
Designer Oliver Townsend
Lighting Designer Beky Stoddart
Music Ben and Max Ringham
Sound Designer Alex Caplen
Company Voice Work Daniele Lydon
Staff Director Laurence Cook
Temporary Theatre, 11 June – 11 July (press night 15 June)

THE MOTHERFUCKER WITH THE HAT
Stephen Adly Guirgis
Director Indhu Rubasingham
Designer Robert Jones
Lighting Designer Oliver Fenwick
Sound Designer Carolyn Downing
Fight Director Kev McCurdy
Company Voice Work Jeannette Nelson
Dialect Coach Cecilie O’Reilly
Staff Director Harry Mackrill
Lyttelton, 17 June

AN OAK TREE
Tim Crouch
Co-directors Karl James, Andy Smith
Sound Design and Original Composition Peter Gill
Piano Simon Crane
Producer Lisa Wolfe for Tim Crouch Theatre
Temporary Theatre, 23 June – 11 July
Islington Community Theatre

BRAINSTORM
Ned Glasier, Emily Lim and the company
Directors Ned Glasier & Emily Lim
Designer Charlie Damigos
Lighting Designer Johanna Town
Sound Designer Elena Peña
Temporary Theatre, 21 – 25 July

THREE DAYS IN THE COUNTRY
Patrick Marber, after Turgenev
Director Patrick Marber
Designer Mark Thompson
Lighting Designer Neil Austin
Music and Sound Adam Cork
Movement Polly Bennett
Music Director Sam Cable
Company Voice Work Kate Godfrey, Jeannette Nelson
Staff Director Daniel Raggett
Literal Translation Patrick Miles
Lyttelton, 28 July
Produced in association with Sonia Friedman Productions

OUR COUNTRY’S GOOD
Timberlake Wertenbaker
Based on The Playmaker by Thomas Keneally
Director Nadia Fall
Designer Peter McKintosh
Lighting Designer Neil Austin
Music Cerys Matthews
Choreographer Arthur Pita
Sound Designer Carolyn Downing
Fight Director Kate Waters
Company Voice Work Jeannette Nelson
Dialect Coach Richard Ryder
Music Director Kevin Amos
Staff Director Bryony Shanahan
Olivier, 26 August
Sponsored by Travelex

PEOPLE, PLACES AND THINGS
Duncan Macmillan
Director Jeremy Herrin
Set Designer Bunny Christie
Costume Designer Christina Cunningham
Lighting Designer James Farncombe
STRAategic REPORT

Music Matthew Herbert
Sound Designer Tom Gibbons
Video/Projection Andrzej Goulding
Movement Polly Bennett
Company Voice Work Jeannette Nelson
Dialect Coach Richard Ryder
Staff Director Holly Race Roughan
Dorfrom, 1 September
Neptune Investment Management

The Orange Tree Theatre in association with the NT and Royal Exchange Theatre

POMONA
Alistair McDowell
Director Ned Bennett
Designer Georgia Lowe
Lighting Designer Elliot Griggs
Composer and Sound Designer Giles Thomas
Movement Director Polly Bennett
Fight Director Pamela Donald
Company Voice Work Cathleen McCarron
Mask Designer Isa Shaw-Abulafia
Temporary Theatre, 10 September – 10 October (press night 14 September)

Co-production with Bristol Old Vic

JANE EYRE
Devised by the Company,
Based on the novel by Charlotte Brontë
Director Sally Cookson
Set Designer Michael Vale
Costume Designer Katie Sykes
Lighting Designer Aideen Malone
Music / Music Director Benji Bower
Sound Designers Mike Beer & Dominic Bilkey
Movement Director Dan Canham
Fight Director Renny Krupinski
Dramaturg Mike Akers
Company Voice Work Richard Ryder
Staff Director Ellen Havard
Lyttelton, 17 September

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A co-production with Royal Exchange Theatre

HUSBANDS & SONS
By DH Lawrence, adapted by Ben Power
Director Marianne Elliott
Designer Bunny Christie
Lighting Designer Lucy Carter
Video Designer Tal Rosner
Movement Director Scott Graham
Music Adrian Sutton
Sound Designer Ian Dickinson
Fight Director Kate Waters
Company Voice Work Jeannette Nelson
Dialect Coach Penny Dyer
Associate Director Katy Rudd

Dorfman, 27 October
Neptune Investment Management

AS YOU LIKE IT
William Shakespeare
Director Polly Findlay
Set Designer Lizzie Clachan
Costume Designer Christina Cunningham
Lighting Designer Jon Clark
Music Orlando Gough
Movement Director Jonathan Goddard
Sound Designer Carolyn Downing
Fight Director Kate Waters
Music Director Marc Tritschler
Associate Lighting Designer Peter Harrison
Artistic Collaborator Clive Mendus
Company Voice Work Jeannette Nelson
Staff Director Laura Keefe

Olivier, 3 November
Official Hotel Partner Radisson Blu Edwardian

THE COMEDY OF ERRORS
William Shakespeare, in a new version for young audiences by Ben Power
Director Bijan Sheibani
Lighting Designer Sean Gleason
STRATEGIC REPORT

Composer and Musical Director Jason Yarde
Physical Comedy Director Sophie Russell
Sound Designer Mike Winship
Company Voice Work Cathleen McCarron
Assistant Director Alice Knight
Temporary Theatre, 22 October – 6 November

WASTE
Harley Granville Barker
Director Roger Michell
Designer Hildegard Bechtler
Lighting Designer Rick Fisher
Music Matthew Scott
Sound Designer John Leonard
Movement Director Quinny Sacks
Company Voice Work Richard Ryder
Staff Director Oscar Toeman
Lyttelton, 10 November

I WANT MY HAT BACK
Jon Klassen
Book & lyrics by Joel Horwood, music by Arthur Darvill
Director Wils Wilson
Designer Fly Davis
Lighting Designer Beky Stoddart
Sound Designer Joel Price
Movement Director Imogen Knight
Music Director Oliver Birch
Staff Director Tom Hughes
Temporary Theatre, 12 November – 2 January (press night 16 November)
Partner for New Audiences Bloomberg Philanthropies

EVENING AT THE TALK HOUSE
A new play by Wallace Shawn
Director Ian Rickson
Set Designers The Quay Brothers
Costume Designer Soutra Gilmour
Lighting Designer Neil Austin
Music Stephen Warbeck

Page 30 of 87
Movement Maxine Doyle
Sound Designer Ian Dickinson
Company Voice Work Jeannette Nelson
Staff Director Diyan Zora
Dorfman, 24 November
Dorfman Partner Neptune Investment Management

HERE WE GO
A new play by Caryl Churchill
Director Dominic Cooke
Designer Vicki Mortimer
Lighting Designer Guy Hoare
Sound Designer Christopher Shutt
Visual Effects Chris Fisher
Company Voice Work Jeannette Nelson
Staff Director Rosemary McKenna
Lyttelton, 27 November

A co-production with Manchester International Festival

WONDER.LAND
A new musical created by Damon Albarn, Moira Buffini and Rufus Norris
music by Damon Albarn
book and lyrics by Moira Buffini
inspired by Alice in Wonderland and Alice Through the Looking Glass by Lewis Carroll
Director Rufus Norris
Set Designer Rae Smith
Projections 59 Productions
Costume Designer Katrina Lindsay
Lighting Designer Paule Constable
Music Supervisor Tom Deering
Music Associate Malcolm Forbes-Peckham
Sound Designer Paul Arditti
Choreographer Javier De Frutos
Associate Director James Bonas
Associate Set Designer Tom Paris
Associate Choreographer Cydney Uffindell-Phillips
Staff Director Tinuke Craig
Puppet Design ‘Charlie’ Toby Olié
Company Voice Work Jeannette Nelson
Olivier, 3 December
Commissioned by Manchester International Festival, National Theatre and the Théâtre du Châtelet
Supported by Vodafone
Official Flight Partner Virgin Atlantic
Official Make-up Partner MAC
Production generously supported by Areté Foundation / Betsy & Ed Cohen, Celia Atkin, The Badenoch Trust, Graham & Joanna Barker, Beth & Gary Glynn, A legacy gift from the Estate of Storm Kelly, Leila Maw Straus, Ian & Beth Mill, The Mark Pigott KBE Family, Mahdi Yahya, and wonder.land appeal donors

2016

Presented by Sherman Cymru

IPHIGENIA IN SPLOTT
Gary Owen
Director Rachel O’Riordan
Designer Hayley Grindle
Lighting Designer Rachel Mortimer
Sound Designer Sam Jones
Temporary Theatre, 27 January – 20 February (press night 29 January)
Partner for New Audiences Bloomberg Philanthropies

MA RAINEY’S BLACK BOTTOM
August Wilson
Director Dominic Cooke
Designer Ultz
Lighting Designer Charles Balfour
Music Tim Sutton
Sound Designer Paul Arditti
Movement Director Coral Messam
Fight Director Bret Yount
Associate Designer Sadeysa Greenaway-Bailey
Associate Sound Designer Giles Thomas
Company Voice Work Jeannette Nelson & Cathleen McCarron
Dialect Coach Hazel Holder
Staff Director Ola Ince
Lyttelton, 2 February

CLEANSED
Sarah Kane
Director Katie Mitchell
STRATEGIC REPORT

Set Designer Alex Eales
Costume Designer Sussie Juhlin-Wallén
Lighting Designer Jack Knowles
Movement Director Joseph Alford
Music Paul Clark
Sound Designer Melanie Wilson
Fight Directors Rachel Bown-Williams and Ruth Cooper-Brown of RC-Annie Ltd
Staff Director Lily McLeish
Dorman, 23 February
Dorman Partner Neptune Investment Management

A Graeae and Theatre Royal Plymouth co-production
THE SOLID LIFE OF SUGAR WATER
Jack Thorne
Director Amit Sharma
Designer Lily Arnold
Lighting Designer Ian Scott
Sound Designer / Composer Lewis Gibson
Movement Director Cathy Waller
Voice Coach Christopher Holt
Casting Director Sarah Hughes
Temporary Theatre, 26 February – 19 March (press night 29 February)
Partner for New Audiences Bloomberg Philanthropies

Islington Community Theatre
BRAINSTORM
Ned Glasier, Emily Lim and the company
Directors Ned Glasier & Emily Lim
Designer Charlie Damigos
Lighting Designer Johanna Town
Sound Designer Elena Peña
Temporary Theatre, 29 March – 2 April
Partner for New Audiences Bloomberg Philanthropies
AWARDS
During the year the National Theatre has won a series of awards

2016 Olivier Awards
Winners:
Best Revival – Ma Rainey's Black Bottom
Best Actress – Denise Gough, People, Places and Things
Best Supporting Actor – Mark Gatiss, Three Days in the Country
Best Sound Design – Tom Gibbons, People, Places and Things
Nominations:
Best Entertainment & Family – I Want My Hat Back;
Best Lighting Design, Best New Play – People, Places & Things

2016 Critics’ Circle Award
Best Actress – Denise Gough, People, Places and Things

2015 Evening Standard Awards
Winner:
Best Play – The Motherf**ker with the Hat
Nominations:
Best Actor – Ralph Fiennes, Man and Superman;
Best Actress – Denise Gough, People, Places & Things;
Best Director – Indhu Rubasingham, The Motherf**ker with the Hat;
Most Promising Playwright – Alistair McDowall, Pomona;
Emerging Talent Award – Calvin Demba, The Red Lion; Patsy Ferran, Treasure Island

2016 WhatsonStage Awards
Best Supporting Actor – Mark Gatiss, Three Days in the Country

The Stage Awards 2016
Theatre Building of the Year – NT Future
International Award – War Horse China

2016 South Bank Sky Arts Awards
Nomination:
Theatre, People, Places & Things
2016 Eastern Eye Arts, Culture & Theatre Awards
Winner:
Best Production - Dara
Nominations:
Best Production – Behind the Beautiful Forevers

2015 New London Awards
Commissioning Excellence – National Theatre
Temporary Space – The Green Room
Public Space – National Theatre, NT Future

2015 RIBA Awards
Client of the Year Award – National Theatre, NT Future

2016 Royal Institution of Chartered Surveyors Awards
Leisure & Tourism Award – NT Future

TripAdvisor Certificate of Excellence 2015
Royal National Theatre (awarded to properties that consistently achieve outstanding traveller reviews on TripAdvisor)
Set out below is a summary statement of income and expenditure, excluding the National’s Restricted Income relating to NT Future.

**INCOME**

- **£118.5m**
  - Box Office - NT £20.1m/17.0%
  - Box Office - International £24.4m/20.8%
  - Learning & Public Engagement £6.6m/5.6%
  - ACE Grant £17.2m/14.5%
  - Commercial £14.1m/11.9%
  - Fundraising £9.5m/8.0%
  - NT Live & Digital £9.0m/7.6%

**EXPENDITURE**

- **£111.6m**
  - Performance - NT £27.4m/24.7%
  - Performance - West End & UK touring £20.7m/18.6%
  - Commercial £13.1m/11.7%
  - Support, Premises & Depreciation £9.3m/8.3%
  - Theatre Operations £5.5m/4.9%
  - Promotion & Publicity £1m/1.0%
  - Fundraising £2.2m/2.0%
  - NT Live & Digital £10.4m/9.4%
  - Learning & Public Engagement £3.1m/2.8%

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PRINCIPAL FUNDING SOURCES

The National maintains a balance between self-generated income – box office, fundraising, exploitation of National Theatre productions in UK and internationally (73%), catering and front of house trading (12%) and public subsidy from Arts Council England (ACE) (15%).

BOX OFFICE INCOME

Box office income on the South Bank as well as income from the West End runs of War Horse and Curious Incident and UK tours of The Curious Incident of the Dog in the Night Time together with international productions of War Horse and Curious Incident, as well as other UK transfers and NT Live represented 65% of the National’s total income. Touring returned to normal levels after the major UK tour of War Horse in 2014-15, resulting in a drop in touring box office income.

ARTS COUNCIL FUNDING

The core revenue grant for 2015-16 was £17.2m, £0.4m lower than the previous year. Since 2010-11, the grant has been cut by £2.5m, a real terms reduction of 25%.

During the year, the NT received a further £1.3m (vs £8.6m in 2014/15) from the Arts Council’s Capital Lottery Fund and £0.3m (vs £1.5m in 2014-15) from the Heritage Lottery Fund towards NT Future building works. This takes the amount received to date to £19.2m of the total Lottery funding of £20m.

FUNDRAISING

The development department had a strong year raising £9.8m for revenue activity as well as £1.5m for NT Future. £0.6m of revenue activity was in relation to commercial promotion and is recorded within Royal National Theatre Enterprises Limited.

TRADING AND OTHER INCOME

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

The total income generated by Royal National Theatre Enterprises in 2015-16 was £12.9 million vs £9.7 million in 2014-15. The total profit before the management charge payable to the National was £3.0m compared to £1.3m in the prior year. This increase related to areas closed by NT Future in the previous year re-opening and the planned improvements to the trading facilities as part of NT Future.

Trading income also includes licensing fees generated by National Theatre Productions Limited and National Theatre North America LLC, and box office and other income generated by Curious Incident Broadway LP; the latter of which generated income of £21.4m in 2015-16; vs £12.3m in 2014-15.

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

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

PRODUCTION COSTS

Production expenditure at the National Theatre, in the West End and on tour totalled £60.3m and represented 51% of total expenditure for the year. Direct expenditure on productions at the National totalled £25.2m which can be analysed as follows:

NT LEARNING AND PUBLIC ENGAGEMENT

Total spend for the year for the NT Learning (Education) programme was £2.5m. £1.4m was covered by fundraising, £0.6m generated through ticket and fee income and the remainder covered by core funding.
Spend for other public engagement activities was £1.0m, this included £0.5m for Digital Projects.

**Research and Development**

Expenditure on research and development totalled £1.6m, including £1.4m expenditure in the NT Studio.

**Support Costs**

Support costs cover expenditure on front of house staff responsible for contact with the audience; marketing, box office and press; management and maintenance of the building including insurance and energy costs; and finance, governance, HR and IT. These costs are allocated against the activities listed above. Costs decreased by £2m to £14.9m in the year primarily due to higher expenditure in the prior year relating to building operations and IT resources as the building entered the final completion stages of the NT Future project.

**Capital Expenditure**

Total capital expenditure for the year (excluding NT Future) was £1.9m. This comprises spend on a number of relatively small building refurbishment projects, technical equipment upgrade projects and IT projects. New IT projects include a new website, show planning and management software, facilities management software, and a digital asset management system.

Capital expenditure in relation to NT Future totalled £3.5m in 2015-16 (2014-15 £25.9m) with Phases A, B and C completed.

The transfer from the operations fund to the designated fund for capital was £3.7m; this was made up of an annual amount of £2.5m in line with the transfer made in 2014-15 and an additional sum of £1.2m to provide funding to support a specific capital project to replace the Deck in 2017-18. Irrecoverable VAT capitalised in the year was £0.9m (2014-15 £0.9m).

**Reserves and Other Financial Policies**

**Unrestricted Operations Fund**

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

Trustees reviewed the unrestricted reserves target during the year to ensure it provides adequate resources to enable the continuity of our operations in the event of an unexpected fall in income or some other unforeseen event, and in recognition of the volatility of box office revenue and the knock-on impact of a reduction in box office attendance on catering profits and fundraising, the risk of future cuts in public funding and economic uncertainty, particularly in light of the UK’s recent decision to leave the European Union. Following a risk assessed impact review of income and expenditure the Trustees have determined that a target equivalent to three months of core operating expenditure is appropriate, currently £15 million. This policy will be reviewed on an annual basis. Unrestricted reserves as at March 2016 of £9.4m fall short of this target level. Trustees have determined that the National Theatre will work towards building these reserves over the forthcoming years, giving due consideration to a proportionate balance between short and medium term strategic project funding and capital needs, and longer term financial sustainability concerns.
BUILDINGS AND EQUIPMENT DESIGNATED FUND

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

NT FUTURE DESIGNATED FUND

In addition to the new building and refurbishment works, the NT Future project includes two strands to address the essential technical and infrastructure works to be completed in the next five years: the Technical Master Plan and the Environmental and Engineering Master Plan.

NT Future capital project work will generate irrecoverable VAT which will be covered by the VAT repayments received in 2010-11 and designated to offset this cost.

RESTRICTED FUNDS

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

GOING CONCERN

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

The accounts have therefore been prepared on the basis that the charity is a going concern.

INVESTMENT POLICY

The policy is to hold investments in liquid funds so they are available to meet predicted cash-flow needs. In selecting suitable cash deposits the policy is to maximise the return and maintain low transaction costs whilst ensuring high levels of capital security by minimising credit risk and interest rate risk. The policy was reviewed by the Finance and Audit Committee in 2015-16 and deposits and interest rates are reviewed each time the Finance and Audit Committee meets. At 27 March 2016, the cash deposits were spread between four major clearing banks and CCLA. The bank interest earned for the year was £0.03m (2015: £0.04m).

CREDITOR PAYMENT POLICY

It is the National’s policy to pay creditors in accordance with terms of payment agreed at the start of business with each supplier.
TRUSTEES AND DIRECTORS REPORT

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

- Has a detailed job evaluation process
- Ensures all staff are paid the London Living Wage
- Currently pays a dispersion ratio of approximately 1:10 between the highest salary and the median salary.

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

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

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

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

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

- A three year strategic plan and annual budget approved by the Trustees, against which progress is reported regularly, including monthly financial reporting of results;
- Regular consideration by the Trustees of financial results and variance from budgets;
- Delegation of authority and segregation of duties;
- Senior management review of key strategic and operational risks on a regular basis. Consideration is given to progress on mitigating actions, new and emerging risks, and opportunities.
- The Internal Auditor reviews risks and internal controls on a regular basis and reports findings to the Finance and Audit Committee.
- The Trustees review the National Theatre’s risk register on a regular basis.
- Clear policies on health and safety and safeguarding children and vulnerable adults to ensure compliance with statutory requirements.
The system is designed to manage rather than to eliminate the risks faced by the National Theatre and it must be recognised that such a system can provide only reasonable and not absolute assurance.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The National Theatre faces the following principal risks and challenges:

- Balancing its artistic and audience development objectives with commercial considerations necessary to ensure continued financial viability in the current public funding climate.
- The risk of further cuts to its public funding which would have an adverse effect on its current activity levels.
- Ensuring sufficient annual surpluses are generated from primary and secondary trading to allow for the maintenance and renewal of its existing facilities and operating assets to continue to meet its artistic production and audience needs.
- The impact of the UK’s recent decision to leave the European Union – we are in the process of assessing how this might affect us. Immediate risks include the impact of an economic downturn on our Box Office and ancillary trading activities and fundraising support.

**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 43% of total expenditure at the National and higher levels of inflation represent a risk as 15% of the National’s income, which comes from the Arts Council, has fallen for the past three years and is not expected to reach 2010-11 levels in the next two years. The National has freedom over its ticket pricing, and ticket income represents 40% of revenue. However the aim is to hold the lowest ticket price at an accessible level.

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

**Liquidity risk:** The National has no long-term borrowings.

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

**PROPERTY INTERESTS**

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

See Note 11 for details of legal charges.
TRUSTEES AND DIRECTORS REPORT

SUBSIDIARIES & RELATED UNDERTAKINGS

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

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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 Charities SORP;
- 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

STATEMENT ON DISCLOSURE OF INFORMATION TO THE AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company’s auditor is 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 Company also purchased and maintained throughout the financial year Trustees’ and Officers’ liability insurance in respect of itself and its Trustees.

**AUDITORS**

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

The Strategic Report and Trustees and Directors Report were approved by the Board of Directors and authorised for issue on 27 September 2016 and signed on its behalf by

Sir Damon Buffini  
Chair  
27 September 2016
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS AND TRUSTEES OF THE ROYAL NATIONAL THEATRE

REPORT ON THE FINANCIAL STATEMENTS

OUR OPINION
In our opinion, The Royal National Theatre’s group financial statements and parent charitable company financial statements (the “financial statements”):

- give a true and fair view of the state of the group’s and of the parent charitable company’s affairs as at 27 March 2016 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 weeks (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
The financial statements, included within the Annual Report, comprise:

- the balance sheets (group and company) as at 27 March 2016;
- the group statement of financial activities (including an income and expenditure account) for the period then ended;
- the group cash flow statement 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 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).

In applying the financial reporting framework, the trustees 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 COMPANIES ACT 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Trustees’ and Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees’ and Directors’ Report has been prepared in accordance with applicable legal requirements;
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS AND TRUSTEES OF THE ROYAL NATIONAL THEATRE

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

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

TRUSTEES’ REMUNERATION

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE TRUSTEES

As explained more fully in the Trustees’ Responsibilities Statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charity’s members and trustees 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:
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS AND TRUSTEES OF THE ROYAL NATIONAL THEATRE

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

We primarily focus our work in these areas by assessing the trustees’ 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 Annual Report 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. With respect to the Strategic Report and the Trustees’ and Directors’ Report, we consider whether this report include the disclosures required by applicable legal requirements.

Jill Halford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
October 2016
GROUP STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure account)
for the 52 weeks ended 27 March 2016

<table>
<thead>
<tr>
<th>Income &amp; Endowments from:</th>
<th>Notes</th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations &amp; legacies</td>
<td>5(a)/(b)</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>5(c)</td>
<td>23.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>23</td>
<td>37.3</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL Income &amp; Endowments</strong></td>
<td>18</td>
<td>115.7</td>
<td>2.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure on:</th>
<th></th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising donations &amp; legacies</td>
<td></td>
<td>(2.4)</td>
<td>-</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>6(a)/(b)</td>
<td>(68.9)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>23</td>
<td>(34.7)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL Expenditure</strong></td>
<td>18</td>
<td>(106.0)</td>
<td>(2.6)</td>
</tr>
</tbody>
</table>

| Net Income/(Expenditure)                   |       | 9.7 | (2.6) | (0.2) | (2.3) | 4.6 | 1.9 | (1.3) | - | 4.2 | 4.8 |

| Transfers between Group funds              | 18 | (4.2) | 4.2 | - | - | - | (0.6) | 2.5 | - | (1.9) | - |

| Net Movement in Group Funds                |       | 5.5 | 1.6 | (0.2) | (2.3) | 4.6 | 1.3 | 1.2 | - | 2.3 | 4.8 |

<table>
<thead>
<tr>
<th>Reconciliation of Group Funds:</th>
<th></th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total funds brought forward</td>
<td>18</td>
<td>3.9</td>
<td>18.2</td>
</tr>
<tr>
<td><strong>TOTAL Group Funds carried forward</strong></td>
<td>18</td>
<td>9.4</td>
<td>19.8</td>
</tr>
</tbody>
</table>

All incoming resources and resources expended are derived from continuing activities. A separate statement of other comprehensive income is not required as all gains and losses are included in the Statement of Financial Activities.
## BALANCE SHEETS (Group & Company)

Company Registration Number: 749504

<table>
<thead>
<tr>
<th></th>
<th>As at 27 March 2016 Group £m</th>
<th>As at 27 March 2016 Company £m</th>
<th>As at 29 March 2015 Group £m</th>
<th>As at 29 March 2015 Company £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>11</td>
<td>72.2</td>
<td>70.8</td>
<td>74.3</td>
</tr>
<tr>
<td>Investments</td>
<td>12</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL Fixed Assets</strong></td>
<td></td>
<td>72.4</td>
<td>71.0</td>
<td>74.5</td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>13</td>
<td>0.5</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Cost of productions not yet opened</td>
<td>14</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Debtors</td>
<td>15</td>
<td>16.4</td>
<td>18.9</td>
<td>16.7</td>
</tr>
<tr>
<td>Cash at bank and In hand.</td>
<td>16</td>
<td>21.2</td>
<td>14.4</td>
<td>13.8</td>
</tr>
<tr>
<td><strong>TOTAL Current Assets</strong></td>
<td></td>
<td>38.6</td>
<td>33.9</td>
<td>31.6</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>17</td>
<td>(19.4)</td>
<td>(15.1)</td>
<td>(19.0)</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td></td>
<td>19.2</td>
<td>18.8</td>
<td>12.6</td>
</tr>
<tr>
<td><strong>TOTAL Assets less Current Liabilities</strong></td>
<td></td>
<td>91.6</td>
<td>89.8</td>
<td>87.1</td>
</tr>
<tr>
<td>Creditors: amount falling due after more than one year</td>
<td>17</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>(0.2)</td>
</tr>
<tr>
<td><strong>TOTAL Net Assets</strong></td>
<td></td>
<td>91.5</td>
<td>89.7</td>
<td>86.9</td>
</tr>
<tr>
<td><strong>The Funds of the Group:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations fund</td>
<td>18/19</td>
<td>9.4</td>
<td>7.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Designated funds</td>
<td>18/19</td>
<td>19.8</td>
<td>19.8</td>
<td>18.2</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>18/19</td>
<td>62.3</td>
<td>62.3</td>
<td>64.8</td>
</tr>
<tr>
<td><strong>TOTAL Group Funds</strong></td>
<td>18/19</td>
<td>91.5</td>
<td>89.7</td>
<td>86.9</td>
</tr>
</tbody>
</table>

A separate statement of financial activities and income and expenditure account are not presented for the Charity itself as permitted by Section 408 of the Companies Act 2006. The net income for the Charity for the year was £4.4m (2015: £4.2m)

The Notes on pages 52 to 85 constitute part of the financial statements.

The financial statements were approved by the Board of Trustees on 27 September 2016 and signed on its behalf by:

Sir Damon Buffini (Chair)  
Dame Ursula Brennan (Trustee)
### GROUP CASH FLOW STATEMENT
for the 52 weeks ended 27 March 2016

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>52 weeks ended 27 March 2016 (£m)</th>
<th>52 weeks ended 29 March 2015 (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>(i)</td>
<td>12.8</td>
<td>23.0</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** |      |                                 |                                 |
| Purchase of property, plant and equipment |     | 11                              | (5.4)                           |

| **Net cash used in investing activities** |      | (5.4)                           | (29.2)                          |

| **Cash flows from financing activities:** |      |                                 |                                 |
|                                           |      |                                 |                                 |

| **Increase/(Decrease) in cash and cash equivalents in the reporting period** |      | 7.4                             | (6.2)                           |

| Cash and cash equivalents at the beginning of the reporting period | (ii) | 13.8                            | 20.0                            |

| Cash and cash equivalents at the end of the reporting period | (ii) | 21.2                            | 13.8                            |
GROUP CASH FLOW STATEMENT
for the 52 weeks ended 27 March 2016

(i) Reconciliation of net income to net cash flow from operating activities:

<table>
<thead>
<tr>
<th>Note</th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Net income for the reporting period (as per the Statement of Financial Activities)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation charge</td>
<td>11</td>
<td>4.6</td>
</tr>
<tr>
<td>(Profit)/Loss on sale of fixed assets</td>
<td>11</td>
<td>7.5</td>
</tr>
<tr>
<td>Working capital movements:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in stock</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>(Increase)/decrease in work in progress</td>
<td>14</td>
<td>0.1</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>15</td>
<td>0.3</td>
</tr>
<tr>
<td>Increase/(decrease) in creditors</td>
<td>17</td>
<td>0.3</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>12.8</td>
<td>23.0</td>
</tr>
</tbody>
</table>

(ii) Analysis of cash and cash equivalents

<table>
<thead>
<tr>
<th>Note</th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>16</td>
<td>21.2</td>
</tr>
<tr>
<td>Notice deposits (less than 3 months)</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Overdraft facility repayable on demand</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL cash and cash equivalents</td>
<td>16</td>
<td>21.2</td>
</tr>
</tbody>
</table>
1 General Information

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

These objects are set out in the governing document, which is its Memorandum and Articles of Association, and have been developed into a set of aims and objectives as described within this report on pages 9 to 11.

2 Statement of Compliance

The Royal National Theatre meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, the Companies Act 2006, the Charities Act 2011, and the recommendations of the Statement of Recommended Practice "Accounting and Reporting by Charities, in accordance with the Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102 and the FRS102 Charities SORP). The National has early-adopted the amendments made to FRS 102 in July 2015.

3 Principal Accounting Policies

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

A Basis of Preparation

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

The National continues to benefit from the support of the Arts Council England as a National Portfolio Organisation, and revenue funding has been confirmed until March 2018. The Trustees, having reviewed financial business plan and cash flow projections until March 2018, consider that the National has adequate financial resources in place to ensure the group’s operational existence for the foreseeable future and be able to continue to meet its obligations as they fall due for at least 12 months after the signing of these financial statements. The Trustees have therefore considered it appropriate to present the financial statements on a going concern basis.

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

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

B Exemptions for Qualifying Entities Under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Charity’s trustees, who are members of the Charity.
NOTES TO THE FINANCIAL STATEMENTS

3 PRINCIPAL ACCOUNTING POLICIES (Con’t)

The Charity has taken advantage of the following exemptions:

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

C BASIS OF CONSOLIDATION

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

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

Cuba Picture (London Road) Limited and NT War Horse LP have been excluded from consolidation as allowable under Section 405(1) of the Companies Act 2006 and FRS 102 para 9.8 – 9.9(b), as their inclusion is not material for the purpose of giving a true and fair view

The National Theatre has taken advantage of the exemption under FRS 102 para 33.1A, from disclosing transactions with its wholly owned subsidiaries.

D FOREIGN CURRENCIES

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

Foreign exchange differences incurred in respect of overseas operations are recorded in the Statement of Financial Activities within the charitable activity income or expenditure for the year in which they are incurred.

The results of foreign operations consolidated within the Group financial statements are translated using the temporal method described above. Any exchange gains or losses are accounted for in the Statement of Financial Activities.
3 **Principal Accounting Policies (Con’t)**

**E  Fund Accounting**
Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the trustees; designated funds are those funds which have been set aside by the trustees for particular purposes; restricted funds may only be used in accordance with the specific wishes of donors.

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

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

**Donations & Legacies**
Donations and legacies comprise all incoming resources from sponsorships, donations, legacies, grants, membership subscriptions. Donations, including pledges and legacies are recognised in the appropriate fund once receipt is probable and when any conditions for receipt are met. Any income from connected charities is recognised at the point at which the amount receivable is known.

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

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

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

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

Goods and services received in kind, where material, are included within ‘Donations & Legacies’ and under the appropriate expenditure heading, depending on the nature of goods and services provided. These are recognised at an estimated value to the charity at the time of receipt.
NOTES TO THE FINANCIAL STATEMENTS

3 PRINCIPAL ACCOUNTING POLICIES (CON’T)

CHARITABLE ACTIVITIES
Charitable activities comprises:

Performance income:

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

All other income:

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

Box office income and income generated by NT Learning projects and NT Live is recognised in the Statement of Financial Activities on maturity of the performance or event. Advance bookings comprise ticket sales for future performances.

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

OTHER TRADING ACTIVITIES
Other trading activities comprise:

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

Income is recognised on a receivable basis.
3  Principal Accounting Policies (Con’t)

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

Raising Donations & Legacies
Expenditure on raising donations and legacies represent the costs of securing sponsorship and donations including the costs of providing membership benefits.

Charitable Activities
Expenditure which relate directly to the National’s charitable objectives are analysed between:

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

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

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

H  Lease of the National
The National holds a lease on its building from its freeholder, Arts Council England, at a peppercorn rent. This lease expires in 2138. Under the terms of the lease, the National is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. In order to meet this obligation, funds are transferred from the National’s own resources, namely the operations fund, to the building and equipment fund (see Note 18).
3 PRINCIPAL ACCOUNTING POLICIES (Con’t)

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

Depreciation is provided on a straight line basis to write off the assets over their anticipated useful economic lives and is charged to the relevant fund as follows:

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

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

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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

J STOCKS
Stocks held by the National’s trading subsidiary comprises catering, bookshop and programme supplies for resale. Other stock (“production stock”) comprises consumables for use in the making of sets and costumes.

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

K COSTS OF NEW PRODUCTIONS NOT YET OPENED
The cost of materials for new productions and associated creative team fees are carried forward on the balance sheet until they are expensed on the date of the press night performance. Internal labour and rehearsal costs are expensed as incurred.

L CASH AND CASH EQUIVALENTS
Cash and cash equivalent includes cash in hand, deposits held at call with banks and other short-term highly liquid investments, and bank overdrafts. Bank overdrafts (where applicable) are shown within current liabilities.

M PROVISIONS
Provision has been made, where appropriate, for expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 102 para 21.4(a) – (c).
3 Principles Accounting Policies (Con’t)

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

O Financial Instruments
The NT’s financial instruments are basic financial instruments as defined by section 11 of FRS 102 which comprise financial assets and liabilities, and include debtors, cash, creditors and debt instruments (where applicable). The group holds financial assets which are debt instruments held at amortised cost totalling £31.7m (2015: £28.3m), comprising investments, trade debtors, accrued income and cash balances. The group also holds financial liabilities held at amortised cost totalling £12.3m (2015: £13.1m), comprising accruals, trade creditors and other creditors. Financial instruments arise as a result of normal operating activities and are not expected to separately influence the performance and position of the group.

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

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

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

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

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

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

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

A Critical Judgements in Applying the Group’s Accounting Policies

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

- **Curious Incident Broadway LP** – Through National Theatre North America LLC (NTNA which is 100% owned by the NT), the Group is one of 2 general partners with a 50% interest in the LP. NTNA holds the casting vote in any decisions made in relation to the LP and in effect has control over the LP. Therefore, Curious Incident Broadway LP is a subsidiary and so its results are consolidated in these financial statements.

- **Cuba Picture (London Road) Limited** – The Group (through National Theatre Productions Limited) held a 50% interest in the arrangement with Cuba Pictures Limited up until 18 January 2016 when National Theatre Productions Limited disposed of its interest in the company. In assessing the need for consolidation, the results of Cuba Pictures (London Road) Limited are immaterial to the financial statements of the Group, and as such have excluded this from consolidation.

- **NT War Horse LP** – The Group has a 55.35% interest in the partnership via NTNA LLC. The LP has been dormant over the last 3 years and is in the process of being wound down. The results of NT War Horse LP are assessed to be immaterial in the context of the Group’s financial statements and as such have been excluded from consolidation.

B Key Accounting Estimates and Assumptions

Estimates and assumptions are made by the Group concerning the future. Therefore the actual results of the Group, by definition, will rarely equal the resulting accounting estimates. In making estimates and assumptions, there is a significant risk that a material adjustment to the carrying value of assets and liabilities in the following financial year as detailed below:

Recognising Pledged Future Donation Income

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

(a) Donations & Legacies – Analysis by Fund Type

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Unrestricted Funds 52 weeks ended 27 March 2016</th>
<th>Restricted Funds 52 weeks ended 27 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations £m</td>
<td>Designated £m</td>
</tr>
<tr>
<td>Arts Council England (ACE):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue grant</td>
<td>17.2</td>
<td>-</td>
</tr>
<tr>
<td>Capital &amp; Other Grants (incl. Lottery)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ACE</strong></td>
<td><strong>17.2</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performances</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Future</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long Term Projects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Activity</td>
<td>5.6</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL Other</strong></td>
<td><strong>6.1</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>TOTAL Donations &amp; Legacies</strong></td>
<td><strong>23.3</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Unrestricted Funds 52 weeks ended 29 March 2015</th>
<th>Restricted Funds 52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations £m</td>
<td>Designated £m</td>
</tr>
<tr>
<td>Arts Council England (ACE):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue grant</td>
<td>15.7</td>
<td>-</td>
</tr>
<tr>
<td>Capital &amp; Other Grants (incl. Lottery)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ACE</strong></td>
<td><strong>15.7</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performances</td>
<td>0.7</td>
<td>-</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Future</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long Term Projects</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Activity</td>
<td>5.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL Other</strong></td>
<td><strong>6.2</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>TOTAL Donations &amp; Legacies</strong></td>
<td><strong>21.9</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>
## 5 Income & Endowments (Group) (Con’t)

### (b) Donations & Legacies – Analysis by Income Type

<table>
<thead>
<tr>
<th></th>
<th>52 weeks ended 27 March 2016</th>
<th></th>
<th>52 weeks ended 29 March 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sponsorship £m</td>
<td>Donations, subscriptions &amp; legacies £m</td>
<td>Grants £m</td>
<td>Total £m</td>
</tr>
<tr>
<td>Arts Council England (ACE):</td>
<td>-</td>
<td>-</td>
<td>18.8</td>
<td>18.8</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performances</td>
<td>0.8</td>
<td>0.5</td>
<td>0.2</td>
<td>1.5</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>0.1</td>
<td>0.1</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>NT Future</td>
<td>-</td>
<td>1.5</td>
<td>-</td>
<td>1.5</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>-</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Long Term Projects</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>General Activity</td>
<td>0.7</td>
<td>4.9</td>
<td>-</td>
<td>5.6</td>
</tr>
<tr>
<td><strong>TOTAL Other</strong></td>
<td>1.6</td>
<td>8.6</td>
<td>0.2</td>
<td>10.4</td>
</tr>
<tr>
<td><strong>TOTAL Donations &amp; Legacies</strong></td>
<td>1.6</td>
<td>8.6</td>
<td>19.0</td>
<td>29.2</td>
</tr>
</tbody>
</table>

The National received total Gifts in Kind of £0.8m during the year (2015: £1.1m).
### 5 Income & Endowments (Group) (Con’t)

#### (c) Income from Charitable Activities

<table>
<thead>
<tr>
<th></th>
<th>Total (2016) £m</th>
<th>Total (2015) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performances:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Theatre</td>
<td>20.1</td>
<td>18.5</td>
</tr>
<tr>
<td>West End Commercial Transfers</td>
<td>22.1</td>
<td>24.3</td>
</tr>
<tr>
<td>UK Touring</td>
<td>4.5</td>
<td>16.6</td>
</tr>
<tr>
<td>International Touring</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL Performances</strong></td>
<td>46.7</td>
<td>59.6</td>
</tr>
<tr>
<td><strong>Other Activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>6.0</td>
<td>6.1</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Rights, Royalties &amp; Exploitations</td>
<td>0.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Other income</td>
<td>1.2</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>TOTAL Other Activities</strong></td>
<td>8.4</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>TOTAL Income from Charitable Activities</strong></td>
<td><strong>55.1</strong></td>
<td><strong>67.9</strong></td>
</tr>
</tbody>
</table>

All income from charitable activities is unrestricted.

Touring income includes co-production and touring fees where appropriate.
### 6 Expenditure (Group)

#### (a) Expenditure on Charitable Activities

<table>
<thead>
<tr>
<th></th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted Operations</td>
<td>Unrestricted Designated</td>
</tr>
<tr>
<td></td>
<td>Direct £m</td>
<td>Support £m</td>
</tr>
<tr>
<td>Performances:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Theatre</td>
<td>25.2</td>
<td>10.3</td>
</tr>
<tr>
<td>West End Commercial Transfers</td>
<td>16.9</td>
<td>2.1</td>
</tr>
<tr>
<td>UK Touring</td>
<td>3.7</td>
<td>0.5</td>
</tr>
<tr>
<td>International Touring</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>TOTAL Performances</td>
<td>46.3</td>
<td>13.0</td>
</tr>
<tr>
<td>Other Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>4.9</td>
<td>1.3</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>1.7</td>
<td>0.4</td>
</tr>
<tr>
<td>NT Future</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>1.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL Other Activities</td>
<td>7.7</td>
<td>1.9</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation excl. that directly related to assets used in performances</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL Charitable Activities</td>
<td>54.0</td>
<td>14.9</td>
</tr>
</tbody>
</table>

**Note:** The expenditures are categorized as Unrestricted Operations, Unrestricted Designated, and Restricted Long term.
6 Expenditure (Group) (Con’t)

(b) Analysis of Support Costs

<table>
<thead>
<tr>
<th></th>
<th>52 weeks ended 27 March 2016</th>
<th>52 weeks ended 29 March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Promotion</td>
<td>Theatre operations</td>
</tr>
<tr>
<td>Raising Donations &amp; Legacies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Charitable Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performances:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Theatre</td>
<td>1.8</td>
<td>4.6</td>
</tr>
<tr>
<td>West End Commercial Transfers</td>
<td>0.7</td>
<td>-</td>
</tr>
<tr>
<td>UK Touring</td>
<td>0.2</td>
<td>-</td>
</tr>
<tr>
<td>International Touring</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Research &amp; Development</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL Charitable Activities</td>
<td>3.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Other Trading Activities</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>TOTAL Support Costs</td>
<td>3.0</td>
<td>6.5</td>
</tr>
</tbody>
</table>


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

* Included within Governance costs are the auditors’ remuneration which consists of the group audit fee of £72k (2015 £49k) and fees for tax compliance services of £11k (2015: £7k) and non-audit services of £2k (2015: £10k) due to PricewaterhouseCoopers.
NOTES TO THE FINANCIAL STATEMENTS

7 STAFF COSTS & NUMBERS (GROUP & COMPANY)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td></td>
<td>44.7</td>
<td>44.3</td>
<td>41.7</td>
<td>42.4</td>
</tr>
<tr>
<td>Social security costs</td>
<td>3.3</td>
<td>3.2</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Other pension costs</td>
<td>1.6</td>
<td>1.6</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td><strong>49.6</strong></td>
<td><strong>49.1</strong></td>
<td><strong>46.0</strong></td>
<td><strong>46.9</strong></td>
</tr>
</tbody>
</table>

Average monthly full time equivalents employed in the year: *

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Artistic</td>
<td>Number 268</td>
<td>327</td>
<td>Number 248</td>
<td>314</td>
</tr>
<tr>
<td>Technical and production</td>
<td>Number 393</td>
<td>412</td>
<td>Number 360</td>
<td>391</td>
</tr>
<tr>
<td>Trading and front of house</td>
<td>Number 289</td>
<td>263</td>
<td>Number 289</td>
<td>263</td>
</tr>
<tr>
<td>Education, touring, New Work Dept and other projects</td>
<td>Number 39</td>
<td>39</td>
<td>Number 39</td>
<td>39</td>
</tr>
<tr>
<td>Marketing and box office</td>
<td>Number 64</td>
<td>62</td>
<td>Number 64</td>
<td>62</td>
</tr>
<tr>
<td>Support services</td>
<td>Number 71</td>
<td>73</td>
<td>Number 71</td>
<td>73</td>
</tr>
<tr>
<td>Engineering</td>
<td>Number 24</td>
<td>25</td>
<td>Number 24</td>
<td>25</td>
</tr>
<tr>
<td>Fundraising</td>
<td>Number 30</td>
<td>31</td>
<td>Number 30</td>
<td>31</td>
</tr>
<tr>
<td></td>
<td><strong>1,178</strong></td>
<td><strong>1,232</strong></td>
<td><strong>1,125</strong></td>
<td><strong>1,198</strong></td>
</tr>
</tbody>
</table>

* All staff, excluding actors and staff of the Broadway performances of Curious Incident of the Dog in the Night-time, are employed by the National Theatre and the cost of their employment is recharged to the NT’s subsidiaries where relevant.
7  Staff Costs & Numbers (Con’t)

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

<table>
<thead>
<tr>
<th>Emoluments</th>
<th>2016 Number</th>
<th>2015 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000-£70,000</td>
<td>18</td>
<td>24</td>
</tr>
<tr>
<td>£70,001-£80,000</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>£80,001-£90,000</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>£90,001-£100,000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>£100,001-£110,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£110,001-£120,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£120,001-£130,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>£130,001-£140,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£140,001-£150,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£150,001-£160,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>£160,001-£170,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>£170,001-£180,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>£180,000-£190,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>36</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>

Pension contributions of £0.2m (2015: £0.2m) were made to defined contribution schemes for the above members of staff during the year.

The total salary cost for Key Management Personnel was £1.7m (2015: £1.7m), comprising of the Executive (Director and Executive Director) and the Senior Management Team.

8  Trustees’ Emoluments

No trustees of the company received any remuneration during the year or in the previous year. Expenses for travel and entertainment totalling £1k (2015: £8k) were incurred by two trustees wholly and necessarily on the National's business and were reimbursed during the year. Trustees are offered two tickets for each production to enable them to carry out their duties.

9  Pension Contributions

The National makes payments to defined contribution schemes which are available to all permanent employees on completion of their probationary year. The charge for the National for the year was £1.2m (2015: £1.4m) with £0.2m (2015: £0.3m) payable at the balance sheet date. The Group charge for the year was £1.6m (2015: £1.4m) with £0.2m (2015: £0.3m) payable at the balance sheet date.
10 Taxation

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land &amp; Buildings</th>
<th>Leasehold Improvements (20 years)</th>
<th>Leasehold Improvements (10 years)</th>
<th>Leasehold Improvements (5 years)</th>
<th>Equipment (10 years)</th>
<th>Equipment (5 years)</th>
<th>Equipment (3 years)</th>
<th>Work in Progress (NT Future)</th>
<th>Work in Progress (Other)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>As at 30 March 2015</td>
<td>6.6</td>
<td>56.0</td>
<td>35.4</td>
<td>0.2</td>
<td>4.7</td>
<td>2.2</td>
<td>38.7</td>
<td>1.5</td>
<td>1.9</td>
<td>147.2</td>
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<td>Additions</td>
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<td>5.4</td>
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<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Transfers from work in progress</td>
<td>-</td>
<td>1.5</td>
<td>0.5</td>
<td>-</td>
<td>2.7</td>
<td>0.3</td>
<td>1.7</td>
<td>(4.7)</td>
<td>(2.0)</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at 27 March 2016</strong></td>
<td><strong>6.6</strong></td>
<td><strong>57.5</strong></td>
<td><strong>35.9</strong></td>
<td><strong>0.2</strong></td>
<td><strong>7.4</strong></td>
<td><strong>2.4</strong></td>
<td><strong>40.2</strong></td>
<td><strong>0.3</strong></td>
<td><strong>1.8</strong></td>
<td><strong>152.3</strong></td>
</tr>
<tr>
<td><strong>Accumulated Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 30 March 2015</td>
<td>0.9</td>
<td>2.8</td>
<td>33.1</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
<td>35.1</td>
<td>-</td>
<td>-</td>
<td>72.9</td>
</tr>
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<td>Charge for year</td>
<td>0.1</td>
<td>2.9</td>
<td>0.4</td>
<td>-</td>
<td>0.7</td>
<td>0.5</td>
<td>2.9</td>
<td>-</td>
<td>-</td>
<td>7.5</td>
</tr>
<tr>
<td>Disposals</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>As at 27 March 2016</strong></td>
<td><strong>1.0</strong></td>
<td><strong>5.7</strong></td>
<td><strong>33.5</strong></td>
<td><strong>0.1</strong></td>
<td><strong>1.2</strong></td>
<td><strong>0.9</strong></td>
<td><strong>37.7</strong></td>
<td>-</td>
<td>-</td>
<td><strong>80.1</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 27 March 2016</td>
<td>5.6</td>
<td>51.8</td>
<td>2.4</td>
<td>0.1</td>
<td>6.2</td>
<td>1.5</td>
<td>2.5</td>
<td>0.3</td>
<td>1.8</td>
<td>72.2</td>
</tr>
<tr>
<td>As at 30 March 2015</td>
<td>5.7</td>
<td>53.2</td>
<td>2.3</td>
<td>0.1</td>
<td>4.2</td>
<td>1.8</td>
<td>3.6</td>
<td>1.5</td>
<td>1.9</td>
<td>74.3</td>
</tr>
</tbody>
</table>

Freehold land and buildings include NT Studio land at a cost of £0.7m (2015: £0.7m) and the NT Studio building refurbishment at a cost of £5.7m (2015: £5.7m). The Studio building has been provided as security in the form of a 30 year legal mortgage in relation to a grant for refurbishment of the Studio, of £0.9m from Arts Council England in 2010. The mortgage is 14% of the cost of the NT Studio land and building (excluding the NT Studio car park land).

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

- Arts Council England as security for the potential repayment obligations under a grant of £17.5m in relation to the NT Future project in 2012 lasting 30 years.
- The Trustees of the National Heritage Memorial Fund for potentially repayment obligations under a grant of £2.25m from the Heritage Lottery Fund, in relation to NT Future in 2013 lasting 25 years.
- Coutts & Co as security against potential repayment obligation on an overdraft facility in 2014.
## 11 Tangible Assets (Company)

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land &amp; Buildings</th>
<th>Leasehold Improvements (20 years)</th>
<th>Leasehold Improvements (10 years)</th>
<th>Leasehold improvements (5 years)</th>
<th>Equipment (10 years)</th>
<th>Equipment (5 years)</th>
<th>Equipment (3 years)</th>
<th>Work in Progress (NT Future)</th>
<th>Work in Progress (Other)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>As at 30 March 2015</td>
<td>6.6</td>
<td>56.0</td>
<td>35.4</td>
<td>0.2</td>
<td>4.7</td>
<td>2.2</td>
<td>38.7</td>
<td>1.5</td>
<td>1.9</td>
<td>147.2</td>
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<td>Additions</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>3.7</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Transfers from work in progress</td>
<td>-</td>
<td>1.5</td>
<td>0.5</td>
<td>-</td>
<td>1.3</td>
<td>0.3</td>
<td>1.4</td>
<td>(3.3)</td>
<td>(1.7)</td>
<td>-</td>
</tr>
<tr>
<td>As at 27 March 2016</td>
<td>6.6</td>
<td>57.5</td>
<td>35.9</td>
<td>0.2</td>
<td>6.0</td>
<td>2.4</td>
<td>39.9</td>
<td>0.3</td>
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<tr>
<td>Accumulated Depreciation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>As at 30 March 2015</td>
<td>0.9</td>
<td>2.8</td>
<td>33.1</td>
<td>0.1</td>
<td>0.5</td>
<td>0.4</td>
<td>35.1</td>
<td>-</td>
<td>-</td>
<td>72.9</td>
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<tr>
<td>Charge for year</td>
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<td>2.9</td>
<td>0.4</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
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<td>-</td>
<td>-</td>
<td>7.2</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(0.3)</td>
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<tr>
<td>As at 27 March 2016</td>
<td>1.0</td>
<td>5.7</td>
<td>33.5</td>
<td>0.1</td>
<td>1.0</td>
<td>0.9</td>
<td>37.6</td>
<td>-</td>
<td>-</td>
<td>79.8</td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 27 March 2016</td>
<td>5.6</td>
<td>51.8</td>
<td>2.4</td>
<td>0.1</td>
<td>5.0</td>
<td>1.5</td>
<td>2.3</td>
<td>0.3</td>
<td>1.8</td>
<td>70.8</td>
</tr>
<tr>
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<td>53.2</td>
<td>2.3</td>
<td>0.1</td>
<td>4.2</td>
<td>1.8</td>
<td>3.6</td>
<td>1.5</td>
<td>1.9</td>
<td>74.3</td>
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</tbody>
</table>
NOTES TO THE FINANCIAL STATEMENTS

12 INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Expendable endowment (20-year gilt)</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

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

See Note 23 for details of investments in subsidiary undertakings.

13 STOCKS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods for resale</td>
<td>0.4</td>
<td>-</td>
<td>0.4</td>
<td>-</td>
</tr>
<tr>
<td>Consumable items</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.1</td>
<td>0.5</td>
<td>0.1</td>
</tr>
</tbody>
</table>

The amount of Stock expensed in the year was £4.2m.

14 COST OF PRODUCTIONS NOT YET OPENED

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Curious - International</td>
<td>0.1</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Curious – UK Tour</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>War Horse – International</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>National Theatre</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>
### 15 Debtors

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>£3.4</td>
<td>£2.4</td>
<td>£3.1</td>
<td>£1.8</td>
</tr>
<tr>
<td>Tax Recoverable</td>
<td>£5.0</td>
<td>£1.0</td>
<td>£2.0</td>
<td>£0.9</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>-</td>
<td>-</td>
<td>£6.8</td>
<td>£2.2</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£0.9</td>
<td>£0.6</td>
<td>£0.5</td>
<td>£0.4</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>£7.1</td>
<td>£12.7</td>
<td>£6.5</td>
<td>£12.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£16.4</strong></td>
<td><strong>£16.7</strong></td>
<td><strong>£18.9</strong></td>
<td><strong>£17.4</strong></td>
</tr>
</tbody>
</table>

### 16 Cash and Cash Equivalents

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and bank balances</td>
<td>£21.2</td>
<td>£13.8</td>
<td>£14.4</td>
<td>£10.5</td>
</tr>
<tr>
<td>Short-term deposit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£21.2</strong></td>
<td><strong>£13.8</strong></td>
<td><strong>£14.4</strong></td>
<td><strong>£10.5</strong></td>
</tr>
</tbody>
</table>

### 17 Creditors

#### Amounts falling due within one year:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>£0.7</td>
<td>£1.0</td>
<td>£0.4</td>
<td>£0.7</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>£1.8</td>
<td>£1.1</td>
<td>£1.8</td>
<td>£1.1</td>
</tr>
<tr>
<td>Advance bookings</td>
<td>£4.4</td>
<td>£3.8</td>
<td>£4.2</td>
<td>£3.8</td>
</tr>
<tr>
<td>Other creditors and accruals</td>
<td>£11.4</td>
<td>£10.7</td>
<td>£7.8</td>
<td>£8.8</td>
</tr>
<tr>
<td>Deferred income (all utilised in year)</td>
<td>£1.0</td>
<td>£1.2</td>
<td>£0.8</td>
<td>£1.0</td>
</tr>
<tr>
<td>Provisions</td>
<td>£0.1</td>
<td>£1.2</td>
<td>£0.1</td>
<td>£1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£19.4</strong></td>
<td><strong>£19.0</strong></td>
<td><strong>£15.1</strong></td>
<td><strong>£16.6</strong></td>
</tr>
</tbody>
</table>

#### Amounts falling due after more than one year:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other creditors and accruals</td>
<td>£0.1</td>
<td>£0.2</td>
<td>£0.1</td>
<td>£0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£19.5</strong></td>
<td><strong>£19.2</strong></td>
<td><strong>£15.2</strong></td>
<td><strong>£16.8</strong></td>
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</table>
### 18 The Funds of the Charity (Group & Company)

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<thead>
<tr>
<th></th>
<th>Balance at 30 March 2015</th>
<th>Income</th>
<th>Expenditure</th>
<th>Transfers</th>
<th>Balance at 27 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted:</td>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Unrestricted operations fund *</td>
<td>3.9</td>
<td>115.7</td>
<td>(106.0)</td>
<td>(4.2)</td>
<td>9.4</td>
</tr>
<tr>
<td>Unrestricted designated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT Future</td>
<td>9.5</td>
<td>-</td>
<td>(0.2)</td>
<td>-</td>
<td>9.3</td>
</tr>
<tr>
<td>Touring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Building &amp; Equipment Fund</td>
<td>8.7</td>
<td>-</td>
<td>(2.4)</td>
<td>3.7</td>
<td>10.0</td>
</tr>
<tr>
<td>TOTAL unrestricted designated funds</td>
<td>18.2</td>
<td>-</td>
<td>(2.6)</td>
<td>4.2</td>
<td>19.8</td>
</tr>
<tr>
<td>TOTAL unrestricted funds</td>
<td>22.1</td>
<td>115.7</td>
<td>(108.6)</td>
<td>-</td>
<td>29.2</td>
</tr>
<tr>
<td>Restricted: Project funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT Performance</td>
<td>-</td>
<td>1.0</td>
<td>(1.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>-</td>
<td>0.2</td>
<td>(0.2)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>-</td>
<td>1.4</td>
<td>(1.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Studio Projects (Research &amp; Development)</td>
<td>0.2</td>
<td>0.2</td>
<td>(0.4)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL project funds</td>
<td>0.2</td>
<td>2.8</td>
<td>(3.0)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted: Long term funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT Future Fund</td>
<td>41.2</td>
<td>1.5</td>
<td>(4.2)</td>
<td>-</td>
<td>38.5</td>
</tr>
<tr>
<td>ACE NT Future Fund</td>
<td>17.3</td>
<td>1.6</td>
<td>(1.0)</td>
<td>-</td>
<td>17.9</td>
</tr>
<tr>
<td>ACE Lottery Fund</td>
<td>1.1</td>
<td>-</td>
<td>(0.1)</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Studio Refurbishment Fund</td>
<td>4.8</td>
<td>-</td>
<td>(0.1)</td>
<td>-</td>
<td>4.7</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>TOTAL long term funds</td>
<td>64.6</td>
<td>3.1</td>
<td>(5.4)</td>
<td>-</td>
<td>62.3</td>
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<tr>
<td>TOTAL restricted funds</td>
<td>64.8</td>
<td>5.9</td>
<td>(8.4)</td>
<td>-</td>
<td>62.3</td>
</tr>
<tr>
<td>TOTAL Group funds</td>
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<td>121.6</td>
<td>(117.0)</td>
<td>-</td>
<td>91.5</td>
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</tbody>
</table>
18 The Funds of the Charity (Group & Company) (con’t)

* Analysis of unrestricted funds held between parent and subsidiaries:
  - Unrestricted retained surplus held by the Charity: £m
  - Unrestricted retained surplus/deficit held by trading subsidiaries: £m
  - Exchange gain / losses on consolidation: £m
  - Group unrestricted operations fund: £m

Designated Funds

NT Future Fund (Designated)
This represents the funds set aside to meet the depreciation of the NT Future VAT asset capitalised and the funds retained to meet the NT Future WIP still to be capitalised. Expenditure against this fund were costs in relation to the depreciation in NT Future VAT asset.

Touring Fund
The Touring fund has been set up to support the touring of NT productions within the UK. £0.5m (2015: NIL) was transferred into the Touring Fund from the operations fund during the year.

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

£3.7m (2015: £0.6m) was transferred from the operations fund into the buildings and equipment fund during the year. The expenditure for the current year represents depreciation on assets acquired through this fund.

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

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

NT Live & Digital
The NT Digital Project Fund represents restricted funding and related expenditure, in relation to the NT’s broadcasting and digital initiatives.
18 The Funds of the Charity (Group & Company) (con’t)

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

NT Studio Projects (Research & Development)
The NT Studio projects fund represents restricted funding for activity at the NT Studio, including new writing and directing initiatives.

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

NT Future Fund
This fund was created to support a major refurbishment of the National Theatre, completed in 2016 (excluding funds from ACE). £1.5m was received in the year as grants and donations for the NT Future project. Expenditure was £4.2m and represents depreciation on NT Future assets.

ACE NT Future Fund
This fund was created specifically in relation to a grant from ACE, to support a major refurbishment of the National Theatre, completed in 2016. £1.6m was received in the year from Arts Council England for the NT Future project. Expenditure was £1.0m and represents depreciation on NT Future assets and direct project expenditure.

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

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

Expandable Endowment
The represents the charity’s investment of £200,000 in a 20 year gilt in accordance with the terms of a donation from a long-term benefactor. See Note 12
## 19 Analysis of Net Assets Between Funds (Group)

<table>
<thead>
<tr>
<th>UNRESTRICTED:</th>
<th>Tangible fixed assets</th>
<th>Cash</th>
<th>Other net assets / (liabilities)</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations fund *</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>15.1</td>
<td>(5.7)</td>
<td>9.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unrestricted designated:</th>
<th>Tangible fixed assets</th>
<th>Cash</th>
<th>Other net assets / (liabilities)</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT Future</td>
<td>7.9</td>
<td>1.4</td>
<td>-</td>
<td>9.3</td>
</tr>
<tr>
<td>Touring</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Building &amp; Equipment Fund</td>
<td>6.1</td>
<td>3.9</td>
<td>-</td>
<td>10.0</td>
</tr>
<tr>
<td>TOTAL unrestricted designated funds</td>
<td>14.0</td>
<td>5.8</td>
<td>-</td>
<td>19.8</td>
</tr>
</tbody>
</table>

| TOTAL unrestricted funds | 14.0 | 20.9 | (5.7) | 29.2 |

<table>
<thead>
<tr>
<th>RESTRICTED: Project funds</th>
<th>Tangible fixed assets</th>
<th>Cash</th>
<th>Other net assets / (liabilities)</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT Performance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT Live &amp; Digital</td>
<td>-</td>
<td>0.1</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>NT Learning &amp; Public Engagement</td>
<td>-</td>
<td>0.2</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>NT Studio Projects (Research &amp; Development)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL project funds</td>
<td>-</td>
<td>0.3</td>
<td>(0.3)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RESTRICTED: Long term funds</th>
<th>Tangible fixed assets</th>
<th>Cash</th>
<th>Other net assets / (liabilities)</th>
<th>Total net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT Future Fund</td>
<td>34.6</td>
<td>-</td>
<td>3.9</td>
<td>38.5</td>
</tr>
<tr>
<td>ACE NT Future Fund</td>
<td>17.9</td>
<td>-</td>
<td>-</td>
<td>17.9</td>
</tr>
<tr>
<td>ACE Lottery Fund</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
<td>1.0</td>
</tr>
<tr>
<td>Studio Refurbishment Fund</td>
<td>4.7</td>
<td>-</td>
<td>-</td>
<td>4.7</td>
</tr>
<tr>
<td>Expendable Endowment</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>TOTAL long term funds</td>
<td>58.2</td>
<td>-</td>
<td>4.1</td>
<td>62.3</td>
</tr>
</tbody>
</table>

| TOTAL restricted funds | 58.2 | 0.3 | 3.8 | 62.3 |

| TOTAL Group funds | 72.2 | 21.2 | (1.9) | 91.5 |
### 20 Capital Commitments (Group & Company)

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NT Future related commitments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Equipment and services</td>
<td>0.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Mechanical and Electrical services</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Building work</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Fitting out</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>Olivier Fly System</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td>Phase C Foyer Refurbishment</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Other NT Future</td>
<td>-</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Other commitments:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital Asset Management system</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td>Asbestos removal</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>CAFM Software</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Website development project</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Excelnet Redevelopment Phase 1</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Other commitments (&lt;100k)</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td><strong>Approved and contracted</strong></td>
<td>2.2</td>
<td>4.2</td>
</tr>
</tbody>
</table>

The amount payable within one year is £2.2m (2015: £4.2m).
21 OPERATING LEASE COMMITMENTS (GROUP & COMPANY)

At 27 March 2016 the National was committed under non-cancellable operating leases to make the following payments:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Between one and five years inclusive</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td></td>
<td>1.7</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Commitments relate to lease contracts for the rental of properties at:

- Kennington Park, London SW9 (Unit 28A Salisbury House and Units 15 & 15A Chichester House) expiring 28 September 2020. The rent review negotiation due on the 29 September 2015 for the remaining 5 years is still outstanding.

- The Restaurant PA3, Coin Street SE1 expiring 21 December 2019. £189k was expensed in the year.

22 CONNECTED CHARITIES & OTHER RELATED PARTIES TRANSACTIONS

ROYAL NATIONAL THEATRE FOUNDATION

The Royal National Theatre Foundation has objects related to those of the National and makes grants to the NT from time to time. The foundation has 12 trustees, two of whom have a direct connection to the NT.

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

During the year, the NT received legacy income of £58k (2015: £110k) which was paid to the Royal National Theatre Foundation.

A grant of £200k was made towards the National Theatre’s production of ‘wonder.land’ and paid in the year. The Foundation has pledged a sum of £250k per year for three years beginning FY16/17 towards the development of work in the New Work Department. The Foundation made bursaries totalling £45k during the year to support a designer under the Max Rayne Award, and a director under the Peter Hall Award. The Foundation made benevolent grants to members and former members of the staff and company.

AMERICAN ASSOCIATES OF THE ROYAL NATIONAL THEATRE

The American Associates of the Royal National Theatre is an independent s.501c3 not-for-profit charity registered in New York. In the year, $3.7m (2015: $3.9m) was due to the NT.

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

OTHER RELATED PARTY TRANSACTIONS

During the year, Trustees donated a total amount of £114k (2015: £172k) and the Senior Management Team donated a total amount of £4k (2015: £5k).

Lloyd Dorfman is a trustee of the Dorfman Foundation and was a trustee of the National Theatre until December 2015. The Foundation made a leadership gift of £10m for the NT Future project, the final instalment of which was received in the prior period. Lloyd Dorfman is also the Founder, President and a major shareholder of Travelex, sponsors of the National Theatre £15 Travelex season.

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

See Note 23 for details of transactions with subsidiaries.
**NOTES TO THE FINANCIAL STATEMENTS**

### 23 SUBSIDIARIES & RELATED UNDERTAKINGS

All subsidiaries have coterminous year ends with the parent company. As at 27 March 2016, The National had an interest in the following subsidiary undertakings and related undertakings:

(a) **SUBSIDIARIES**

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

+ National Theatre Live Limited (NTLL) was incorporated on the 14 April 2015 and is 100% owned by the National Theatre.
### Subsidiaries & Related Undertakings (Con’t)

#### (b) Joint Arrangements & General Partnerships

<table>
<thead>
<tr>
<th>Organisation Name</th>
<th>Country of Incorporation</th>
<th>Registered Office / Principal Place of Business</th>
<th>Nature of Business</th>
<th>Class of share capital held</th>
<th>Issued Share Capital</th>
<th>Parent company interest</th>
<th>Consolidation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cuba Pictures (London Road) Limited++</td>
<td>UK</td>
<td>5th Floor, Haymarket House 28-29 Haymarket London SW1Y 4SP</td>
<td>Commercial exploitation of productions</td>
<td>N/A</td>
<td>2 x £1 Ord Share</td>
<td>Nil as at 18/1/16 (Indirect holding)</td>
<td>No (Immaterial)</td>
</tr>
<tr>
<td>Curious Incident National Tour LP*</td>
<td>US</td>
<td>230 West 41st Street Suite 1703 New York New York 10036</td>
<td>Commercial exploitation of productions</td>
<td>N/A</td>
<td>N/A</td>
<td>100% (Indirect holding)</td>
<td>Yes (Line-by-line)</td>
</tr>
<tr>
<td>Curious Incident Broadway LP*</td>
<td>US</td>
<td>230 West 41st Street Suite 1703 New York New York 10036</td>
<td>Commercial exploitation of productions</td>
<td>N/A</td>
<td>N/A</td>
<td>50% (Indirect holding)</td>
<td>Yes (Line-by-line)</td>
</tr>
<tr>
<td>NT War Horse LP*</td>
<td>US</td>
<td>c/o Fried &amp; Kowgios CPAS LLP 441 Lexington Avenue, STE 704 New York, New York 10017</td>
<td>Commercial exploitation of productions</td>
<td>N/A</td>
<td>N/A</td>
<td>55.35% (Indirect holding)</td>
<td>No (Dormant - Immaterial)</td>
</tr>
</tbody>
</table>

++ The National entered into a contractual arrangement with Cuba Pictures (London Road) Limited in 2013-2014, to engage in joint activities in relation to making and distributing the feature film ‘London Road’. The National (via National Theatre Productions Limited) had a 50% interest in the arrangement with the remaining interest of 50% held by Cuba Pictures Limited but as at 18 Jan 2016 nil holdings in the company. The results of Cuba Pictures (London Road) Limited have not been consolidated as they are immaterial to the group.

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

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

- **Curious Incident National Tour LP** - Sole General Partner

- **NT War Horse LP** - Sole General Partner - Joint arrangement between NTNA LLC and National Angels

#### (c) Investments as Limited Partner

The National Theatre North America LLC is also an investor as a Limited Partner in Horsing Around Tour LP (Joint General Partners - Robert Boyett Theatricals LLC and GW Productions, Inc.) created to further the commercial exploitations of the National Theatre’s productions in the US. NTNA LLC is entitled to 18.75% of the Adjusted Net Profits. Limited partners have neither the rights to take part in the conduct/control of the business affairs nor participate in the management of the LP, and as such these interests are not consolidated in the Group financial statements.
NOTES TO THE FINANCIAL STATEMENTS

23 SUBSIDIARIES & RELATED UNDERTAKINGS (CON’T)

The financial results for the year were:

<table>
<thead>
<tr>
<th>Company Number:</th>
<th>Royal National Theatre Enterprises Limited</th>
<th>National Theatre Productions Limited</th>
<th>National Theatre Staging Limited</th>
<th>National Theatre Live Limited</th>
<th>National Theatre North America LLC</th>
<th>Curious Incident Broadway LP</th>
<th>Curious Incident National Tour LP</th>
<th>Total**</th>
<th>Total**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>2015</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Other trading activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trading operations</td>
<td>12.9</td>
<td>9.7</td>
<td>2.5</td>
<td>2.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Cost of trading operations+</td>
<td>(13.1)</td>
<td>(10.1)</td>
<td>(1.2)</td>
<td>(3.7)</td>
<td>(0.7)</td>
<td>-</td>
<td>-</td>
<td>(0.4)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Net Surplus</td>
<td>(0.2)</td>
<td>(0.4)</td>
<td>1.3</td>
<td>(1.6)</td>
<td>(0.7)</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Add back consolidation adjustments</td>
<td>1.5</td>
<td>0.9</td>
<td>1.4</td>
<td>(0.5)</td>
<td>-</td>
<td>-</td>
<td>1.3</td>
<td>(2.0)</td>
<td>0.5</td>
</tr>
<tr>
<td>Tax on profit on ordinary activities</td>
<td>-</td>
<td>-</td>
<td>0.2</td>
<td>(2.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Surplus for the year</td>
<td>1.3</td>
<td>0.5</td>
<td>1.2</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Gift aid/Profit distribution due to parent company</td>
<td>(1.3)</td>
<td>(0.5)</td>
<td>(1.2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.4)</td>
<td>(0.3)</td>
<td>-</td>
</tr>
<tr>
<td>Retained in the subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Assets</td>
<td>1.0</td>
<td>0.9</td>
<td>3.9</td>
<td>1.8</td>
<td>4.0</td>
<td>-</td>
<td>0.2</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>(Liabilities)</td>
<td>(1.0)</td>
<td>(0.9)</td>
<td>(3.9)</td>
<td>(1.8)</td>
<td>(2.6)</td>
<td>-</td>
<td>(0.2)</td>
<td>(0.5)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Net Assets/(Liabilities)</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
<td>0.6</td>
</tr>
</tbody>
</table>

** NT War Horse LP is dormant and is in the processes of being wound down. The financial results for NT War Horse LP are immaterial and have therefore not been detailed above.
23 Subsidiaries & Related Undertakings (con’t)

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

<table>
<thead>
<tr>
<th></th>
<th>Basis</th>
<th>Payments to National Theatre</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016 (£m)</td>
</tr>
<tr>
<td>Royal National Theatre Enterprises Limited</td>
<td>Turnover (11%)</td>
<td>1.6</td>
</tr>
<tr>
<td>National Theatre Productions Limited</td>
<td>Turnover (11%)</td>
<td>0.3</td>
</tr>
<tr>
<td>National Theatre North America LLC</td>
<td>Turnover (5%)</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>2.0</strong></td>
</tr>
</tbody>
</table>

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

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

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

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

24 Transition to FRS 102

This is the first year that the Group & Company has presented its results under FRS102 Charities SORP. The last financial statements prepared under the previous Charities SORP 2005 were for the year ended 29 March 2015. The date of transition to FRS 102 was 31 March 2014.

Set out below are the changes in accounting policies which reconcile Group Statement of Financial Activities (SoFA) and the Balance Sheet for the financial year ended 29 March 2015, between Charities SORP 2005 as previously reported and FRS 102.

A Recognition of NT Future Income

Under the previous Charities SORP 2005, donations in relation to NT Future were recognised on a receipts basis, as the income recognition criteria of ‘certainty’ is not deemed to have been met. This criteria has been amended under FRS 102 to ‘probable’ such that under the new rules, the Group is required to recognised previously unrecognised income in relation to pledged income, whereby payments are staged over a period of time in the future but carried no conditions/restrictions on delivery.

This has resulted in the Group restating brought forward reserves by £13.9m as at 30 March 2014 and £6.4m as at 29 March 2015.

B Other Adjustments Arising on Transition to FRS 102

The Group’s Statement of Financial Activities (SoFA) reflects the presentation requirement of the Charities SORP 2015 (FRS 102), which is different to that prepared under the Charities SORP 2005. In addition to the changes identified above, the following adjustment has arisen which has had no net effect on the SoFA. Governance costs (2015: £0.2m) is no longer a separate SoFA heading and is instead treated as a component of Support Costs (See Note 6(b))

The Group’s cash flow statement reflects the presentation requirements of FRS 102, which is different to that prepared under FRS 1. In addition, the cash flow statement reconciles to cash and cash equivalents whereas under previous Charities SORP 2005 the cash flow statement reconciled to cash. Cash and cash equivalents are defined in FRS102 as ‘cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subjected to an insignificant risk of changes in values’ whereas cash is defined in FRS 1 as ‘cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand’. The FRS 1 definition was more restrictive.
C RECONCILIATION WITH PREVIOUS FINANCIAL REPORTING FRAMEWORK

In preparing the accounts, applying the accounting policies required by FRS 102 and the Charities SORP 2015 (FRS 102), the Group financial statements have been restated as follows:

GROUP STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

<table>
<thead>
<tr>
<th>Income &amp; endowments from:</th>
<th>Note</th>
<th>As previously stated £m</th>
<th>Effect of transition £m</th>
<th>FRS 102 (as restated) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations &amp; legacies</td>
<td>24A</td>
<td>45.4</td>
<td>(7.5)</td>
<td>37.9</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td>67.9</td>
<td>-</td>
<td>67.9</td>
</tr>
<tr>
<td>Other trading activities</td>
<td></td>
<td>24.6</td>
<td>-</td>
<td>24.6</td>
</tr>
<tr>
<td><strong>TOTAL Income &amp; endowments</strong></td>
<td></td>
<td><strong>137.9</strong></td>
<td><strong>(7.5)</strong></td>
<td><strong>130.4</strong></td>
</tr>
</tbody>
</table>

| Expenditure on:                                |      | **(125.6)**             | **(125.6)**             | **(125.6)**             |
| Raising donations & legacies                  |      | (1.8)                   | -                       | (1.8)                   |
| Charitable activities                         |      | (97.6)                  | -                       | (97.6)                  |
| Other trading activities                       |      | (26.2)                  | -                       | (26.2)                  |

| Net income/(expenditure)                       |      | **12.3**                | **(7.5)**               | **4.8**                 |

| Transfers between funds                        |      | -                       | -                       | -                        |

| Net movement in funds                          |      | **12.3**                | **(7.5)**               | **4.8**                 |

| Reconciliation of funds:                       |      | **68.2**                | **13.9**                | **82.1**                |

| TOTAL funds carried forward                    |      | **80.5**                | **6.4**                 | **86.9**                |
## NOTES TO THE FINANCIAL STATEMENTS

### 24 TRANSITION TO FRS 102 (CON’T)

#### BALANCE SHEET

<table>
<thead>
<tr>
<th></th>
<th>GROUP</th>
<th></th>
<th></th>
<th>COMPANY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As at 30 March 2014</td>
<td>As at 29 March 2015</td>
<td>As at 30 March 2014</td>
<td>As at 29 March 2015</td>
<td>As at 30 March 2014</td>
<td>As at 29 March 2015</td>
</tr>
<tr>
<td></td>
<td>As previously stated</td>
<td>Effect of transition</td>
<td>FRS 102 (as restated)</td>
<td>As previously stated</td>
<td>Effect of transition</td>
<td>FRS 102 (as restated)</td>
</tr>
<tr>
<td>Fixed assets:</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>53.4</td>
<td>-</td>
<td>53.4</td>
<td>74.3</td>
<td>-</td>
<td>74.3</td>
</tr>
<tr>
<td>Investments</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>TOTAL fixed assets</strong></td>
<td><strong>53.6</strong></td>
<td><strong>-</strong></td>
<td><strong>53.6</strong></td>
<td><strong>74.5</strong></td>
<td><strong>-</strong></td>
<td><strong>74.5</strong></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Cost of productions not yet opened</td>
<td>1.3</td>
<td>-</td>
<td>1.3</td>
<td>-</td>
<td>0.6</td>
<td>-</td>
</tr>
<tr>
<td>Debtors</td>
<td>7.9</td>
<td>13.9</td>
<td>21.8</td>
<td>10.3</td>
<td>6.4</td>
<td>16.7</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>20.0</td>
<td>-</td>
<td>20.0</td>
<td>-</td>
<td>13.8</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL current assets</strong></td>
<td><strong>29.7</strong></td>
<td><strong>13.9</strong></td>
<td><strong>43.6</strong></td>
<td><strong>25.2</strong></td>
<td><strong>6.4</strong></td>
<td><strong>31.6</strong></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(15.1)</td>
<td>-</td>
<td>(15.1)</td>
<td>-</td>
<td>(19.0)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td><strong>14.6</strong></td>
<td><strong>13.9</strong></td>
<td><strong>28.5</strong></td>
<td><strong>6.2</strong></td>
<td><strong>6.4</strong></td>
<td><strong>12.6</strong></td>
</tr>
<tr>
<td><strong>TOTAL assets less current liabilities</strong></td>
<td><strong>68.2</strong></td>
<td><strong>13.9</strong></td>
<td><strong>82.1</strong></td>
<td><strong>80.7</strong></td>
<td><strong>6.4</strong></td>
<td><strong>87.1</strong></td>
</tr>
<tr>
<td>Creditors: amount falling due after more than one year</td>
<td>-</td>
<td>-</td>
<td>(0.2)</td>
<td>-</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL net assets</strong></td>
<td><strong>68.2</strong></td>
<td><strong>13.9</strong></td>
<td><strong>82.1</strong></td>
<td><strong>80.5</strong></td>
<td><strong>6.4</strong></td>
<td><strong>86.9</strong></td>
</tr>
<tr>
<td><strong>The funds of the charity:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Operations fund</td>
<td>2.6</td>
<td>-</td>
<td>2.6</td>
<td>3.9</td>
<td>-</td>
<td>3.9</td>
</tr>
<tr>
<td>Designated funds</td>
<td>17.0</td>
<td>-</td>
<td>17.0</td>
<td>18.2</td>
<td>-</td>
<td>18.2</td>
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<tr>
<td>Restricted funds</td>
<td>48.6</td>
<td>13.9</td>
<td>62.5</td>
<td>58.4</td>
<td>6.4</td>
<td>64.8</td>
</tr>
<tr>
<td><strong>TOTAL funds</strong></td>
<td><strong>68.2</strong></td>
<td><strong>13.9</strong></td>
<td><strong>82.1</strong></td>
<td><strong>80.5</strong></td>
<td><strong>6.4</strong></td>
<td><strong>86.9</strong></td>
</tr>
</tbody>
</table>
Reference and Administrative Details of the Charity, Trustees, Committee Membership and Advisers for the Year 30 March 2015 – 27 March 2016

Royal National Theatre Board
John Makinson (Chairman)
Sir Damon Buffini (Chair Designate) *(appointed 9 June 2016)*
Kate Mosse OBE (Deputy Chair)
Peter Bennett-Jones
Dame Ursula Brennan DCB
Dominic Casserley
Tim Clark
Glenn Earle
Farah Ramzan Golant CBE
Ros Haigh
Sir Lenny Henry *(Appointed 22 March 2016)*
Elizabeth Offord *(Appointed 1 May 2015)*
Alan Rusbridger *(Appointed 23 June 2015)*
Clive Sherling
Susan Chinn CBE *(Resigned 31 March 2015)*
Howard Davies *(Resigned 30 September 2015)*
Lloyd Dorfman CBE *(Resigned 31 December 2015)*
Neil MacGregor *(Resigned 1 June 2015)*
James Purnell *(Resigned 23 June 2015)*

Royal National Theatre Enterprises Limited Board
Ros Haigh (Chair)
Alex Bayley
Lisa Burger
Liz Fosbury *(Appointed 24 November 2015)*
Farah Ramzan Golant CBE
Huw Gott *(Appointed 24 November 2015)*
Karen Jones
John Langley
Robyn Lines *(Appointed 6 April 2015)*
Geoffrey Matthews

National Theatre Productions Limited Board
Peter Bennett-Jones (Chair)
Lisa Burger
Tim Clark
Liz Fosbury *(Appointed 24 November 2015)*
Chris Harper
André Plaszynski
Robin Hawkes *(Resigned 19 June 2015)*
Tessa Ross *(Resigned 30 April 2015)*
David Sabel *(Resigned 4 December 2015)*

National Theatre Staging Limited Board
Peter Bennett-Jones (Chair)
Lisa Burger
Liz Fosbury *(Appointed 24 November 2015)*
Peter Taylor

National Theatre Live Limited Board
Peter Bennett-Jones (Chair)
Lisa Burger
Liz Fosbury *(Appointed 24 November 2015)*
Peter Taylor

National Theatre North America LLC
Peter Bennett-Jones (Chair)
Lisa Burger
Tim Clark
Liz Fosbury *(Appointed 24 November 2015)*
Peter Taylor
Royal National Theatre Finance & Audit Committee
Dame Ursula Brennan (Chair)
Tim Clark
Ros Haigh
John Makinson
Clive Sherling

Nominations Committee
Tim Clark (Chair)
Peter Bennett Jones
Kate Mosse

Development Council
Elizabeth Offord (Chair)
Graham Barker
Russ Carr
Tim Clark
Kate Groes
Caroline Hoare
Madeline Hodgkin
Oliver Pawle
Charlotte Warshaw

NT Future Project Committee
(formally stood down 28 April 2015)
Glenn Earle (Chair)
Dominic Casserley
Tim Clark
Lloyd Dorfman CBE
Ros Haigh
Alan Leibowitz
John Makinson
Clive Sherling

Executive
Director Rufus Norris
Executive Director Lisa Burger

Director Nicholas Hytner (Resigned 31 March 2015)
Chief Executive Tessa Ross (Resigned 30 April 2015)

Bankers
Coutts & Co
440 Strand, London WC2R 0QS

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Royce Bell (Resigned June 2015)
Neil Brener (Resigned July 2015)
Sarah Brener (Resigned July 2015)
Simon Dingemans (Resigned April 2015)
Charles Dorfman (Resigned May 2015)
David Hall (Resigned December 2015)
Charlotte Weston (Resigned December 2015)