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Nicholas Hytner, Artistic Director

Sir Hayden Phillips, Chairman

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This Annual Report & Financial Statements is available to download at www.nationaltheatre.org.uk If you would like to receive it in large print, or you are a visually-impaired person and would like a member of staff to talk through the publication with you, please contact the Company Secretary at the National Theatre.
The National Theatre is central to the creative life of the country. In its three theatres on the South Bank in London it presents an eclectic mix of new plays and classics from the world repertoire, with seven or eight productions in repertory at any one time. And through an extensive programme of amplifying activities – Platform performances, backstage tours, foyer music, publications, exhibitions and outdoor events – it recognises that theatre doesn’t begin and end with the rise and fall of the curtain.

Aims

The National endeavours to maintain and re-energise the great traditions of the British stage and to expand the horizons of audiences and artists alike. It aspires to reflect in its repertoire the diversity of our culture. It takes a particular responsibility for the creation of new work – offering at the NT Studio a space for research and development for the NT’s stages and the theatre as a whole. Through NT Education, it engages tomorrow’s audiences. As the national theatre, it aims to foster the health of the wider British theatre through policies of collaboration and touring.

The NT’s objectives in 2004-05

The National’s continuing objective is to present a balanced artistic programme. The repertory system is a key to this, not as a good in itself, but as the means of taking artistic risks and responding to audience demand. The NT endeavours to produce to the highest standards by attracting the best artists to work in an environment that enables and stimulates them to realise the fullest extent of their talents.

These are the NT’s constant objectives. Alongside are two long-term and interlinked strategies. The NT seeks to broaden the work on its stages, by nurturing new plays and new forms at the Studio, by commissioning, and by active project development of all kinds, in which Associate Directors, associates and other consultants are involved.

It seeks to broaden its audiences, through the programming choices it makes, by keeping ticket prices down, and by making manifest its ambition to be bold, contemporary and accessible.

Other objectives for 2004-05 were:

- to develop plans for the redevelopment of the NT Studio building
- to re-establish a reformed touring policy and practice
- to begin enhancements to the NT’s exterior
- to make continuing improvements to the functioning of the organisation
- to create a future capital plan in order to maintain the building for future generations

The National’s engagement with the contemporary world never seemed more urgent than it did in 2004.

In Stuff Happens, David Hare provided an immediate and searching response to our involvement in Iraq. Kwame Kwei-Armah continued his exploration of Black British identity in Fix Up. And with The History Boys, Alan Bennett explored the purpose of education.

Meanwhile, Shakespeare and Euripides seemed to be writing in direct reaction to current events. In Simon McBurney’s hands, Measure for Measure was a case study of misused power; and in Katie Mitchell’s production of Iphigenia at Aulis, the human consequences of the Trojan War provided a wrenching parallel to recent events.

We aim on our stages to examine the present in the context of the past, and often the contrast between them is as illuminating as the confluence. Our audiences are hungry for both, and were as enthusiastic about plays by Marivaux and Erdman as they were for the rest of our repertoire. But I have never sensed a greater hunger for the particular vitality that emerges from an energetic confrontation of the world we’re part of, and of the ideas that fuel it.

We can no longer talk of our ‘audience’, in the singular. We have many different, overlapping audiences. There is no limit to the communities of people we can serve if we address their concerns with imagination, wit and integrity.

Our objective is to revitalise the great traditions of the British stage even as we seek entirely new stories to tell, and new ways of telling them. The NT Studio has always been the National’s engine room, finding new theatre makers and giving them the space to develop their ideas. All the big new shows of 2004 were shaped there. Our plans for it are outlined elsewhere in this report, but it’s worth saying here that nothing is more important for our future, or for the rest of the British theatre’s future, than the new generations of artists that we nurture there. The new Studio will include space for NT Education and for the National’s archive, so new artists and new audiences will co-exist with the preservation of our past for their use and benefit.

We have enjoyed a phenomenal year at the box office. Our second Travelex £10 Season has been as successful as the first, with 94% attendance. Overall, we played to 94% capacity; nearly 800,000 people. More important than the figures is the sense that the National has redefined itself. We have always been the most public of theatres: our two large auditoriums between them seat 2,000 people and demand a challenging level of energy and commitment from writers, actors and directors. It has sometimes felt as if we have been on the point of giving up on public theatre, our muscles slackening, leaving us only with the skills to inhabit tiny studio spaces, playing to an ever-dwindling band of devotees. Our success over the last couple of years has served to remind us that the theatre can put itself at the centre of public discourse. We intend to stay there.

Nicholas Hytner
Theatre is about what happens on the stage. In the last year what happened at the National Theatre was extraordinary, excellent and exceptional. The Board of the Theatre, and I am sure the public whom it serves, thank all those who made such success possible. We aspire to repeat such a year but this cannot be guaranteed as the risks as well as the opportunities of bold and imaginative programming are great. But we shall continue to support Nicholas Hytner and his team in taking those risks because that is why the National Theatre is there.

An Annual Report is a formal document of accountability and therefore little read but we have tried this year, in our Overview, to tell a more coherent story of what we wanted to achieve, whether we think we achieved it, and, indeed, whether we can in common-sense terms measure our success or failure. Of course we set out the conventional measures – box office, our financial position, the awards that we have won – but we are conscious, along with many other arts organisations, that our research into the make-up of our audiences, their reactions and the impact of our plays is still too fragile. We want year-on-year to strengthen that analysis.

What accountability is or should be in the performing arts can be difficult to grasp and to explain. Forty percent of the National Theatre’s income comes from the taxpayer. This is bolstered by our benefactors – individuals, companies, trusts and foundations. I warmly thank all those who provide this platform of essential support. I hope the story we tell in this document alongside what we put on the stage explains why we believe we use this subsidy in the public interest.

We must also remind ourselves from time to time who is accountable for what in the performing arts. In my first year as Chairman of the National Theatre, and as the first Chairman to have been, once upon a time, the Permanent Secretary of the Department of Culture, Media and Sport, I want to restate my long-held passionate conviction about the importance of the separation of roles. There is a clear difference between the role of those who fund – whether Government, Arts Council or whoever – and those who commission the creation of theatre. A clear differentiation of roles combining independence with cooperation and well-informed challenge helps support a vibrant artistic culture; a blurring of bureaucracy, in which roles are not clear and start to overlap one with another, undermines both creativity and accountability.

In conclusion I want to pay a special tribute to my predecessor, Sir Christopher Hogg. He presided over the Board from 1995 to 2004 with focussed commitment, legendary efficiency and a deep love of theatre in general and of the National Theatre in particular. I know Nick Hytner and his predecessors would join me in this tribute. I and the current Board thank him for such a rich inheritance.

Sir Hayden Phillips

Artistic programme

The shape of the year’s programme reflected the over-arching aim of re-establishing the National’s mission as popular, affordable, inclusive and forward-looking. This can only be achieved across these sometimes conflicting strands by trying to provide a balanced programme across the three theatres. The defining feature of this positioning was, once again, the Travelex £10 Season. The seven-month season was followed in the Olivier by a revival of His Dark Materials for a second, sold-out, run. The Cottesloe, which last year presented only new plays, added the other side of its policy, to present rarely-performed classics. The Lyttelton’s brief is an eclectic programme of classics and new work, and occasional transfers from the Cottesloe, and, this year, benefited from the extraordinary long-running success of The History Boys.

Diversity

Balance in the programme also means diversity. The voices of Roy Williams and Kwame Kwei-Armah were once again heard at the National, drawing large audiences for serious and important plays. The NT has developed its ability and credibility to draw audiences of colour; they are a growing though still under-represented part of the increasingly heterogeneous audiences that come to the National. Measurement does not imply targets; in the coming year we will monitor the composition of our audiences. We are committed to eroding the sense of the theatre and particularly the National as the preserve of any particular group, whether defined by race, class or income.

Accessibility

The Travelex £10 Season is the most evident demonstration of the NT’s conviction that it should be accessible. This, its second year, offered 170,000 tickets at £10, and was 94% full. Of the 247,000 attendances for the Season, 58,000 were by first-time bookers at the NT.

The lower ticket prices haven’t required additional public subsidy; a combination of the Travelex sponsorship, lower production budgets, and high attendances made up the difference. Our subsidy has been used to under-write the risk involved, and since more people (150,000 more than in 2002-03) are able to come, the subsidy has worked harder.

Across the whole year, the NT’s top ticket price was between £25 and £35. This compares with a West End top price for drama between £35 and £42 over that period. (And booking fees, applied in the commercial theatre, widen that gap by between £1 and £3.50.)

Subsidy and new work

Two of the NT’s main aims – those to do with accessibility and new work – are reflected in the use of our subsidy.

There is no reason why subsidy for the artist and subsidy for the audience should be mutually exclusive. The NT believes that by lowering ticket prices we attract a more adventurous audience that in its turn demands a more challenging repertoire. So one consequence of subsidising the audience might be said to be a greater creative opportunity and freedom for the artist.
In 2004-05, the NT invested £1 million in the development of new work, spent largely on the Studio and the commissioning budget. The Studio contributions to the artistic programme have been evident in Stuff Happens and His Dark Materials (both developed through a process of workshops, the latter originally in 2003-04); and the work of Rebecca Lenkiewicz (The Night Season), Roy Williams (Sing Your Heart Out for the Lads) and Kwame Kwei-Armah (Fix Up). The Studio’s workshop activity in 2004-05 was divided between plays already scheduled for the NT, workshops on potential projects for the NT, exploration, and music-theatre.

The Studio is where inexpensive experimentation can take place. The cost of one of its workshops to test out an idea is many orders of magnitude less than the financial commitment involved in putting an idea into production. In that pragmatic sense, the Studio can be said to be the NT’s ‘risk-mitigator’.

Nor is the notion of ‘new work’ as something laudable but risky quite the full picture. Over the NT’s history, new plays have been among the greatest box office draws. New plays in 2004-05 accounted for eight of the 19 productions given on the NT’s stages, and attendance for them was 96%. Two of them – Stuff Happens and The History Boys – had an impact well beyond the arts pages (as His Dark Materials and The Permanent Way had had in the previous year).

Financial result

Success at the box office resulted in an operating surplus for the year of £674,000, after transfers to reserves. As this is the product of popularity, it is a highly pleasing out-turn. But on the expenditure side, having His Dark Materials available for revival, and The History Boys available to be extended, meant a lower than usual investment in new productions. It was evident therefore that the artistic programme requires, on an on-going basis, an additional £1 million, and this was a fundamental objective in the budgeting of 2005-06.

Touring, collaborations and transfers

The NT’s new touring policy was put into effect with Martin McDonagh’s The Pillowman which, both artistically and organisationally, was a fresh start. NT work played in the regions for 21 weeks in all. Matthew Bourne’s Play Without Words toured after a Lyttelton run. The co-production with Birmingham Rep of Elmina’s Kitchen took Kwame Kwei-Armah’s Cottesloe hit of 2003 to a wider audience around the country, and subsequently into the West End. The National also collaborated with the small theatre collective Shunt. We first helped them secure a new performance space – the vast vaults underneath London Bridge Station; and later with fundraising, box office and marketing support to help them present their show Tropicana. It was a new mode of working for the NT, an unusual and unforced way of being ‘national’.

During the year, three NT shows played in the West End. In New York, under the umbrella of NT/NY, an arrangement between the National and producers Bill Haber and Bob Boyett, Jumpers transferred with its NT cast, followed by Democracy with an American cast. Both were critically acclaimed and received Tony nominations.

Education

NT Education continued to develop its many strands of work that reach out, both to the NT’s ‘hinterland’ in South London and across the UK. Their work aims to open up and explore the practice and profession of theatre. It encourages young people from a wide range of backgrounds and disciplines to cross the threshold, becoming active, critical audiences and makers for live theatre and the performing arts. 170,000 young people, teachers and artists participated in NT Education projects during the year.

Broadening the experience and the NT’s reach

We also engage in a great deal of activity designed to deepen the engagement between audiences and the theatre. These are ways of ‘amplifying’ the artistic programme – Platform discussions and performances, publications, exhibitions, backstage tours, archive and websites. At one end of the spectrum is the NT Archive, which has become one of the country’s main centres for theatre research. At the other are the websites, and in particular the NT Stagework site, commissioned by Culture Online, which won two BAFTA Interactive Awards.

The NT also makes a very large commitment to free entertainment as a way of introducing audiences to the theatre and enriching their experience. The foyer music programme gave 350 concerts. Watch This Space, the National’s annual free outdoor summer festival, presented over 100 performances in Theatre Square. During the year, we made some enhancements to the look of the building and its impact on the London skyline. The two flytowers have been lit strikingly with a scheme designed in-house, which, with some new planting on the Baylis Terrace, points the way to further initiatives to make the best use of our terraces and outside spaces. This is alongside plans to refresh some of our foyers, and at the same time, renew our catering.

The NT’s most significant capital project of this régime is the redevelopment of the NT Studio, a project that will considerably enhance and expand the Studio’s facilities, house the Archive, and create a new Education space. Under one roof, we will be developing the artists of the future and the audiences of the future, and preserving a record of the past.

Future Plans

The National’s plans for 2005-06 are the continuing objectives and strategies described on page 2, and, in addition, the following:

- to continue the process of broadening the audience base, by bringing first-timers back to the NT, and also by widening the core audience
- to invest in the artistic programme £1 million more than in 2004-05.
- to set underway the redevelopment of the NT Studio
- to extend NT Touring
- to create diversity initiatives for the staff body
- to grow fundraising, and to renew the sponsorship for the £10 Season
- to work towards performances on Sundays
- to refresh the foyers, renew catering, and develop use of the terraces
1. The Permanent Way, Lloyd Hutchinson and Bella Merlin  Photo: John Haynes
2. Cyrano de Bergerac, Stephen Rea and Clare Price  Photo: Ivan Kyncl
3. Sing Your Heart Out for the Lads, Ashley Walters and Stephen Wight  Photo: Nobby Clark
4. Lifegame, Improbable  Photo: Keith Pattison
5. The History Boys, Jamie Parker, Richard Griffiths, Andrew Knott, Dominic Cooper, and James Corden  Photo: Ivan Kyncl
6. Measure for Measure, Naomi Frederick, Toby Jones and Paul Rhys  Photo: Neil Libbert
7. The False Servant, Anthony Calf and Charlotte Rampling  Photo: Ivan Kyncl
8. Iphigenia at Aulis, The Company  Photo: Ivan Kyncl
9. A Funny Thing Happened on the Way to the Forum, Desmond Barrit and Lorraine Stewart  Photo: Catherine Ashmore
10. The Night Season, Annette Crosbie and John Light  Photo: Ivan Kyncl
11. Stuff Happens, Nicholas Fairley, Don Gallagher, Angus Wright and Nick Sampson  Photo: Ivan Kyncl
The Studio is the National’s engine room. An irreplaceable resource for the whole of British theatre, it provides an environment free from the pressure of public performance where writers, actors and artists of all kinds can explore, experiment and devise new work.

Founded in 1984 by Peter Gill, the Studio occupies the Old Vic Annex, a fifties building on The Cut in Waterloo that formerly housed production workshops and offices. The building is in urgent need of being refurbished, but as this work is done, the opportunity arises to house under the same roof a valuable new Education space (currently accommodated in a rented hut), and proper facilities for the NT Archive and a new collection of recorded performances.

The refurbishment, which is costing at £6 million, provides new facilities for dance and music theatre – dressing rooms and showers, sprung floors, sound-proofing – new facilities for writers, and a second workshop space that will effectively double the Studio’s development capabilities.

These benefits are at the heart of the fundraising case, which has thus far raised £2.55m towards the costs of the project, which is planned to begin in the middle of 2006.

The Studio, now led by Lucy Davies, has had a full programme of project development, research and training this year. Forty-three projects were workshopped; there were 35 play-readings; 13 writers were on attachment; and there were five Studio commissions. Masterclasses and courses for writers and directors were held; there were three Resident Director bursaries, two exchanges for US writers and a week for composers and writers. Companies using the Studio included Suspect Culture, Theatre O, Gecko, Filter, Frantic Assembly, the Clod Ensemble and Handspring Puppets. Directors included: Sean Holmes, Mike Figgis, Dominic Cooke, Anna Mackmin, Katie Mitchell, Richard Wilson, John Tiffany, Roxana Silbert, Rufus Norris and Phyllida Lloyd.


The Education and Training department bridges the gap between some of the finest theatre talent in the world and young people and their families, teachers and researchers in the local, national and international communities. It supports and reflects the work on the National’s main stages and produces curricular and socially relevant theatre with which young people can actively engage and learn new skills. The following programmes and projects took place during the year:

**Art of Regeneration** works with young people and artists in Greenwich and Lewisham in-school and out. Its Summer Arts College and Summer Arts Zone moved from strength to strength with the support of new partners. Recent projects included a NESTA-funded programme to explore the interface between new media and live performance, and Next Generation – an opportunity for young people to participate in creating new forms of music theatre.

**Backstage Pass** for North and West London secondary schools, funded by the John Lyon’s Charity, aims to increase access to the National and maximise educational potential. Over 4,328 students saw 18 productions during the year, 522 went on backstage tours and over 156 workshops took place in 30 schools.

**Backstage South** This sister project to Backstage Pass worked with 13 South East London secondary schools. 2,130 students saw 13 National productions with 76 in-school workshops.

**DFES London Challenge** Roy Williams’ Slow Time toured to 50 schools, accompanied by in-school workshops, and playing to over 13,500 students.

**In-Service Training for Teachers (INSET)** 36 courses were run, with intensive programming during half-term weeks, plus regional work with Duke’s Theatre Lancaster and Theatre Royal Plymouth.

**Interact**, funded by Deutsche Bank, supports the teaching of the Citizenship curriculum through drama. A production of Slow Time toured to 22 schools accompanied by workshops and in-service training. Students and teachers attended a range of productions at the National.

**NT Education Resources** continued to be produced throughout the year, including three issues of Stagework magazine, and a wide range of background packs and worksheets on the website.

**Shell Connections** Ten newly-commissioned plays by leading playwrights were premiered by 193 schools and youth theatre companies, produced in 13 flagship theatres across the UK, culminating in a week-long celebration of youth theatre in the Olivier and Cottesloe Theatres.

**Transmission** focused on increasing opportunities for performing arts practitioners in training and employment across the UK and Europe, and has developed model training for artists transferring arts practice to a variety of sectors. The NT/Goldsmiths College postgraduate programme in Cross-Sectoral and Community Arts has 19 students.

**Theatreworks** is a management training programme through which public and corporate sector organisations can gain access to drama techniques and theatre for their employees, who develop skills through active, experiential workshops.

**Word Alive! Storytelling** offers an innovative approach to learning about theatre, creativity, creative writing and literacy for primary schools through an in-school learning programme supporting a visit to the National to see Daedalus and Medea in the Olivier in a double-bill of stories, attended by 4113 children and accompanied by 156 in-school workshops delivered by practising artists.

stagework.org.uk Commissioned by DCMS Culture Online, created and managed by the National, this website offers rich media content and curriculum resources, going behind the scenes of the complex process of making theatre.
PRODUCTIONS
2004-05

A co-production with Out of Joint
THE PERMANENT WAY
A new play by David Hare
Director Max Stafford-Clark
Set, Costume & Video Designer William Dudley
Lighting Designer Johanna Tomm
Sound Designer Paul Arditti
3 April 2004 Lyttelton (transfer from Cottesloe, as part of the Travelex £10 Season)

CYRANO DE BERGERAC
Edmond Rostand
In a new version by Derek Mahon
Director Howard Davies
Set Designer William Dudley
Costume Designer John Bright
Music Dominic Muldowney
Movement and Dance Christopher Bruce
Fight Director William Hobbs
Lighting Designer Paul Anderson
Sound Designer Paul Groothuis
Company Voice Work Patsy Rodenburg
19 April 2004 Olivier
(as part of the Travelex £10 Season)

SING YER HEART OUT FOR THE LADS
A new play by Roy Williams
Director Paul Miller
Designer Hayden Griffin
Lighting Designer Andy Phillips
Sound Designer Rich Walsh
Company Voice Work Patsy Rodenburg
30 April 2004 Cottesloe

IMPOSSIBLE THEATRE
Keith Johnstone’s
LIFEGAME
Directors Phelim McDermott and Lee Simpson
Costume Designer Julian Crouch
Lighting Designer Colin Grenfell
Title Music Nick Powell
From 5 to 13 May 2004 Cottesloe

THE HISTORY BOYS
A new play by Alan Bennett
Director Nicholas Hytner
Designer Bob Crowley
Lighting Designer Mark Henderson
Music Richard Sisson
Video Director Ben Taylor
Sound Designer Colin Pink
Company Voice Work Patsy Rodenburg
18 May 2004 Lyttelton

A collaboration with Complicite
MEASURE FOR MEASURE
William Shakespeare
Director Simon McBurney
Set Designer Tom Pye
Costume Designer Christina Cunningham
Lighting Designer Paul Anderson
Sound Designer Christopher Shutt
Video Design Simon McBurney, Sven Ortel (for Mesmer), Tom Pye
Music Gerard McBurney
Music Director Simon Deacon
Projection Design Sven Ortel (for Mesmer)
Company Voice Work Patsy Rodenburg
Artistic Collaborator Annie Castledine
Staff Director Douglas Rintoul
Textual Adviser Steve Canny
27 May 2004 Olivier
(part of the Travelex £10 Season)

THE FALSE SERVANT
Pierre Carlet de Chamblain de Marivaux
In a new translation by Martin Crimp
Director Jonathan Kent
Designer Paul Brown
Lighting Designer Mark Henderson
Music Jeremy Sams
Sound Designer Rich Walsh
Movement Jack Murphy
Company Voice Work Patsy Rodenburg
1 June 2004 Cottesloe

IPHIGENIA AT AULIS
Euripides
Translated by Don Taylor
(two productions included additional scenes and words improvised by the Company)
Director Katie Mitchell
Designer Hildegard Bechtler
Lighting Designer Chris Davey
Movement Director Struan Leslie
Music Paul Clark
Sound Designer Gareth Fry
Company Voice Work Kate Godfrey
22 June 2004 Lyttelton

A FUNNY THING HAPPENED ON THE WAY TO THE FORUM
Book by Burt Shevelove and Stephen Sondheim
Director Edward Hall
Choreographer Rob Ashford
Set Designer Julian Crouch
Costume Designer Kevin Pollard
Orchestrations Michael Starobin
Music Supervisor/MD/Dance Arranger
Martin Lowe
Lighting Designer Paul Anderson
Sound Designer Paul Groothuis
Assistant Music Director Mark Etherington
9 July 2004 Olivier
(part of the Travelex £10 Season)

THE NIGHT SEASON
A new play by Rebecca Lenkiewicz
Director Lucy Bailey
Designer Dick Bird
Lighting Designer Neil Austin
Music Roderick Skeaping
Sound Designer Neil Alexander
Dialect Coach Majella Hurley
Movement Caroline Pope
Company Voice Work Patsy Rodenburg
Illusion Consultant Paul Kieve
3 August 2004 Cottesloe

STUFF HAPPENS
A new play by David Hare
Director Nicholas Hytner
Designer Christopher Oram
Lighting Designer Paul Anderson
Associate Director Matt Wilde
Company Voice Work Patsy Rodenburg
10 September 2004 Olivier
(part of the Travelex £10 Season)

BURIED CHILD
Sam Shepard
Director Matthew Warchus
Designer Rob Howell
Lighting Designer Natasha Katz
Music Gary Yershon
Sound Design Paul Groothuis
Dialect Coach Deborah Hecht
Company Voice Work Patsy Rodenburg
29 September 2004 Lyttelton

PRIMO
Based on If This is a Man by Primo Levi
Adapted by Antony Sher
Director Richard Wilson
Designer Hildegard Bechtler
Lighting Designer Paul Pyant
Music Jonathan Goldstein
Sound Design Rich Walsh
Voice Work Patsy Rodenburg
30 September 2004 Cottesloe

THE MANDATE
Nikola Erdman
English version by Declan Donnellan
Director Declan Donnellan
Designer Nick Ormerod
Director of Movement Jane Gibson
Lighting Designer Judith Greenwood
Music Catherine Jayes
Sound Design Rich Walsh
Company Voice Work Patsy Rodenburg
26 October 2004 Cottesloe

HIS DARK MATERIALS (REVIVAL)
Based on the novels by Philip Pullman
Adapted by Nicholas Wright
Directors Nicholas Hytner and Matt Wilde
Associate Director/Choreographer Aletta Collins
Set Designer Giles Cadie
Costume Designer Jon Morrell
Puppet Designer Michael Curry
Lighting Designer Paul Groothuis
Associate Lighting Designers Vic Smarden
Video Graphics Designers Thomas Gray and Yui Tanaka for The Gray Circle
Music Jonathan Dove
Music Associate Matthew Scott
Music Director Mark Bousie
Fight Director Terry King
Sound Designer Paul Groothuis
Associate Sound Designer Matthew Smethurst-Evans
Dialect Coach Neil Swain
Company Voice Work Patsy Rodenburg
15 September 2005 Cottesloe

THE HOUSE OF BERNARDA ALBA
Federico Garcia Lorca
In a new English version by David Hare
Director Howard Davies
Designer Vicki Mortimer
Lighting Designer Chris Davey
Choreographer Kate Flatt
Music Director and Arranger Simon Allen
Sound Designer Christopher Shutt
Company Voice Work Kate Godfrey
15 February 2005 Cottesloe

A DREAM PLAY
August Strindberg
In a new version by Caryl Churchill
With additional material by Katie Mitchell and the Company
Director Katie Mitchell
Designer Vicki Mortimer
Lighting Designer Chris Davey
Choreographer Kate Flatt
Music Director and Arranger Simon Allen
Sound Designer Christopher Shutt
Company Voice Work Kate Godfrey
15 February 2005 Cottesloe

A MINUTE TOO LATE
Devised by the Company
Re-directed by Simon McBurney
Designer Tom Pye with James Humphrey
Sound Design Christopher Shutt with Mike Wirship
Lighting Designer Paul Anderson
Production Sven Ortel with Ian Galloway for Mesmer
Costume Designer Christina Cunningham
Additional Direction Annabel Arden
Artistic Collaborators Annie Castledine, Harnish McCall
21 January 2005 Lyttelton

DATES GIVEN ARE THOSE OF THE PRESS NIGHTS

A Complicite Production

FIX UP
A new play by Kwame Kwei-Armah
Director Angus Jackson
Designer Bunny Christie
Lighting Designer Neil Austin
Music Arranger/Supervisor Neil McArthur
Sound Designer Gareth Fry
Company Voice Work Patsy Rodenburg
Literary Associate Nick Drake
16 December 2004 Cottesloe
TOURS, TRANSFERS & AWARDS

TOURING
The Pillowman
by Alan Bennett
Original director John Crowley;
director for the tour Toby Frow
27 January–19 March 2005
Toured to Oxford Playhouse, Bath Theatre
Royal, Brighton Theatre Royal, Newcastle
Theatre Royal, Warwick Arts Centre, The
Attic – Saalford Quays, and Cork Opera
House
A co-production with the
Birmingham Rep Theatre
Emilia's Kitchen
by Kwame Kwei-Armah
Director Angus Jackson
25 February 2005–9 April 2005
Opened at the Birmingham Rep Theatre,
then toured to Liverpool Everyman,
Bristol Old Vic, The Lowry – Saalford Quays,
and West Yorkshire Playhouse.
Produced on tour by the Touring Partnership
Play Without Words
Devised by Matthew Bourne and the Company
Toured to BAM, New York, in March 2005,
then to the Ahmanson Theatre, Los Angeles.
Produced on tour by PJ Productions
An Inspector Calls
by JB Priestley
Original director Stephen Daldry
On tour from February 2005

TRANSFERS
Anything Goes
music and lyrics by Cole Porter
original book by PG Wodehouse & Guy
Bolton and Howard Lindsay & Russell Crouse,
new book by Timothy Crouse & John Weidman
Director Trevor Nunn
Continued at Theatre Royal, Drury Lane until 28 August 2004
Jerry Springer – The Opera
music by Richard Thomas,
book and lyrics by Stewart Lee &
Richard Thomas
Director Stewart Lee
Continued at the Cambridge Theatre
until 19 February 2005
Democracy
by Michael Frayn
Director Michael Blakemore
Wynyard’s Theatre, 16 April–9 October 2004
Jumpers
by Tom Stoppard
Director David Leveaux
Brooks Atkinson Theatre, New York
6 April–11 July 2004
Democracy
by Michael Frayn
Director Michael Blakemore
Brooks Atkinson Theatre, New York
3 November 2004–17 April 2005

AWARDS 2004-05
2004 Manchester Evening News Awards
Best Drama: Play Without Words
2004 Evening Standard Awards
Best Play: The History Boys
Best Actor: Richard Griffiths for
The History Boys
The Charles Wintour Bursary for New
Playwriting: Owen McCafferty for
Scenes from the Big Picture
Special Award: The National Theatre
(to mark the Evening Standard Awards' 50th
anniversary for 'the remarkable contribution
made to theatre during the past half-century')
2004 Critics’ Circle National Dance Awards
Best Choreography (Musical Theatre):
Matthew Bourne and the Company for
Play Without Words
South Bank Show Award for Theatre 2005
The History Boys by Alan Bennett
2004 Critics’ Circle Awards
Best New Play: The History Boys
Best Actor: Richard Griffiths for
The History Boys
Best Shakespearean Performance: Paul Rhys
for Measure for Measure
Most Promising Playwright: Rebecca
Lenkiewicz for The Night Season
2004 Whatsonstage.com TheatreGoers’
Choice Awards
Best Supporting Actor (in a Play):
Samuel Barnett for The History Boys
Ms London London Newcomer of the Year:
Samuel Barnett for The History Boys
Best New Comedy: The History Boys
2005 Laurence Olivier Awards
Best Lighting Design: Paule Constable for
His Dark Materials
Best Set Design: Giles Cottle for
His Dark Materials
Best Actor: Richard Griffiths for
The History Boys
Best Director: Nicholas Hytner for
The History Boys
Best New Play: The History Boys
by Alan Bennett
The Society's Special Award: Alan Bennett
in recognition of his outstanding contribution
To theatre
John Whiting Award
Owen McCafferty for Scenes from the Big
Picture
Meyer-Whitworth Award
Owen McCafferty for Scenes from the Big
Picture

Annamaria ADAMS
Bruce ALEXANDER
Lauren AMBROSE
Samuel ANDERSON
Adjoa ANDOH
Mark ARENDS
Thomas ARNOLD
Joseph ATTENBOROUGH
Tom ATTWOOD
Samuel BARNETT
Anabel BARNSTON
Desmond BARRIT
Neal BARRY
Clare BENEDICT
Paul BENTALL
Stephen BERKELEY-WHITE
Isla BLAIR
Mark BONNAR
David BRADLEY
Jamie R BRADLEY
Kay BRIDGEMAN
Marc BUCHNER
Anthony CALF
Stephen CAMPBELL MOORE
Michael CANTWELL
John CARLISLE
Daren CARNALL
Nancy CARROLL
Peter CAULFIELD
Flaminia CINQUE
David COLLINGS
Nigel COOKE
Dominic COOPER
James CORDEN
Brendan COYLE
Stephen CRITCHLOW
Annette CROSSBIE
Steven CROSSLEY
Dermot CROWLEY
Mary CUNNINGHAM
Ben DANIELS
Cail DAVIS
Simone DE LA RUE
Frances DE LA TOUR
Morgan DEARE
Rudi DHARMALINGAM
Sacha DHAWAN
Gobbo DIQUERO
Cailum DIXON
Vanessa EARL
Robert EAST
Souad FARESS
Nicholas FARRELL
Ray FEARON
Deborah FINDLAY

Beth FITZGERALD
Johannes FLASCHBERGER
Joanne FONG
Ryan FORD
Jane FOWLER
Gregory FOX-MURPHY
Tanya FRANKS
Elizabeth FRANZ
Joanni FREDERICK
Don GALLAGHER
Ian GELDER
Raeda GHAZALEH
Emily GLOYENS
Marie GOLLEDGE
Mike GRADY
Sam GRAHAM
Gawn GRAINGER
Tiffany GRAVE
Tazmin GRIFFITHS
Antonia GROVE
Colin HAIGH
Bryony HANNAH
Jamie HARDING
David HAREWOOD
Daniel HART
Sally HAWKINS
Richard HILL
Jennifer HILL
Anastasia HILLE
Mark HOODSON
Edward HOGG
Ewan HOOPER
Jos HOUVEN
Eleanor HOWELL
Kristin HUTCHINSON
Lloyd HUTCHISON
Martin HUTSON
Lee INGLEBY
Sean JACKSON
Alex JENNINGS
Rhidian JONES
Toby JONES
Richard KATZ
Leo KAY
Sam KELLY
Dermot KERRIGAN
David KERRICK
Jeffery KISSOON
Andrew KNOTT
Samantha LAWSON
Michael LEGGE
Vincent LEIGH
Alen LEITH
Patricia LEVENTON
Elliott LEVEY
John LIGHT
Miranda LIND
David LUCAS
Michelle LUKES
Helena LYMBERY
Susan LYNCH
Simon McIBERNE
Hamish McCOLL
Sandy McDADE
Graham MacDUFF
Penelope McGIE
Jo McINNIS
Mairead McKNALLY
Tim McMULLAN
Meredith MacNEILL
Carol MACREADY
Marcello MAGNI
Kevork MALIKYAN
Sarah MALIN
Katherine MANNERS
Emma MANTON
Lesley MANVILLE
Kika MARKHAM
Sinead MATTHEWS
Clive MENDUS
Bella MERLIN
Simon MERRELLS
Pamela MERRICK
Clive MERRISON
Jordan METCALFE
Ben MEYES
Iain MITCHELL
Justine MITCHHEL
Hattie MORAHAN
Paul MORAITY
Chery MORRIS
Joe MORTON
Victoria MOSELEY
Sean MURRAY
Helen MURTON
Peter NEEDHAM
Hayley NEWTON
Jake NIGHTINGALE
Jim NORTON
Anthony O’DONNELL
Sarah O’GLEYE
Katy ODEY
Chihe OKONKWO
Jackie PARKER
Harry PEACOCK
Victoria PEMBROKE
Laurence PERRY-JONES
Alain PERRIN
Alistair PETRIE
Kostas PHILIPPOGLOU
Dodger PHILIPS
Sara POWELL
Claire PRICE
Philip QUAST
Joseph RAISHBROOK
Charlotte RAMPLING
Raan RAWI
Stephen REA
Ian REDFORD
Ryan REGIS
Paul RHYS
Owan RHYS DAVIES
Charlotte ROACH
Vinette ROBINSON
John ROGAN
Samuel ROUKIN
Michael ROUSE
Dominic ROWAN
William RYCROFT
Justin SALINGER
Nick SAMPSON
Rachel SANDERS
Adrian SCARBOROUGH
David SCHNEIDER
Jennifer SCOTT-MALDEN
Mo SESAY
David SHAW-PARKER
Caroline SHEEN
Steve John SHEPHERD
Antony SHER
Mike SHERMAN
Roger SLOMAN
Kyle SMITH-THOMPSON
Spencer SOLOMAN
Nina SOSANYA
Rachel SPENCE
Ewan STEWART
Lorraine STEWART
Malcolm STOREY
Geoffrey STREAFIELD
Karl SULLIVAN
Elaine SYMONS
Trevor THOMAS
Steve TOUSIANT
Russell TOVEY
Harry TOWB
Katherine TOY
Susie TRAYLING
Sophie TROTT
David TROUGHTON
Sam TROUGHTON
Daniel TUTTIE
Zubin VARLA
Joan WALKER
Lamington WALKER
M. Emmet WALKSH
Ashley WALTERS
Tam WARD
Anne WHITE
Lucy WHYBROW
Stephen WIGHT
Victoria WILLING
Daniella WILSON
Penelope WILTON
Matthew WOLFENDEN
Kirsty WOOD
Angus WRIGHT
Rob WYNN

ACTING COMPANY 2004-05

16

17
Foyer and Watch This Space Music

The programme covers the whole year, with over 350 concerts on the Djanogly Concert Pitch and 38 outside during Watch This Space. The range of musical styles is ever-expanding, with most jazz flavours, as well as music from all over the world. Together with home-grown new and established talent such as The Dylan Howe Quintet and The Anita Wardell Trio, we have welcomed musicians from Senegal, Ghana, Israel, Syria, Argentina, Brazil, USA, Ireland, Italy, and Holland. A great renewed success was a special dance and music performance on New Year’s Eve 2004 with Coco Xpress and salsa dancers. Highlights outdoors included Salsa Celtica, a Latino-Scottish 12-piece band from Edinburgh, and contributions from a vast range of British, European and world-wide bands such as Jeanne Toujours from Belgium and Wai from New Zealand. There was also an opportunity to work with Cultural Co-Operation, a London-based organisation promoting diversity in the arts. Through them we were able to include exceptional groups from India, Trinidad and Tobago, and Yemen.

Watch This Space

The National’s annual outdoor summer season of theatre, music, film, and spectacle took place in and around Theatre Square, and featured a multitude of national and international theatre companies and musicians, with free performances six days a week. Highlights included Deabru Beltzak – passionate pyrotechnics from the Basque country; Hanging Around – the National Youth Theatre’s specially created piece about the South Bank; an uplifting concert by Salsa Celtica; Les Puces Savantes – the smallest circus in the world; and Carmen Funebre – an astounding and disturbing Polish theatre production on stilts. The introduction of a film programme proved hugely popular, with flytower screenings of The Lodger, Koyaanisquatsi, Metropolis and The Cabinet of Doctor Caligari. ‘Bloomberg Satellites’, an offshoot of Watch This Space, took three Theatre Square performances of Sátt, Circo Para Todos and Zic Zazou over to our sponsor’s workplace in Finsbury Square.
Archive

The Archive exists to preserve and provide access to the materials documenting the history of the National Theatre. It provides facilities and support for staff to exploit the riches of the collection, for academics to pursue research and for the public to discover and enjoy the history of the NT. Archive staff conduct cataloguing and preservation work; direct the records management policy for the National Theatre; provide a public enquiry service; offer a photograph library loan service; and run the Archive research room. The website (www.nationaltheatre.org.uk/archive) provides features on the history of the National and the collection; you can find there a public catalogue for the collection; a searchable performance database containing details of all NT productions; a Document of the Week; and numerous other resources. Group learning programmes and an induction programme for drama school undergraduate groups are being developed. In 2004-05 there was a 25% increase in personal visitors, and the number of enquiries via phone, e-mail, web-form, and letter (for which the aim is a 24-hour response time) continues to grow. The Archive is most grateful for the increasing contribution of volunteers.

For the last 12 years the Archive has been housed in a converted warehouse in Brixton, where preservation conditions are far from ideal and storage capacity has been reached. The incorporation of the Archive into the scheme for the refurbishment of the NT Studio building shows the National’s commitment to preserving its history and affords an opportunity to provide the Archive with more space, better and broader facilities incorporating new technologies, much improved access for researchers and the capacity to develop and grow in size and scope. Among other projects, the Archive is actively contributing to the development of NT filming facilities, electronic storage, and website developments.

Website

nationaltheatre.org.uk has expanded enormously since it was launched, and audiences can now explore every area of the National’s work and history through it, including linking to stagework.org.uk, an award-winning website created and managed by NT Education, which goes behind the scenes of the process of making theatre. Approximately 25% of the NT’s bookings are now routinely made on-line.

Access

Access plays a crucial role in ensuring that the National can welcome people with diverse backgrounds and abilities as both customers and members of staff. Embracing diversity is a key aim of the National, as is ensuring that all audiences coming here are made to feel welcome and comfortable.

Over the year, there were 26 audio-described performances of plays in all three auditoriums for blind and visually impaired people, as well as seven captioned performances for deaf and partially hearing people, and ten sign language interpreted performances.

The NT continues to place great reliance on its fundraising, which accounts for £5.1 million per year and allows us to maintain the range and scope of our activities.

NT Development had a successful year. Notable on the corporate side are the relationships with Travelex, who have entered their third year as sponsors of the £10 Season in the Olivier Theatre, and with Shell and Deutsche Bank, long-time sponsors of two of NT Education’s most extensive projects, Shell Connections and Interact. KPMG, sponsors of The History Boys in the Lyttelton and its UK tour, have supported the NT for over five years. These are truly valuable partnerships, in which the flow of benefits is two-way.

The NT takes the same attitude towards its involvement with individual supporters, charitable trusts and foundations. Many of these relationships are very long-standing indeed, bearing fruit when the needs and mission of the NT are compellingly articulated and profoundly understood. These donors make a significant contribution to the revenue needed for core work and for special projects. During 2004-05, we received a £1m gift towards the redevelopment of the NT Studio from the Garfield Weston Foundation and a pledge from an anonymous donor for a further £1m.

Last February the NT, working with a very able volunteer committee, held FastForward, a spectacular party which included street theatre, performances and auctions. Individual and corporate supporters combined with playwrights, actors and creative teams to make this an extremely successful fundraising event.

Whereas fundraising was once thought of as simply a fact of life for arts organisations, the NT enthusiastically welcomes the relationships it forms. Our gratitude to many of the people and organisations who support us is recorded on the following pages. Their support is invaluable and we are immensely grateful for their continuing commitment and the way in which they enrich our work.
PLAYS OPENING
2004-05

12. Buried Child, Elizabeth Franz, M Emmet Walsh, John Rogan and Sean Murray  Photo: Manuel Harlan
13. Primo, Antony Sher  Photo: Ivan Kyncl
14. The Mandate, Sinead Matthews and Adrian Scarborough  Photo: John Haynes
15. His Dark Materials, Elaine Symons and Alistair Petrie  Photo: Catherine Ashmore
16. Fix Up, Jeffrey Kissoon and Nina Sosanya  Photo: Catherine Ashmore
17. A Minute Too Late, Clockwise: Simon McBurney, Marcello Magni and Jozef Houben  Photo: Sarah Ainslie
18. A Dream Play, Angus Wright  Photo: Stephen Cummins
19. The House of Bernarda Alba, Cherry Morris, Deborah Findlay and Penelope Wilton  Photo: Catherine Ashmore
The National Theatre is a company limited by guarantee and a registered charity. 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 its governing instrument which is its Memorandum and Articles of Association. The governing body is the Board whose members are non-executive and unpaid. The Board meets regularly, retains full and effective control over the company and monitors the Executive (see below). The Board is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of the National. It seeks to support the Executive in a culture of mutual confidence and trust.

The Board delegates to the Artistic Director the management and artistic control of the National. ‘Director’ is the traditional title used at the National for this post though he is not a director under the Companies Act, nor are the other members of the Executive which includes the Executive Director, Finance Director and General Manager, nor other members of the National’s senior management whose titles include the word ‘director’. The Director was appointed for an initial term of five years from 1 April 2003. It is the duty of the Director to further the National’s objects, and to ensure that the management of the National is efficient, effective and run in accordance with good business practice.

The Board delegates to the Director full control over the selection and staging of all theatrical productions and events performed at, and under the auspices of, the National. The Director and the other members of the Executive generally attend meetings of the Board.

The Board appoints members of the Executive and determines their contracts of employment. The Remuneration Committee of the Board reviews the remuneration of the Executive annually. The members of the Remuneration Committee are listed on page 58. The Board monitors the performance of the Executive and reviews the quality, effectiveness and timeliness of information provided to the Board by the Executive.

The Board has access to independent professional advice if necessary, at the National’s expense. All Board members have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed.

The Board has formally adopted a schedule of matters which are required to be brought to its attention for decision so that effective control is maintained over appropriate strategic, financial, organisational and compliance issues. The schedule is regularly reviewed by the Board.

The affairs of the National are subject to continuous scrutiny by Arts Council England.

Appointment & Terms of Office of Board Members

Before March 2001, the members of the Board were appointed by the Secretary of State for Culture, Media and Sport. Since that date, the Board has appointed its own members.

The Nominations Committee is empowered by the Board to review the structure, size and composition of the Board and, in the light of that review, to make recommendations to the Board with regard to appointments. It also ensures, with the Company Secretary, that appropriate induction and training are given to Board members. The Committee members are listed on page 58.

Sir Hayden Phillips GCB was appointed a member of the Board from 1 September 2004 for an initial period of three years, and on 1 November 2004 he succeeded Sir Christopher Hogg as Chairman. His appointment was the result of a thorough process conducted by the Nominations Committee which included the engagement of professional search consultants, advertising in the national press and wide-ranging consultation.

Under the terms of the Articles of Association, Board members may be appointed for an initial term of up to four years, such period generally being three years. This first term may be followed by a re-appointment for a further period of up to four years. Any re-appointments thereafter are made only in exceptional circumstances.

Board members at the date of this Report are listed on the opening page. All Board members who served during the year under review were: Sir Hayden Phillips (appointed 1 September 2004), Susan Chinn (appointed 1 August 2004), James Hill (retired 7 June 2005), Sir Christopher Hogg (retired 30 October 2004), Nicola Horlick, Rachel Lomax, Caragh Merrick, Grahame Morris, Caro Newling, Ben Okri OBE, André Ptaszynski, Rt Hon Lord Smith of Finsbury, Edward Walker-Arnott, and Nicholas Wright.

Internal Control & Risk Management

The Board reviews the effectiveness of all material internal controls, including operational, financial and compliance controls and risk management systems. The internal control systems are designed to meet the National’s particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misstatement or loss. Established regular procedures, including budgetary controls, operate to monitor the receipt of income and both revenue and capital expenditure.

The Board has reviewed and assessed the risks to which the organisation may be exposed. A risk register identifies those risks and assigns specific actions and responsibilities for mitigating them. The risk management process is ongoing, and is regularly reviewed by the Board. Actions required to mitigate risks are incorporated into the organisation’s Business Plan.

The Finance and Audit Committee meets routinely five times a year and at other times as required. It reports to the full Board regularly. The members of the Committee are listed on page 58. The Committee has two distinct areas of responsibility – Finance & Control, and Audit.
Finance & Control
The Committee monitors and reviews all aspects of the financial performance, financial management, internal financial and management reporting arrangements, including, in particular, the preparation and monitoring of budgets. It also deals with such other matters as may be specifically delegated to it by the Board.

Audit
Not less than three times a year, and at other times as is appropriate, the members of the Committee meet as the ‘Audit Committee’ of the Board, reporting to the Board in that specific capacity. The Audit Committee is responsible for reviewing and monitoring all aspects of and issues relating to the preparation and production of the annual financial statements of the National and its subsidiaries. Specifically, in terms of annual statutory accounts, this includes consideration of accounting policies, levels of disclosure, risk management policies, compliance with applicable corporate governance requirements, and reviewing any relevant matters relating to annual financial statements raised by the external auditors, or the internal auditor, as a result of audit work.

The Finance and Audit Committee makes recommendations to the Board regarding the appointment of the external auditors and approves their remuneration and terms of engagement. The Committee approves the appointment and termination of the appointment of the internal auditor, regularly meets the internal auditor and reviews the performance and results of her work. The internal auditor has the right to meet the Committee in the absence of executive management.

Connected Charities
The Royal National Theatre Foundation has objects related to those of the National and, in particular, makes grants to the National from time to time. It is administered by and has its address at the National Theatre. Its trustee body is independent of the National and comprises ten trustees, of whom two currently have a direct connection with the National. One grant was made by the Royal National Theatre Foundation to the National in the financial year, being £48,000 towards the stagework website. In addition, it made benevolent grants to members and former members of staff and company.

The American Associates of the Royal National Theatre (AARNT) is a 501c3 not-for-profit charity registered in New York. Its control is independent of the National. The total amount of grants made in the financial year by AARNT to the National was $356,680.

Staff and Internal Policies
Equality and Diversity The National Theatre takes its name seriously, and believes that to be truly national means that it should represent and draw talent from all parts of society. It aspires to reflect in its workforce and in its repertoire the diversity of the culture.

The National endeavours to operate across all its activities without discrimination, directly or indirectly, in relation to sex, sexual orientation, disability, race, ethnic or national origin, religious or philosophical belief, or age.

During the course of the year, the management and Board undertook further development of the National’s aims and strategies for equality and diversity.

Employee Involvement The National seeks to engage all employees and others who work at the Theatre in its activities and achievements. There are a number of routine communication methods, such as management meetings, company meetings, departmental staff meetings, regular e-mailed information sheets and the intranet. All staff are invited to a weekly meeting, led by the Director, at which staff are kept up-to-date with the activities of the organisation, such as repertoire and casting decisions and box office results, and with new developments. The recognised trade unions are engaged in formal consultation as required.

Health and Safety
The Health and Safety department maintains a high level of performance and awareness of health and safety in the organisation, and during the year achieved further significant improvements in practice and training. The Board has designated one of its members to take a particular interest in health and safety matters and it is committed to ensuring that high health and safety standards are maintained in all areas of the National’s activities – in public spaces, the stages and backstage areas.

During the year, work focussed on developing closer and earlier integration of health and safety into the production process. We are moving forward on ensuring that all contractors in all technical areas are managed effectively. Guidance notes have been produced on specific health and safety topics which have been made available to all staff. A regular system of audits has been undertaken by the senior managers in the Technical and Production areas to ensure that the highest standards of health and safety are maintained. An updated Health, Safety, Security and Environmental policy is in draft and will be issued for review in the autumn.

We are reviewing the use of potentially hazardous substances at work and the risks from noise and vibration. In addition, training has been conducted on: Working at height, Height rescue, Electricity at work, Manual handling, COSHH (Control Of Substances Hazardous to Health), General Safety and Risk Assessment.

We ran an organisation-wide business recovery exercise late last year to test our crisis management plans, the lessons of which have now been implemented and the procedures updated.

Environmental Policy
The National’s Environmental Policy was reviewed during the year. As a result, over the coming year, there will be improvements in waste management and recycling techniques to the benefit of the environment and the National itself. Relevant staff have been given training in environmental management. During the year ahead an updated Environmental Policy and Environmental Management System will be produced and promulgated within the National.

Directors’ Transactions
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 revealed to and approved by the Board.
The National’s key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its artistic aims and objectives. For the financial year ending 3 April 2005 the National achieved a surplus of £674,000 on unrestricted operations after transfers, and the new financial year begins with a balance of £879,000 on unrestricted reserves.

The National has adopted SORP 2005 in preparing these financial statements and the statement of financial affairs (SOFA); balance sheet and notes are set out from page 42 onwards. The simplified income and expenditure account below focuses on unrestricted funds (excluding designated funds).

Activity on unrestricted funds

<table>
<thead>
<tr>
<th></th>
<th>2005 Unrestricted funds</th>
<th>2005 Unrestricted Funds</th>
<th>2004 Unrestricted funds</th>
<th>2004 Unrestricted Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Box office receipts &amp; touring income</td>
<td>13,528</td>
<td>33%</td>
<td>12,056</td>
<td>32%</td>
</tr>
<tr>
<td>Trading operations</td>
<td>6,719</td>
<td>16%</td>
<td>6,503</td>
<td>17%</td>
</tr>
<tr>
<td>Sponsorship, donations and grants</td>
<td>3,426</td>
<td>8%</td>
<td>2,476</td>
<td>7%</td>
</tr>
<tr>
<td>Other income</td>
<td>1,235</td>
<td>3%</td>
<td>1,824</td>
<td>5%</td>
</tr>
<tr>
<td>Arts Council grants</td>
<td>16,360</td>
<td>40%</td>
<td>14,836</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41,268</strong></td>
<td><strong>100%</strong></td>
<td><strong>37,695</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct cost of performances</td>
<td>21,413</td>
<td>57%</td>
<td>21,891</td>
<td>58%</td>
</tr>
<tr>
<td>Operating costs</td>
<td>10,231</td>
<td>27%</td>
<td>9,861</td>
<td>26%</td>
</tr>
<tr>
<td>Trading expenditure</td>
<td>5,900</td>
<td>16%</td>
<td>5,695</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>37,544</strong></td>
<td><strong>100%</strong></td>
<td><strong>37,447</strong></td>
<td><strong>100%</strong></td>
</tr>
<tr>
<td>Net incoming resources before transfers</td>
<td>3,724</td>
<td></td>
<td>248</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital &amp; maintenance fund</td>
<td>(2,550)</td>
<td>(200)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Front of House improvements</td>
<td>(500)</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td><strong>674</strong></td>
<td></td>
<td><strong>48</strong></td>
<td></td>
</tr>
</tbody>
</table>

Principal Funding Sources

The National generates income from its own sources - box office, fundraising, trading income and other sundry sources including the revenue from the transfer of shows - and from Arts Council England.

Arts Council Funding

The National is a regularly funded client of the Arts Council England. The revenue grant increased by £1.5m from April 2003 to £15,878,000 this being the first year of an increase over two years of £2.45m. ACE has also confirmed the National will receive an inflationary uplift of 2.75% for the years commencing April 2006 and April 2007.

Box Office Income

Box office receipts at the National’s three theatres were £13.1m and both revenue and attendances were at historically high levels. As well as growth in occupancy there were also more performances. The 2003-04 financial year had, in contrast, begun with a closed period in the Olivier for adjustments to the stage.

Funding

The Development department raises funds for both general and specific (restricted) purposes. The total fundraising target of £4.1m was reached and, in addition, £1m was secured and a further £1m pledged as founder gifts for the Studio refurbishment campaign. In addition to this, £0.9m was secured in non-statutory grants and other income towards education projects. Further details of how this income divides as between activity-specific and general purposes are given in notes 2 and 3 to the accounts.

Trading

Trading operations including catering, bookshop, programmes, car-park and costume hire are conducted by the National’s wholly owned subsidiary Royal National Theatre Enterprises Limited. The subsidiary donates its profits to the National, which recovers Gift Aid on the donation. Total income generated of £7.1m reflected the high audience numbers. There is a year on year fall in the percentage of total expenditure and was £1m less than the previous year.

Performances at the National

Expenditure on the artistic programme fell below historic trend level as a percentage of total expenditure and was £1m less than the previous year. This was because there were fewer new productions than there had been in previous years, the result of reviving His Dark Materials and extending the run of The History Boys. This released funds to provide for capital and maintenance.

Revenue Expenditure
Touring
Total expenditure of £0.8m on touring was up £0.4m on 2003-04 and reflected the return to a full touring programme under NT management. The net cost of £0.5m was fully funded by the Arts Council touring grant.

Education
Education activity is funded from unrestricted and restricted funding sources. Total expenditure was £2.3m of which £0.8m came from the National’s core funds.

Other Charitable Expenditure
A breakdown of expenditure on research and development (£1.2m) and amplification (£1m) is set out in notes 9 to 10 to the accounts.

Reserves and Financial Policies
The reserves policy for the unrestricted operations fund is, taking account of the level of grant receivable from the Arts Council, to seek each year to match income and expenditure, and to avoid accumulating a deficit, such that the National is able to continue successfully its present quantum and quality of operations. A sum of £1m has been identified as a target level of unrestricted reserves to achieve this goal and, within that sum, £0.5m specifically held in case of a shortfall in box office revenue as between the budgeted level for 2005-06 and the historic trend.

The National also has designated and restricted fund balances. These all have positive fund balances and further information on their use is discussed below.

Designated Funds
Buildings and Equipment 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 and hold a cash reserve of £0.5m for unforeseen expenditure.

The financial success of 2004-05 allowed a transfer to the fund of £2.55m. The budgeted transfer for 2005-06 has been set at £1m in the expectation that the National will be able to make a transfer of £1.7m in 2006-07. These transfers are in accordance with the National’s three-year financial plan.

Front of House Improvements Fund
£0.5m was earmarked during the year to continue the enhancement of the National’s public spaces. A number of projects are under development and are likely to be completed in the next eighteen months including further work on the illumination of the building and investment in the catering spaces.

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 funds are mostly for capital purposes. Short-term funds are all for project activity and details are set out in note 18 to the accounts. All short-term funds will be spent in full in the next 18 months and none is permitted to go into deficit.

Long Term Funds
Modernisation fund
This represents expenditure on the remodernisation of the building funded with an award of £31.6m from the Arts Council lottery made in June 1996 and £10.8m partnership funding raised by the National. Work continues on a number of rear of house technical projects and during the year £1m has been drawn down taking the total grant drawn to £29.7m. Expenditure on the building and equipment is charged to fixed assets whilst depreciation on the assets in use is charged against the fund. The balance on the reserve represents the amount required to meet the full depreciation cost of the assets purchased and will reduce to nil over time.

Studio Fund
This new restricted fund has been set up for the refurbishment costs, funding and subsequent depreciation of the Studio.

Musical Fund
The fund supports the development and production of musical theatre at the National Theatre. It has its origins in a generous gift made by the Mackintosh Foundation. It is classified as a long-term fund because activity will last more than 18 months. It is replenished with the income from works previously supported by the fund and there are regular draw-downs.

Investment Policy
In formulating an investment policy, the National has recognised that whilst it may have surplus funds to invest, these are likely to be called upon in the short term. The policy is to maintain high levels of capital security by minimising credit risk, minimising interest rate risk, maximising returns and liquidity and maintaining low transaction costs.

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.

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 Annex (the Studio), The Cut, London SE1 is owned by the National. The property was revalued in 2000.
The information set out in this document is the Report of the Board of The Royal National Theatre for the 53 weeks ended 3 April 2005.

Directors’ Responsibilities for the Financial Statements
United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out on pages 45 to 47 and comply with the Statement of Recommended Practice ‘Accounting and Reporting by Charities 2005’, current statutory requirements and the governing document.

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

By order of the Board
Sir Hayden Phillips
Chairman
5 September 2005

We have audited the financial statements which comprise the statement of financial activities, the balance sheets, the cash flow statement and the related notes.

Respective responsibilities of directors and auditors
The trustees are also directors of The Royal National Theatre for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors’ responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company’s members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors’ report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors’ remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group at 3rd April 2005 and of the net incoming resources, including the income and expenditure, and cash flows of the group for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors, London
5 September 2005
Statement of Financial Activities
for the 53 weeks ended 3 April 2005

Unrestricted funds  Restricted funds  53 wks to  52 wks to
Note       £'000  £'000  3 April 28 March
Operations       £'000  £'000  2005 2004
Designated       £'000  £'000  
Project          £'000  £'000  
Long term        £'000  £'000  
Total            £'000  £'000  
Incoming resources
Incoming resources from generated funds:
Voluntary income  2,3 19,786 0 1,577 23,424 21,650
Activities for generating funds  25 6,719 0 0 6,719 6,503
Investment income  172 78 0 93 343 196
Incoming resources from charitable activities  4 14,591 0 0 14,709 13,673
Total incoming resources  41,268 78 1,577 2,272 45,195 42,022

Resources expended:
Costs of generating voluntary income  987 0 0 0 987 790
Fundraising trading:
Cost of goods sold and other costs  25 5,900 0 0 5,900 5,695
Charitable activities  5 30,440 754 1,508 4,020 37,713
Governance costs  5 217 0 0 217 252
Total resources expended:  37,544 754 1,508 4,020 43,826 44,450

Net incoming/(outgoing) resources before transfers  3,724 (676) 69 (1,748) 1,369 (2,428)
Gross transfers between funds:
Capital & maintenance reserve  18 (2,550) 2,550 0 0 0
Front of house capital  18 (500) 500 0 0 0
Net movement in funds  674 2,374 69 (1,748) 1,369 (2,428)
Reconciliation of funds
Total funds brought forward  205 2,330 314 18,489 21,338 23,766
Total funds carried forward  879 4,704 383 16,741 22,707 21,338

All incoming resources and expenses are derived from continuing activities.
There are no other gains and losses other than those noted above and therefore no separate statement of total recognised
gains and losses has been prepared.
The accompanying accounting policies and notes form an integral part of these financial statements.
The statement of financial activities incorporates an income and expenditure account.

Balance Sheets
at 3 April 2005

Group  Company
53 weeks to 53 weeks to Group  Company
53 weeks to 52 weeks to 52 weeks to
3 April 28 March 3 April 28 March
Note £'000 £'000 £'000 £'000

Fixed assets
Tangible fixed assets  14 15,820 15,820 18,528 18,528

Current assets
Stocks  15 379 54 459 97
Cost of productions not yet opened  255 255 292 292
Debtors  16 2,451 3,478 2,708 2,672
Short term cash deposits  6,627 6,619 3,275 3,275
Cash at bank and in hand  2,928 1,916 2,611 2,611
Total current assets  12,640 12,322 9,345 8,944

Creditors: amounts falling due within one year  17 (5,753) (5,428) (6,535) (6,134)

Net current assets  6,887 6,894 2,810 2,810

Total net assets  22,707 22,714 21,338 21,338

Represented by:
Operations fund  18 879 886 205 205
Designated funds  18 4,704 4,704 2,330 2,330
Total unrestricted funds  5,583 5,590 2,535 2,535

Restricted funds  18 16,395 16,395 18,057 18,057
Revaluation reserve  729 729 746 746
Total funds  22,707 22,714 21,338 21,338

The financial statements were approved by the Board of Directors on 5 September 2005 and signed on
its behalf by:

Sir Hayden Phillips  Edward Walker-Arnott
Chairman  Director
### Consolidated Cash Flow Statement
For the 53 weeks ended 3 April 2005

<table>
<thead>
<tr>
<th></th>
<th>Group 53 weeks to 3 April 2005</th>
<th>Group 52 weeks to 28 March 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in cash in the year</td>
<td>ii 317</td>
<td>417</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>i 5,577</td>
<td>2,786</td>
</tr>
<tr>
<td>Returns on investment: interest received</td>
<td>320</td>
<td>200</td>
</tr>
<tr>
<td><strong>Capital expenditure &amp; financial investment</strong></td>
<td>(2,238)</td>
<td>(2,565)</td>
</tr>
<tr>
<td>Payments to acquire fixed assets</td>
<td>(3,352)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Management of liquid resources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in short term deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Increase in short term deposits</strong></td>
<td>(3,352)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Increase in cash in the year</strong></td>
<td>ii 317</td>
<td>417</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>i 5,577</td>
<td>2,786</td>
</tr>
</tbody>
</table>

### Notes to the Financial Statements
For the 53 weeks ended 3 April 2005

#### 1. PRINCIPAL ACCOUNTING POLICIES

##### A BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for the revaluation of the freehold property, and in accordance with applicable United Kingdom accounting standards, the Companies Act 1985, and follow the recommendations in the Revised Statement of Recommended Practice "Accounting and Reporting by Charities" (the SORP) issued in March 2005.

Where appropriate, comparative figures for the 52 weeks ended 28 March 2004 have been restated in accordance with the principles of SORP 2005.

##### B CONSOLIDATION AND THE ROYAL NATIONAL THEATRE GROUP

The Royal National Theatre is a charitable company limited by guarantee. The main activities are presentation of dramatic performances and education of the public.

The Group financial statements consolidate those of the National and its non-charitable trading subsidiary Royal National Theatre Enterprises Limited (see note 25, page 56). The results of the trading subsidiary have been incorporated on a line by line basis, before transfers to the charitable company.

The National has taken advantage of section 230 of the Companies Act 1985 and has not included its own income and expenditure account in these financial statements. The net income of the charitable company for the year was £110,000 (2004 net expenditure: £2,428,000).

The National has also taken advantage of the exemption not to disclose any transactions or balances between group entities that have been eliminated on consolidation.

##### C 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 the past nine years the National has met this obligation substantively through the Modernisation fund supported by Lottery and Partnership funding (see note 18 page 53). As this programme reaches its final stages, additional funds are being designated from the National’s own resources to a Buildings and Equipment reserve to provide for the future maintenance of the building and its mechanical and electrical equipment. This is in accordance with the terms of the Lottery funding.

##### D FIXED ASSETS AND DEPRECIATION

Expenditure of a capital nature over £1,000 is capitalised at cost as fixed assets within the relevant fund. Depreciation is provided on a straight line basis to write off fixed assets over their anticipated useful economic lives and charged to the relevant fund as follows:

- Freehold property over fifty years (excluding land value, which is not depreciated)
- Leasehold improvements over ten years
- Equipment over three years

Work in progress on the modernisation of the building has been included at cost. No depreciation is provided until the assets come into use. Expenditure of £94,000 has been incurred on fees in connection with the redevelopment of the Studio and has been capitalised in 2004/05 but will not be depreciated until the redevelopment is complete.

The freehold property is stated at market value on the basis of a valuation made in October 2000.
E  STOCKS
Stock held within Royal National Theatre Enterprises Limited represents catering, bookshop and programme supplies for resale. Other stock comprises consumable supplies for use in the making of sets and costumes. All stock is valued at the lower of cost and net realisable value. The valuation basis is latest price for catering, and average cost for production stock and first in, first out for bookshop.

F  COST OF NEW PRODUCTIONS NOT YET OPENED
The materials cost of new productions and associated creative team fees are carried forward until written off on the first performance to a paying public audience. Internal labour and rehearsal costs are expensed as incurred.

G  INCOMING RESOURCES
Voluntary Income comprises all incoming resources from sponsorships, donations, membership subscriptions and grants. Voluntary income is recognised on a receivable basis in the appropriate fund. Income from membership schemes eligible for Gift Aid is recognised in full on receipt. For other schemes, including corporate supporters, income is time apportioned over the period of the subscription and the element relating to a future period is credited to deferred income.

Where donor imposed conditions require that the resource is expended in a future accounting period, income is credited to deferred income and accounted for as a liability.

Income from corporate supporters previously reported within Royal National Theatre Enterprises Limited is now recognised as unrestricted funds within the charitable company.

Income from legacies is recognised on a receivable basis.

Activities for Generating Funds comprises income generated by Royal National Theatre Enterprises Limited from trading activities. Income is recognised on a receivable basis.

Incoming Resources from Charitable Activities Box office income comprises ticket sales for performances at the National Theatre, income from touring activities of the National Theatre (excluding grants) and ticket sales for NT Education projects where these are sold through the NT Box office. Income is recognised in the statement of financial activities on maturity of the performance.

Investment Income comprises interest receivable on cash balances held in appropriate interest bearing deposits. Interest receivable is credited to funds in proportion to cash holdings.

Other Income comprises exploitation and rights, mailing list subscriptions and sundry other income.

Income from exploitation and rights, handling charges and sundry sources is recognised on receipt. Income from the mailing list is recognised over the period of the subscription.

H  RESOURCES EXPENDED
Resources expended which relate directly to the National’s charitable objectives are analysed between:

- Performances at the South Bank; Performances on tour; Education; Research and development (including the NT Studio and commissioning costs); and the wider amplification of the NT’s objectives (Archive, Outside events, Platforms and Foyer music).
- Resources expended which form part of the Group’s trading activities are separately disclosed in fundraising trading.

The costs of generating voluntary income represent the costs of securing sponsorship and donations together with the cost of providing membership benefits.

Governance costs represent the costs of the Company Secretary, Board expenses, Internal Auditor and audit fees.

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 on page 49.

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Provision has been made, where appropriate, for relevant expenses where a present obligation exists at the balance sheet date in accordance with the requirements of FRS 12.

I  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.

J  PENSIONS
The National offers a stakeholder scheme to its employees and contributes to defined contribution schemes for certain of its other employees (see note 24, page 56). These costs are expensed in the statement of financial activities.

K  FOREIGN CURRENCIES
Assets and liabilities in foreign currencies are translated at rates of exchange ruling at 4 April 2005. Transactions in foreign currencies undertaken during the year have been translated at an average rate on the transaction date. Currency differences are written off to the statement of financial activities.

L  FUND ACCOUNTING
The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

- Restricted Funds These are earmarked by the donor, or the terms of an appeal, for specific purposes within the overall aims of the organisation. The donation and income deriving therefrom will be used in accordance with the specific purposes.

- Unrestricted Funds Funds which are expendable at the discretion of the Board in furtherance of the objects of the charity.

- Designated Funds The Board may at its discretion set aside unrestricted funds for specific purposes.

A description of the specific funds in existence during the year is given at note 18 on page 53.

M  VAT
Income and expenditure is stated net of VAT to the extent that it is recoverable.

2  VOLUNTARY INCOME – ANALYSIS BY FUND TYPE

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2005 Unrestricted £’000</th>
<th>2005 Restricted projects £’000</th>
<th>2005 Restricted long-term £’000</th>
<th>2005 Total £’000</th>
<th>2004 Restated total £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts Council England:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Revenue grant</td>
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<td>0</td>
<td>0</td>
<td>15,878</td>
<td>14,341</td>
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<tr>
<td>Touring grants</td>
<td>482</td>
<td>0</td>
<td>0</td>
<td>482</td>
<td>485</td>
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<tr>
<td>Capital and other grants</td>
<td>0</td>
<td>0</td>
<td>1,046</td>
<td>1,046</td>
<td>1,201</td>
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<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total voluntary income</td>
<td>19,786</td>
<td>1,577</td>
<td>2,061</td>
<td>23,424</td>
<td>21,650</td>
</tr>
</tbody>
</table>
### 3 VOLUNTARY INCOME - ANALYSIS BY INCOME TYPE

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<tr>
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<td>£’000</td>
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<tr>
<td>Arts Council England</td>
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<td>17,406</td>
<td>0</td>
<td>17,406</td>
<td>0</td>
<td>16,037</td>
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<tr>
<td>Performances</td>
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<td>154</td>
<td>0</td>
<td>0</td>
<td>715</td>
<td>0</td>
<td>957</td>
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<td>Education</td>
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<td>264</td>
<td>596</td>
<td>312</td>
<td>1,521</td>
<td>2,304</td>
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<td>Research &amp; development</td>
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<td>102</td>
<td>6</td>
<td>38</td>
<td>146</td>
<td>158</td>
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<td>Amplification</td>
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<td>106</td>
<td>0</td>
<td>0</td>
<td>106</td>
<td>72</td>
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<td>Long-term projects</td>
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<td>1,015</td>
<td>0</td>
<td>0</td>
<td>1,015</td>
<td>150</td>
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<tr>
<td>General activity</td>
<td>0</td>
<td>2,515</td>
<td>0</td>
<td>0</td>
<td>2,515</td>
<td>1,972</td>
<td></td>
</tr>
<tr>
<td><strong>Total voluntary income</strong></td>
<td>910</td>
<td>4,156</td>
<td>602</td>
<td>350</td>
<td>6,018</td>
<td>5,613</td>
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</tr>
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</table>

### 4 TOTAL INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

<table>
<thead>
<tr>
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</tr>
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<td>National Theatre Box office</td>
<td>5,694</td>
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<td>5,694</td>
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<td>5,182</td>
<td></td>
<td></td>
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<tr>
<td>Olivier</td>
<td>5,857</td>
<td>0</td>
<td>5,857</td>
<td>0</td>
<td>4,869</td>
<td></td>
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<tr>
<td>Lyttelton</td>
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<td>1,547</td>
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<td>1,663</td>
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<tr>
<td>Cottesloe</td>
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<td>13,098</td>
<td>0</td>
<td>11,714</td>
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<td></td>
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<tr>
<td>Touring - England &amp; Wales</td>
<td>228</td>
<td>0</td>
<td>228</td>
<td>0</td>
<td>160</td>
<td></td>
<td></td>
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<tr>
<td>Touring - Other countries</td>
<td>92</td>
<td>0</td>
<td>92</td>
<td>0</td>
<td>92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Box office</td>
<td>110</td>
<td>0</td>
<td>110</td>
<td>0</td>
<td>110</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exploitation and rights</strong></td>
<td>603</td>
<td>118</td>
<td>721</td>
<td>796</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total incoming resources from charitable activities</strong></td>
<td>14,591</td>
<td>118</td>
<td>14,709</td>
<td>13,673</td>
<td></td>
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</table>

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

### 5 COSTS OF CHARITABLE ACTIVITY

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</tr>
<tr>
<td>Performances - NT</td>
<td>18,414</td>
<td>8,015</td>
<td>26,429</td>
<td>229</td>
<td>26,658</td>
<td>28,019</td>
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<tr>
<td>Performances - Touring</td>
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<td>799</td>
<td>0</td>
<td>799</td>
<td>387</td>
<td></td>
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</tr>
<tr>
<td>Research &amp; development</td>
<td>798</td>
<td>353</td>
<td>1,149</td>
<td>1,144</td>
<td>2,293</td>
<td>2,963</td>
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<tr>
<td>Amplification</td>
<td>754</td>
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<td>754</td>
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<td>3,920</td>
<td>4,674</td>
<td>4,301</td>
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<tr>
<td><strong>Depreciation and related costs</strong></td>
<td>21,413</td>
<td>9,027</td>
<td>30,440</td>
<td>1,608</td>
<td>32,048</td>
<td>33,412</td>
<td></td>
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<tr>
<td><strong>Governance</strong></td>
<td>153</td>
<td>64</td>
<td>217</td>
<td>0</td>
<td>217</td>
<td>252</td>
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</table>

### 6 ANALYSIS OF SUPPORT COSTS

<table>
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<td>£’000</td>
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</tr>
<tr>
<td>Operating lease rentals:</td>
<td>14</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>189</td>
<td>189</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Auditors’ remuneration:</strong></td>
<td>43</td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Group audit fee</strong></td>
<td>4</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total support costs</strong></td>
<td>2,551</td>
<td>4,400</td>
<td>2,783</td>
<td>9,734</td>
<td>10,072</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allocated costs include:</strong></td>
<td>203</td>
<td>205</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Included within the group audit fee is £5,300 in respect of Royal National Theatre Enterprises Limited.


The following bases of allocation are used:

Marketing & Front of House – Management review of estimated usage
Finance & IT – Management review of estimated usage
Personnel – Headcount
Building Services – Management review of estimated space usage

### 7 ANALYSIS OF EXPENDITURE ON PERFORMANCES BY FUND TYPE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>National Theatre</td>
<td>11,773</td>
<td>154</td>
<td>75</td>
<td>12,002</td>
<td>16,545</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalisation &amp; running costs</td>
<td>9,242</td>
<td>0</td>
<td>0</td>
<td>9,242</td>
<td>7,338</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshops &amp; stages</td>
<td>5,414</td>
<td>0</td>
<td>0</td>
<td>5,414</td>
<td>4,135</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Producing &amp; direction</td>
<td>26,429</td>
<td>154</td>
<td>75</td>
<td>26,658</td>
<td>28,018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Touring - England &amp; Wales</td>
<td>735</td>
<td>0</td>
<td>0</td>
<td>735</td>
<td>397</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Touring - Other countries</td>
<td>64</td>
<td>0</td>
<td>0</td>
<td>64</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>27,228</td>
<td>154</td>
<td>75</td>
<td>27,457</td>
<td>28,415</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 8 ANALYSIS OF EXPENDITURE ON EDUCATION BY FUND TYPE

<table>
<thead>
<tr>
<th>Project Type</th>
<th>2005 Unrestricted</th>
<th>2005 Restricted</th>
<th>2004 Total</th>
<th>2004 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shell connections</td>
<td>£400</td>
<td>£220</td>
<td>£263</td>
<td>£693</td>
</tr>
<tr>
<td>Culture online</td>
<td>0</td>
<td>£162</td>
<td>£162</td>
<td>£313</td>
</tr>
<tr>
<td>Head for business</td>
<td>£40</td>
<td>£110</td>
<td>£150</td>
<td>£106</td>
</tr>
<tr>
<td>Secondary schools</td>
<td>£33</td>
<td>£189</td>
<td>£222</td>
<td>£81</td>
</tr>
<tr>
<td>Art of regeneration</td>
<td>£92</td>
<td>£24</td>
<td>£116</td>
<td>£786</td>
</tr>
<tr>
<td>Other</td>
<td>£689</td>
<td>£125</td>
<td>£814</td>
<td>£964</td>
</tr>
<tr>
<td><strong>Total expenditure on education projects</strong></td>
<td><strong>£1,149</strong></td>
<td><strong>£1,144</strong></td>
<td><strong>£2,293</strong></td>
<td><strong>£2,983</strong></td>
</tr>
</tbody>
</table>

Total expenditure on education projects was £2.293m. This was funded by:

<table>
<thead>
<tr>
<th>Source</th>
<th>2005 Unrestricted</th>
<th>2005 Restricted</th>
<th>2004 Total</th>
<th>2004 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary income:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsorship</td>
<td>£0</td>
<td>£349</td>
<td>£349</td>
<td>£280</td>
</tr>
<tr>
<td>Donations</td>
<td>£0</td>
<td>£264</td>
<td>£264</td>
<td>£217</td>
</tr>
<tr>
<td>Grants</td>
<td>£0</td>
<td>£196</td>
<td>£196</td>
<td>£1,322</td>
</tr>
<tr>
<td>Other</td>
<td>£312</td>
<td>£0</td>
<td>£312</td>
<td>£210</td>
</tr>
<tr>
<td>Core funds</td>
<td>£837</td>
<td>£0</td>
<td>£837</td>
<td>£1,261</td>
</tr>
<tr>
<td>Surplus on restricted funds</td>
<td>£0</td>
<td>(£55)</td>
<td>(£55)</td>
<td>(£307)</td>
</tr>
<tr>
<td><strong>Total expenditure on education projects</strong></td>
<td><strong>£1,149</strong></td>
<td><strong>£1,144</strong></td>
<td><strong>£2,293</strong></td>
<td><strong>£2,983</strong></td>
</tr>
</tbody>
</table>

### 9 ANALYSIS OF EXPENDITURE ON RESEARCH AND DEVELOPMENT BY FUND TYPE

<table>
<thead>
<tr>
<th>Project Type</th>
<th>2005 Unrestricted</th>
<th>2005 Restricted</th>
<th>2005 Restricted long-term</th>
<th>2004 Total</th>
<th>2004 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT Studio</td>
<td>£773</td>
<td>£97</td>
<td>£25</td>
<td>£895</td>
<td>£774</td>
</tr>
<tr>
<td>Commissioning new scripts</td>
<td>£242</td>
<td>£0</td>
<td>£0</td>
<td>£242</td>
<td>£205</td>
</tr>
<tr>
<td>Associates</td>
<td>£92</td>
<td>£0</td>
<td>£92</td>
<td>£135</td>
<td>£135</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>£1,107</strong></td>
<td><strong>£97</strong></td>
<td><strong>£25</strong></td>
<td><strong>£1,229</strong></td>
<td><strong>£1,114</strong></td>
</tr>
</tbody>
</table>

### 10 ANALYSIS OF EXPENDITURE ON AMPLIFICATION BY FUND TYPE

<table>
<thead>
<tr>
<th>Project Type</th>
<th>2005 Unrestricted</th>
<th>2005 Restricted</th>
<th>2004 Total</th>
<th>2004 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoor events</td>
<td>£475</td>
<td>£0</td>
<td>£475</td>
<td>£367</td>
</tr>
<tr>
<td>Platforms &amp; Foyer Music</td>
<td>£210</td>
<td>£0</td>
<td>£210</td>
<td>£210</td>
</tr>
<tr>
<td>Archive</td>
<td>£138</td>
<td>£0</td>
<td>£138</td>
<td>£140</td>
</tr>
<tr>
<td>Access initiatives</td>
<td>£133</td>
<td>£13</td>
<td>£146</td>
<td>£182</td>
</tr>
<tr>
<td>Exteriors programme</td>
<td>£0</td>
<td>£100</td>
<td>£100</td>
<td>£0</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>£956</strong></td>
<td><strong>£113</strong></td>
<td><strong>£1,069</strong></td>
<td><strong>£899</strong></td>
</tr>
</tbody>
</table>

### 11 STAFF COSTS AND NUMBERS

#### Average numbers employed in the year:

<table>
<thead>
<tr>
<th>Role</th>
<th>2005 Number</th>
<th>2004 Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actors and Musicians</td>
<td>144</td>
<td>172</td>
</tr>
<tr>
<td>Production</td>
<td>274</td>
<td>271</td>
</tr>
<tr>
<td>Catering and Front of House</td>
<td>239</td>
<td>230</td>
</tr>
<tr>
<td>Administration</td>
<td>172</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>829</td>
<td>858</td>
</tr>
</tbody>
</table>

#### Retirement benefits

Retirement benefits are accruing to three higher paid staff under defined contribution schemes. Employer contributions of £17,312 (2004: £15,524) were made during the year.

### 12 DIRECTORS’ EMOLUMENTS

No directors of the company or its operational subsidiary received any remuneration during the year or in the previous year. Expenses for travel and entertainment totalling £2,619 (2004: £2,229) were incurred by two directors wholly and necessarily on the National’s business and were reimbursed during the year.

### 13 TAXATION

The National’s charitable activities fall within the exemptions afforded by section 505 of the Income Corporation Taxes Act 1988. The trading subsidiary, Royal National Theatre Enterprises Limited, passes profits on which tax would be payable to the National under a Gift Aid arrangement. Accordingly, there is no corporation tax charge in these accounts.
### 14 TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land &amp; Buildings</th>
<th>Leasehold Improvements</th>
<th>Equipment</th>
<th>Work in Progress</th>
<th>Total £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 28 March 2004</td>
<td>1,850</td>
<td>30,549</td>
<td>8,682</td>
<td>2,023</td>
<td>43,104</td>
</tr>
<tr>
<td>Additions</td>
<td>0</td>
<td>252</td>
<td>1,235</td>
<td>267</td>
<td>2,030</td>
</tr>
<tr>
<td>Transfers from Work in progress</td>
<td>0</td>
<td>171</td>
<td>531</td>
<td>(1,248)</td>
<td>0</td>
</tr>
<tr>
<td>As at 3 April 2005</td>
<td>1,850</td>
<td>31,794</td>
<td>10,448</td>
<td>1,042</td>
<td>45,134</td>
</tr>
</tbody>
</table>

**Depreciation**

<table>
<thead>
<tr>
<th></th>
<th>As at 28 March 2004</th>
<th>Charge for year</th>
<th>As at 3 April 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>117</td>
<td>17,117</td>
<td>156</td>
</tr>
<tr>
<td>Charge for year</td>
<td>39</td>
<td>1,520</td>
<td>20,296</td>
</tr>
<tr>
<td></td>
<td>(24,576)</td>
<td></td>
<td>29,314</td>
</tr>
</tbody>
</table>

**Net Book Value**

<table>
<thead>
<tr>
<th></th>
<th>As at 28 March 2004</th>
<th>As at 3 April 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,733</td>
<td>1,694</td>
</tr>
</tbody>
</table>

All fixed assets were used for the ultimate benefit of the National, which is a charitable company. The freehold property, being the Studio, was professionally valued at £1,850,000 in October 2000 by Cluttons, Chartered Surveyors. The basis for valuation was open market value for existing use, in accordance with the RICS Appraisal and Valuation Manual.

The Board is not aware of any material changes since that valuation and considers that the market value is not less than the carrying value shown. The difference between the historical cost depreciation charge and the depreciation charge based on the revalued freehold property is £52,000.

### 15 STOCKS

<table>
<thead>
<tr>
<th></th>
<th>Group 2005 £'000</th>
<th>Group 2005 £'000</th>
<th>Company 2004 £'000</th>
<th>Company 2004 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods for resale</td>
<td>325</td>
<td>0</td>
<td>357</td>
<td>0</td>
</tr>
<tr>
<td>Consumable items</td>
<td>54</td>
<td>54</td>
<td>102</td>
<td>97</td>
</tr>
<tr>
<td></td>
<td>379</td>
<td>54</td>
<td>459</td>
<td>97</td>
</tr>
</tbody>
</table>

### 16 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>Group 2005 £'000</th>
<th>Group 2005 £'000</th>
<th>Company 2004 £'000</th>
<th>Company 2004 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>1,735</td>
<td>1,631</td>
<td>1,961</td>
<td>1,084</td>
</tr>
<tr>
<td>Due from Royal National Theatre Enterprises</td>
<td>0</td>
<td>1,211</td>
<td>0</td>
<td>895</td>
</tr>
<tr>
<td>Arts Council revenue grants</td>
<td>73</td>
<td>73</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Other debtors</td>
<td>109</td>
<td>109</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>344</td>
<td>264</td>
<td>345</td>
<td>291</td>
</tr>
<tr>
<td></td>
<td>2,451</td>
<td>3,478</td>
<td>2,708</td>
<td>2,672</td>
</tr>
</tbody>
</table>

### 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<table>
<thead>
<tr>
<th></th>
<th>Group 2005 £'000</th>
<th>Group 2005 £'000</th>
<th>Company 2004 £'000</th>
<th>Company 2004 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>1,563</td>
<td>1,443</td>
<td>1,737</td>
<td>1,526</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>716</td>
<td>716</td>
<td>785</td>
<td>785</td>
</tr>
<tr>
<td>Advance bookings</td>
<td>1,507</td>
<td>1,507</td>
<td>1,945</td>
<td>1,945</td>
</tr>
<tr>
<td>Other creditors and accruals</td>
<td>1,544</td>
<td>1,407</td>
<td>1,592</td>
<td>1,569</td>
</tr>
<tr>
<td>Deferred income</td>
<td>413</td>
<td>365</td>
<td>476</td>
<td>309</td>
</tr>
<tr>
<td></td>
<td>5,753</td>
<td>5,428</td>
<td>6,535</td>
<td>6,134</td>
</tr>
</tbody>
</table>

**Movement on Deferred Income**

<table>
<thead>
<tr>
<th></th>
<th>Group 2005 £'000</th>
<th>Group 2005 £'000</th>
<th>Company 2004 £'000</th>
<th>Company 2004 £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income</td>
<td>476</td>
<td>309</td>
<td>1,235</td>
<td>604</td>
</tr>
<tr>
<td>Released in the year</td>
<td>(476)</td>
<td>(309)</td>
<td>(1,235)</td>
<td>(604)</td>
</tr>
<tr>
<td>Deferred in the year</td>
<td>413</td>
<td>355</td>
<td>476</td>
<td>309</td>
</tr>
<tr>
<td></td>
<td>413</td>
<td>355</td>
<td>476</td>
<td>309</td>
</tr>
</tbody>
</table>

Deferred income relates to membership subscriptions and other income recognised over more than one financial year in accordance with the accounting policy stated in Note 1.

### 18 FUNDS

#### Balance at 28 March 2004

<table>
<thead>
<tr>
<th></th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations fund</td>
<td>205</td>
<td>41,268</td>
<td>(37,544)</td>
</tr>
<tr>
<td>Building and equipment fund</td>
<td>2,330</td>
<td>78</td>
<td>(754)</td>
</tr>
<tr>
<td>Front of House capital</td>
<td>461</td>
<td>140</td>
<td>(103)</td>
</tr>
<tr>
<td>Studio refurbishment</td>
<td>0</td>
<td>1,021</td>
<td>0</td>
</tr>
<tr>
<td>Modernisation fund</td>
<td>17,282</td>
<td>1,111</td>
<td>(3,903)</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>746</td>
<td>0</td>
<td>(17)</td>
</tr>
<tr>
<td>Musical fund</td>
<td>461</td>
<td>140</td>
<td>(103)</td>
</tr>
<tr>
<td>Studio refurbishment</td>
<td>0</td>
<td>1,021</td>
<td>0</td>
</tr>
<tr>
<td>Total long-term funds</td>
<td>18,489</td>
<td>2,272</td>
<td>(4,020)</td>
</tr>
<tr>
<td>Restricted: project funds</td>
<td>29</td>
<td>108</td>
<td>(97)</td>
</tr>
<tr>
<td>Shell Connections</td>
<td>0</td>
<td>271</td>
<td>(271)</td>
</tr>
<tr>
<td>Stagework</td>
<td>0</td>
<td>216</td>
<td>(162)</td>
</tr>
<tr>
<td>Head for Business</td>
<td>0</td>
<td>163</td>
<td>(163)</td>
</tr>
<tr>
<td>Secondary schools</td>
<td>53</td>
<td>78</td>
<td>(110)</td>
</tr>
<tr>
<td>Interact</td>
<td>137</td>
<td>165</td>
<td>(189)</td>
</tr>
<tr>
<td>Art of Regeneration</td>
<td>9</td>
<td>142</td>
<td>(124)</td>
</tr>
<tr>
<td>Other education projects</td>
<td>79</td>
<td>174</td>
<td>(125)</td>
</tr>
<tr>
<td>Performances</td>
<td>0</td>
<td>154</td>
<td>(154)</td>
</tr>
<tr>
<td>Research &amp; Development: Studio projects</td>
<td>29</td>
<td>108</td>
<td>(97)</td>
</tr>
<tr>
<td>Exterior</td>
<td>0</td>
<td>100</td>
<td>(100)</td>
</tr>
<tr>
<td>Access</td>
<td>7</td>
<td>6</td>
<td>(13)</td>
</tr>
<tr>
<td>Total project funds</td>
<td>314</td>
<td>1,577</td>
<td>(1,508)</td>
</tr>
<tr>
<td>Total funds</td>
<td>21,338</td>
<td>45,195</td>
<td>(43,826)</td>
</tr>
</tbody>
</table>

#### Balance at 3 April 2005

<table>
<thead>
<tr>
<th></th>
<th>Income £’000</th>
<th>Expenditure £’000</th>
<th>Transfers £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations fund</td>
<td>205</td>
<td>41,268</td>
<td>(37,544)</td>
</tr>
<tr>
<td>Building and equipment fund</td>
<td>2,330</td>
<td>78</td>
<td>(754)</td>
</tr>
<tr>
<td>Front of House capital</td>
<td>461</td>
<td>140</td>
<td>(103)</td>
</tr>
<tr>
<td>Studio refurbishment</td>
<td>0</td>
<td>1,021</td>
<td>0</td>
</tr>
<tr>
<td>Modernisation fund</td>
<td>17,282</td>
<td>1,111</td>
<td>(3,903)</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>746</td>
<td>0</td>
<td>(17)</td>
</tr>
<tr>
<td>Musical fund</td>
<td>461</td>
<td>140</td>
<td>(103)</td>
</tr>
<tr>
<td>Studio refurbishment</td>
<td>0</td>
<td>1,021</td>
<td>0</td>
</tr>
<tr>
<td>Total long-term funds</td>
<td>18,489</td>
<td>2,272</td>
<td>(4,020)</td>
</tr>
<tr>
<td>Restricted: project funds</td>
<td>29</td>
<td>108</td>
<td>(97)</td>
</tr>
<tr>
<td>Shell Connections</td>
<td>0</td>
<td>271</td>
<td>(271)</td>
</tr>
<tr>
<td>Stagework</td>
<td>0</td>
<td>216</td>
<td>(162)</td>
</tr>
<tr>
<td>Head for Business</td>
<td>0</td>
<td>163</td>
<td>(163)</td>
</tr>
<tr>
<td>Secondary schools</td>
<td>53</td>
<td>78</td>
<td>(110)</td>
</tr>
<tr>
<td>Interact</td>
<td>137</td>
<td>165</td>
<td>(189)</td>
</tr>
<tr>
<td>Art of Regeneration</td>
<td>9</td>
<td>142</td>
<td>(124)</td>
</tr>
<tr>
<td>Other education projects</td>
<td>79</td>
<td>174</td>
<td>(125)</td>
</tr>
<tr>
<td>Performances</td>
<td>0</td>
<td>154</td>
<td>(154)</td>
</tr>
<tr>
<td>Research &amp; Development: Studio projects</td>
<td>29</td>
<td>108</td>
<td>(97)</td>
</tr>
<tr>
<td>Exterior</td>
<td>0</td>
<td>100</td>
<td>(100)</td>
</tr>
<tr>
<td>Access</td>
<td>7</td>
<td>6</td>
<td>(13)</td>
</tr>
<tr>
<td>Total project funds</td>
<td>314</td>
<td>1,577</td>
<td>(1,508)</td>
</tr>
<tr>
<td>Total funds</td>
<td>21,338</td>
<td>45,195</td>
<td>(43,826)</td>
</tr>
</tbody>
</table>
DESIGNATED FUNDS

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 available over the long term 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. £2,550,000 was transferred from the operations fund during the year. The expenditure for the year represents depreciation on assets purchased through this fund and the transfer represents funds earmarked for future expenditure.

Front of House Capital £500,000 was transferred from the operations fund during the year to continue the enhancement of the National’s external spaces. A number of projects are under development including further work on the illumination of the building and the development of the public spaces both Front of House and external.

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.

Modernisation Fund In accordance with the recommendations of the Arts Council, monies received by way of capital funding are credited to the Modernisation fund. During the year ended 3 April 2005, lottery grants of £1,046,043 were credited to the plan in this respect. The annual depreciation charge for fixed assets acquired through the Modernisation fund is charged to the fund. The effect of the policy will be to reduce the balance of the Modernisation fund to zero over the same period as the lives of the fixed assets concerned.

RNT Musical Fund This reserve reflects an obligation under a Deed of Covenant with the Mackintosh Foundation to set aside a proportion of income received from exploitation of productions originally funded by a gift from the Mackintosh Foundation for the development of the art of the musical and for future musical productions by the National. £75,000 was drawn down in the year to support A Funny Thing Happened on the Way to the Forum and £25,000 to support activity at the NT Studio.

STUDIO PROJECTS:
The Studio projects fund represents restricted funding for studio projects secured from various trusts and foundations.

AMPLIFICATION:
Exteriors This represents funding received from the Wolfson Foundation for the development of the exterior spaces at the National.

Access This represents funding received from trusts in connection with enhancing public access to the National.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

<table>
<thead>
<tr>
<th>Fixed Assets</th>
<th>Cash</th>
<th>Other Net</th>
<th>Total Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Unrestricted:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations fund</td>
<td>0</td>
<td>3,547</td>
<td>879</td>
</tr>
</tbody>
</table>
| Designated:
| Building and equipment fund | 1,828 | 2,378     | 4,204     |
| Front of House capital | 0   | 500       | 500       |
|                             | 1,828 | 2,876     | 4,704     |
| Restricted: Long-term funds:
| Modernisation fund | 13,169 | 1,321     | 14,490    |
| Revaluation reserve | 729   | 0         | 729       |
| Musical fund | 0   | 501       | 501       |
| Studio refurbishment | 94   | 927       | 1,021     |
|                             | 13,892 | 2,749     | 16,741    |
| Restricted: Project funds:
| Education:
| Stagework | 0   | 54        | 54        |
| Secondary schools | 0   | 21        | 21        |
| Interact | 0   | 113       | 113       |
| Art of Regeneration | 0   | 27        | 27        |
| Other education projects | 0   | 128       | 128       |
| Studio | 0   | 40        | 40        |
|                             | 0   | 383       | 383       |
| Total Restricted            | 0   | 383       | 383       |
| Total Funds                 | 15,820 | 9,555     | 22,707    |

20 CAPITAL COMMITMENTS: GROUP AND COMPANY

<table>
<thead>
<tr>
<th>Item</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved and contracted</td>
<td>42</td>
<td>637</td>
</tr>
<tr>
<td>Lighting dimmers</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>Fire alarms</td>
<td>22</td>
<td>363</td>
</tr>
<tr>
<td>Air handling unit</td>
<td>0</td>
<td>129</td>
</tr>
<tr>
<td>Replacement of carpets</td>
<td>0</td>
<td>135</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>42</td>
<td>637</td>
</tr>
</tbody>
</table>

The amount payable within one year is £42,000.
21 RELATED PARTY TRANSACTIONS
Nicholas Wright, a member of the Board, was paid royalties of £120,649, commissioning fees of £6,196, a masterclass fee of £100 and VAT on the above of £20,757 during the year. These amounts were consistent with those for a playwright of his standing.

Information regarding connected charities can be found on page 34 of this Report.

22 VAT
The National submitted a claim as a culturally exempt organisation during the year under Schedule 9 to the VAT Act 1994 and is currently awaiting a decision from HMRC. Until a decision is made, the financial impact cannot be calculated with reasonable certainty and no provision has been made for the outcome in these accounts.

23 OPERATING LEASE COMMITMENTS: GROUP AND COMPANY
At 3 April 2005 the National was committed to making the following payments during the next year in respect of operating leases:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
<tr>
<td>Equipment leases which expire within one year</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Equipment leases which expire within two to five years</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>Property leases which expire within one year</td>
<td>189</td>
<td>0</td>
</tr>
<tr>
<td>Property leases which expire within one to two years</td>
<td>0</td>
<td>189</td>
</tr>
<tr>
<td></td>
<td>205</td>
<td>203</td>
</tr>
</tbody>
</table>

24 PENSIONS
Pension Contributions
The National makes payments to defined contribution schemes, which are available to all permanent employees, on completion of their probationary period. The charge for the period was £374,611 (2004: £354,462).

25 COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY
The National has two wholly-owned subsidiaries incorporated in the United Kingdom:

Royal National Theatre Enterprises Limited (wholly owned; incorporated in England)
The company’s main activities are the provision of catering services, the sale of books and publications, the hiring out of costumes/props and studio facilities and the receipt of car park revenue. Issued share capital: 2 ordinary shares £1 each.
No value is ascribed to this subsidiary within the accounts of the National, because it has no net assets, and donates all its profits back to the National.

A summary of Royal National Theatre Enterprises Limited’s trading results is shown below:

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Turnover</th>
<th>Cost of sales</th>
<th>Administrative expenses</th>
<th>Profit on ordinary activities before interest</th>
<th>Interest receivable</th>
<th>Net result</th>
<th>Donation due to parent company</th>
<th>Retained in the subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary</td>
<td>2005 £’000</td>
<td>2004 £’000</td>
<td>2005 £’000</td>
<td>2004 £’000</td>
<td>2005 £’000</td>
<td>2004 £’000</td>
<td>2005 £’000</td>
<td>2004 £’000</td>
</tr>
<tr>
<td></td>
<td>7,132</td>
<td>8,022</td>
<td>(5,256)</td>
<td>(5,214)</td>
<td>(643)</td>
<td>(638)</td>
<td>(1,254)</td>
<td>(2,168)</td>
</tr>
</tbody>
</table>

As at 3 April 2005 the aggregate amount of Royal National Theatre Enterprises Limited’s assets, liabilities, share capital, and reserves was:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,529</td>
<td>1,315</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(1,536)</td>
<td>(1,327)</td>
</tr>
<tr>
<td></td>
<td>(7)</td>
<td>(12)</td>
</tr>
</tbody>
</table>

Represented by:
Share capital and reserves
(7) (12)

The results of Royal National Theatre Enterprises Limited are consolidated into the Group accounts on a line by line basis as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities for generating funds</td>
<td>6,719</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Less: costs of goods sold</td>
<td>6,745</td>
<td></td>
</tr>
<tr>
<td>Net trading surplus reported in group accounts</td>
<td>845</td>
<td></td>
</tr>
<tr>
<td>Inter entity sales eliminated on consolidation</td>
<td>414</td>
<td></td>
</tr>
<tr>
<td>Net surplus for the year</td>
<td>1,259</td>
<td></td>
</tr>
</tbody>
</table>

National Theatre Productions Limited (wholly owned; incorporated in England)
Issued share capital: 2 ordinary shares £1 each.
This company is dormant and has not been consolidated.
NT ASSOCIATES
Simon Russell Beale
Alison Chitty
Bob Crowley
Declan Donnellan
Jonathan Dove
Edward Hall
Mark Henderson (Lighting Consultant)
Alex Jennings
Adrian Lester
Phyllida Lloyd
Patrick Marber
Helen Mirren
Katie Mitchell
Michael Morris
Mark Ravenhill
Zoë Wanamaker

COMMITTEE MEMBERSHIP
AT 3 APRIL 2005
Development Council
Susan Chinn (Chairman)
Edgar Wallner (Vice Chairman)
Simon Russell Beale
David Bell
Tony Bloom
Neil Brener
Camilla Cazalet
David Cohen
Caroline Cormack
Ian Cormack
Iain Davidson
Justin Dowley
David Dutton
Glenn Earle
Clara Freeman
Michael Gee
Gabrielle Greenbury
James Hill
Christopher Hogg
Nicola Horlick
Gregory Hutchings
Jack Keenan
Edward McKinley
Robert Norbury
Oliver Pawle
Hayden Phillips
Ronny Schwartz
Rita Skinner
Tony Thompson
Jeffrey Weingarten
Susan Weingarten
Charlotte Weston
Peter Wolff

Finance & Audit Committee
Edward Walker-Arnott (Chairman)
Sir Hayden Phillips
Rachel Lomax
Caragh Merrick
Caro Newling
Rt Hon Lord Smith of Finsbury

Nominations Committee
Andre Ptaszynski (Chairman)
Caro Newling
Ben Okri OBE

Remuneration Committee
Edward Walker-Arnott (Chairman)
Sir Hayden Phillips
Rachel Lomax
Caragh Merrick
Caro Newling
Rt Hon Lord Smith of Finsbury

ROYAL NATIONAL THEATRE
ENTERPRISES LIMITED
Edward Walker-Arnott (Chairman)
David Hancock
Gregory Hutchings
Karen Jones
Justin Manson
Geoffrey Matthews
Caragh Merrick
Peter Wiegand