

**The Shakespeare Globe Trust**

**Annual Report and  
Financial Statements**

**2019**



**Annual Report and Financial Statements  
for the year ended 31 October 2019**

**Registered company number 1152238**

**Registered charity number 266916**

**Registered office**

**21 New Globe Walk, London SE1 9DT**

# TRUSTEES, EXECUTIVES AND ADVISERS

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### Director of Communications

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### Artistic Director

Michelle Terry

### Executive Director (Theatre)

Lotte Buchan (from February 2020)

## STATUTORY AUDITORS

### PricewaterhouseCoopers LLP

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## PRINCIPAL BANKERS

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The Shakespeare Globe Trust

(a charitable company limited by guarantee)

Registered company number 1152238

Registered charity number 266916

Registered Office:

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The Trust is a charitable company limited by guarantee incorporated in England and Wales and registered with the Charity Commission. There is no ultimate controlling entity. The principal activities of the Trust derive from theatre performances, educational workshops and exhibitions and tours. Details of the Trust's subsidiaries are set out in Note 12 to the financial statements on page 35.

The Trustees of The Shakespeare Globe Trust ('Shakespeare's Globe', the 'Globe' or the 'Trust') present their Annual Report and Consolidated Financial Statements for the year ended 31 October 2019.

In preparing the Report, Trustees have complied with relevant legislation and best practice, including the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) or 'Charity SORP', Financial Reporting Standard 102, the Companies Act 2006 and the Charities Act 2011.

## Origins and history of the Trust

In 1970 Sam Wanamaker, the American actor and director, founded The Shakespeare Globe Trust and the International Shakespeare Globe Centre with the objective of building a faithful recreation of Shakespeare's Globe theatre close to its original location on Bankside in Southwark, London.

The Trust was set up in December 1973 and was registered at that time as a charity in England and Wales (registration number 266916). Together with its subsidiary undertakings, Shakespeare Globe Trading Limited ('SGTL'), Shakespeare Globe Productions Ltd ('SGPL'), and Shakespeare's Globe NY, a company set up in the United States of America for the purposes of investing in Broadway productions originating at the Globe, together these entities under common control form the 'Group'.

# Foreword.

The preparation and completion of this Annual Report and Financial Statements has, inevitably, been delayed due to the Covid-19 crisis. Since the closure of the Globe venues in March 2020, the Board of Trustees and Executive Management have been working on flexible plans, both operational and financial, for the continued viability of the organisation. We currently remain confident about our future, but these are very challenging and unprecedented times for the Globe, the cultural sector and society in general; and are likely to remain so for quite some time to come.

A detailed, yet adaptable, business plan has been prepared and a financial budget and cash flow model is aligned to that plan.

These plans are clearly dependent upon a variety and number of key assumptions. For example, national and local Government decisions, rules and advice as to the opening of public venues (indoors and outdoors); travel restrictions; social distancing; capacity in our theatres; the demand from the general public; our ability to obtain sponsorship and donations; our fixed and variable cost structure; and any Government funding and support for the Globe; to note just a few.

Based on these plans, the Board of Trustees are confident in the Globe's ability to remain as a going concern and have therefore prepared the financial statements on a going concern basis of accounting.

Nevertheless, the Board of Trustees acknowledge that there is a material uncertainty (which is likely to persist for some time) about the Globe's ability to continue as a going concern; given the key assumptions, the financial modelling and reasonably plausible downside scenarios.

It is for these reasons that the Auditors' report (set out on pages 22 and 23) emphasises the material uncertainty related to going concern for the group and Trust, which may cast significant doubt about the group's and Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group or Trust was unable to continue as a going concern.

We are delighted that we have been successful in our application for a grant of £3m from the Government's Culture Recovery Fund, which gives confidence that our plans for a sustainable future have support and which also, of course, supplies much-needed cash to cover the substantial spending required to enable us to seek to reopen in March 2021.

# Contents.

<b>Trustees, Executives and Advisers</b>	<b>1</b>
<b>Foreword</b>	<b>2</b>
<b>Message from the Chair and Chief Executive</b>	<b>4</b>
<b>An Overview from the Chair and Chief Executive</b>	<b>5</b>
<b>Trustees' Report</b>	<b>8</b>
Strategic Report	
Review of 2018 / 2019 – Achievements and performance	<b>9</b>
Plans for the future	<b>13</b>
Public Benefit	<b>15</b>
Financial Review	<b>15</b>
Structure and Governance	<b>19</b>
Statement of Trustees' Responsibilities	<b>20</b>
<b>Independent Auditors' Report to the members of The Shakespeare Globe Trust</b>	<b>22</b>
<b>Consolidated Statement of Financial Activities</b>	<b>24</b>
<b>Balance Sheets</b>	<b>25</b>
<b>Consolidated Cash Flow Statement</b>	<b>26</b>
<b>Notes to the Financial Statements</b>	<b>27</b>

## Message from the Chair and Chief Executive.

The impact of Covid-19 presents the greatest threat to the future of Shakespeare's Globe since our opening in 1997 and its immediate impact has been financially devastating. More people engage with us about Shakespeare than anywhere else in the world.

We deliver high-quality performances across England and internationally, educate adults, children and young people about Shakespeare, and help develop the next generation of artists and practitioners; and we deliver that level of public benefit without receiving Arts Council England (ACE) or other Government funding.

Instead, our business model sees us generating 95% of our income from theatre tickets, guided tours, education workshops and trading (retail and catering): sources of income that depend upon us being open to the general public. This is a model that has, in the past, enabled our financial independence and resilience, but now sees us critically vulnerable and at risk of closure in the wake of the impact of Covid-19.

On 16 March 2020, the Prime Minister issued an emergency statement to the general public, telling them to avoid assembly in public places, including theatres. That evening we decided to halt our Winter Season, and we took the decision to close our entire site to the general public on 18 March. By the end of the week the Government's advice became a general closure order.

Since the closure order of 20 March 2020, by which point we were already experiencing a sharp year-on-year decline of 25% income as the crisis developed and audiences elected to avoid public places, we are now having to reallocate and spend down our reserves – despite radical cost-cutting, furloughing and activity cessation. This is because of the unavoidable continued expenditure associated with keeping our site safe and secure, and the provision of a digital presence for our audiences to keep them engaged ahead of re-opening our theatres in the future.

All the current indications are that we will have to find ways to live with the impact of Covid-19 for quite some time and continuing to practice social distancing, as scientists work towards a vaccination. This means that the Globe, alongside many others in the cultural sector, is focusing and considering how to deal not simply with a massive but time-limited financial shock, but with a long-term change to its economic circumstances; and also how to adapt to new and constantly shifting ways of working and engaging with the public and support our important freelance community of artists and production staff who normally work with us throughout the year.

We believe that we can survive this crisis. We also believe that the Globe is well placed to continue delivering positive impact to audiences, visitors, and participants across England, the UK and internationally, because we have always operated without public subsidy. Though fortunate that the organisation is able to use the valuable contingency reserves and capital funds created and stewarded over the last ten years to now fund the costs during the crisis, whilst we have very limited income, we are grateful for the Government emergency cash funding achieved, in order to ensure that we can come through this crisis and continue to steward one of the country's most iconic buildings for the nation, and to continue to enable more people to engage with us about Shakespeare than anywhere else in the world.

After protracted lobbying by representatives of the performing arts organisations to the Department of Digital Media Culture and Sport (DCMS), in which we played a prominent role, the Government announced a £1.57bn 'rescue package' for the sector in July 2020. This Cultural Recovery Fund has been set up to enable organisations to continue to operate until 31 March 2021, and to ensure that all have reserves of no more than eight weeks' normal turnover. The Globe made an application for a substantial grant to this fund, in order to help see us through this critical moment, and following an announcement last week (24 October 2020) we are delighted to announce that we have been successful in our full request for £3 million. Our application covers assistance to cover a large proportion of our costs arising during this crucial period, and we would like to thank all at the Globe, and the various decision-makers in Government and the sector whose hard work and persistence has been demonstrated.

We remain confident about our future, but these are very challenging and unprecedented times for the Globe, the cultural sector and society in general; and are likely to remain so for quite some time to come.

## An overview from the Chair and Chief Executive.

Through unprecedented and challenging times, it would be inappropriate not to look back at the last 12-months to 31 October 2019, well before the pandemic started, especially as 2019 was the 100th birthday celebration for our founder, the visionary Sam Wanamaker, and appreciate how Shakespeare's Globe continues to lead the way in celebrating and interrogating Shakespeare's transformative impact on the world.

This year was an important moment to mark the importance of Sam Wanamaker's legacy, recognising how he made it his lifelong ambition to build an outdoor theatre and an indoor playhouse that Shakespeare would recognise and which allow us to experience the architectural playing conditions under which Shakespeare and his contemporaries' plays were originally performed. The anniversary gave us the opportunity to ask how we look to the past in order to question the present.

Shakespeare's Globe is often the place where many first-time visitors start a lifelong relationship with Shakespeare and our founder and visionary would be delighted that we are still able to offer 40% of our Globe Theatre season tickets at £5 for audiences to enjoy the experience of Shakespeare's plays as a groundling, as well as engaging with the plays through broadcast and digital means that had not even been considered when he died in 1993, four years before the Globe Theatre's first season and official Royal opening.

2018 / 2019 was year of continuing extraordinary achievement as Michelle Terry developed her artistic programme in her second year as our Artistic Director, with programming her first Winter season of plays in the Sam Wanamaker Playhouse and her second Summer season in the Globe Theatre. The two theatre seasons played alongside our broad-ranging educational and cultural tourism activities that engaged over a million visitors on Bankside; and many more through our Globe on Tour productions tours and education activities across the UK and overseas, and through a range of digital broadcasting platforms.

All this was achieved at a time of ongoing uncertainty and with no Government funding, as the Globe found ways to respond to the somewhat volatile macro-economic conditions which saw noticeable shifts in the last 12-months with reduced domestic and overseas visitor numbers, a challenging fundraising landscape impacting on all aspects of voluntary income generation and the organisation having to plan for the eventual impact of the United Kingdom leaving the European Union.

This was also the first year since 2001 that Shakespeare's Globe operated without a permanent exhibition in the Mezzanine spaces in the UnderGlobe as part of our Guided Tour offer. This closure was following a major review and restructure in a number of operating areas to create necessary cost savings and efficiencies, in order to ensure the organisation's resilience for the current and future challenging economic outlook with the impact from reduced levels of tourists and students from Europe.

Although visitor numbers and income levels during some parts of the year continued to be as challenging as experienced in 2017/18, the organisation, through careful stewardship of budgets and active cost control, was still able to deliver a surplus on our operating budget and general reserves of £1,235k (2018: £2,367k). The immediate non-cash charges and adjustments associated with changes to our plans for Project Prospero and other designated fund activity turned this into an overall unrestricted deficit before transfers for the year of £2,627k (2018: surplus £40k).

Although total visitor numbers were down on previous years, the 2019 Globe Theatre season of 11 productions and 294 performances welcomed 326,595 theatre-goers, representing 72% of maximum capacity (2017/18 achieved 84%), with another 63,320 theatre-goers attending the 2018 / 19 Winter season in the Sam Wanamaker Playhouse. Our Education activities meanwhile welcomed 80,000 students and participants and the new Guided Tour offer received 260,936 visitors. In total 1,020,000 people (2017/18 achieved 1,005,000) visited our two theatres, educational studios and tour, whilst we engaged with another five million digitally through our films and website.

The spine of the Winter playhouse season was made up of two pairings of plays by Shakespeare and his celebrated counterpart, Christopher Marlowe, with productions of *Doctor Faustus*, *Macbeth*, *Edward II* and an all women of colour cast of *Richard II* in a post-Empire reflection of what it means to be British in light of the Windrush anniversary. A daring new play by Tom Stuart, *After Edward*, joined the season in response to *Edward II*. An ensemble of women writers also responded to the Faustian myth with five new pieces under the banner *Dark Night of the Soul* that were played in the Playhouse and around the site.



*Richard II* marked the beginning of the a year-long cycle of Shakespeare's history plays that focussed on 'our sceptre isle' and moving into the Globe Theatre the resident Globe Ensemble, formed last year, led the exploration of our working of and performance practices and echoing in the own way the approach that Shakespeare's company would have taken over 400 years ago with the trilogy cycle of *Henry IV parts 1 and 2* and *Henry V*. These productions were often played together all on one day. Joining the Henriads was a revival of last year's *As You Like It* and new productions of *The Merry Wives of Windsor* (which had a performance broadcast live to 350 cinemas in the UK), *Bartholomew Fair* and *A Midsummer's Night Dream*, the latter directed by Sean Holmes, who was appointed Associate Artistic Director earlier in the year.

Our ambitions to reflect the diversity of the UK on all our stages strengthened this year with 46% of our actors employed being from more diverse backgrounds and 57% of our actors and 78% of our writers were female.

Following overwhelming critical acclaim and a sell-out run in the Globe Theatre in 2018, Morgan Lloyd Malcolm's *Emilia* transferred to the Vaudeville Theatre for a limited run, commercially co-produced with Eleanor Lloyd, Kate Pakenham, Nica Burns and Eileen Davidson. The audience was generally young and diverse and always very vocal, both in the auditorium with nightly standing ovations and afterwards on social media. Our Globe on Tour productions, *The Comedy of Errors*, *Twelfth Night* and *Pericles*, toured to a UK audience of 38,994 visiting six venues and played internationally to audiences in the US, Norway, China, Singapore, Hong Kong and Austria and on some performances allowed the audience to choose which production they wanted to see.

Our Education department, founded by Director, Globe Education Patrick Spottiswoode in 1989, celebrated its 30th anniversary this year and saw further success in widening participation. It was the thirteenth year of our highly successful *Playing Shakespeare with Deutsche Bank* production with a fast-paced 90 minute *Romeo and Juliet* playing to over 25,000 London and Birmingham school-children, 20,000 of which were free, often transforming the way young people view Shakespeare's plays. This year, additional subsidised family performances went on public sale. Continuing to foster a life-long interest in Shakespeare, the highly regarded *Lively Action* programme delivered by our Globe Education Practitioners hosted 3,190 workshop sessions and welcomed over 80,000 students.

Our *Shakespeare's Telling Tales* festivals, as part of our family half term events, celebrated the joy of storytelling and attracted many authors and many new families. Recognising the wider diversity of the British population the *Shakespeare and Poland* festival in July acknowledged Poland's particular affinity and fascination with Shakespeare's plays. Essential to the development of education at the Globe, our research team delivered and coordinated a number of academic programmes and events, including a *Women and Power* festival to ask how the work of Shakespeare speak to this moment of gender revolution, and our *Research in Action* programme in exploring early modern and contemporary performance culture.

Our education work in China led to conferences for teachers, educators, policy-makers, and Shakespeare academics – Connecting Cultures, Hearts and Minds: Shakespeare in China – in Zhengzhou and Beijing. Over the last two years we have worked intensively with teachers in Zhengzhou to explore how creative approaches to teaching Shakespeare can enhance their own practice and the intellectual skills and emotional development of their students. The conference disseminated the research findings of the project and offer opportunities for delegates to participate in workshops led by teachers and our Globe Education Practitioners.

Another exciting first was the launch in April 2019 of the Shakespeare's Globe Archive. This was a close collaboration with Adam Matthew Digital for over three years and now provides the first online publicly-accessible digital archive resource for any performing arts organisation with over 130,000 items from our production and institutional archives having been digitised.

We also made significant progress in a number of areas including launching our new website, introduction of Tessitura software across the organisation and proudly secured our first headline season sponsor with Merian supporting the 2019 Summer season. Our retail operation and our colleagues at Swan at the Globe also made an invaluable contribution to our commercial income activities, bucking the trend in comparison to many other retail and restaurant operators.

With the new leadership team structure bedded down successfully in 2019, the organisation started to develop a new five-year business plan to run to 2026. Following a number of business planning workshops and a wide consultation programme with staff and volunteers, we alighted on four key over-arching strategic objectives to guide our business planning and decision making Celebrating our Unique Spaces; Only at the Globe; Shakespeare for All and Ensuring our Sustainability whilst also recognising that at times 'we need to do less, but better'. This work has subsequently had to be substantially adjusted as a result of the Covid-19 crisis.

We acknowledge the steps we have taken this year to create and further an inclusive and diverse environment at the Globe. We have initiated a new programme of Diversity and Inclusion training and renewal, which is informed by our work in Higher Education and Research, the work on our stages, the work with our community and young people, and as a result of constantly speaking with and listening to our freelancers and colleagues over the past few years. This ongoing programme has the aim of creating a culture and environment in which everyone's experience at Shakespeare's Globe is as equal, inclusive and equitable as possible.

The continued challenging fundraising environment also impacted on a number of our future plans and most notably our original ambitions for Project Prospero, our next major capital project. After a fundraising feasibility study, led by external consultants in Summer 2019, we re-framed the original project in order to make it affordable, fundable and able to be delivered in phases as funds permitted, whilst at the same time delivering to our original Project Prospero principles. The Covid-19 crisis added an additional pressure to these plans and, at the time of this report, the prospects for delivery of this major project remain uncertain until there is clarity when the site can be operating at scale again.

This year we saw a number of Trustees retire. Dr Martin Clarke, Gaurav Kripilani and Deputy Chair Iraj Ispahani, each having completed their full term of nine years. Additionally Daniel Heaf resigned as a Trustee due to being relocated abroad, and Danny Witter completed his tenure on the Board, handing over the duties of Treasurer to Patrick Figgis, who joined the Board in January 2019. Daniel Rabinowitz, who had been elected Chair of the Shakespeare Globe USA board during 2017/2018, joined the UK Board as a Trustee in March 2019. In September, Alex Beard and Nell Leyshon were elected as Deputy Chairs, replacing Iraj Ispahani, and in the Summer of 2019 Simon MacKinnon and Robert Laurence were elected as new Trustees.

In the period since the end of the reporting year, Philip Kirkpatrick and Professor Laurie Maguire also came to the end of their tenure, and were succeeded by Erica Crump and Professor Julie Sanders, providing continuity in the areas of legal and Shakespeare scholarship academic expertise respectively.

Patrick Spottiswoode, an original member of the leadership team in the 1980s, decided to retire in September 2020 after 37-years-service to the organisation and step down as our long-serving Director and Founder of Globe Education. Thirteen years before the completion of the Globe, a period when the future of the project, always uncertain, was in jeopardy, he was one of a small team dedicated to keeping alive Sam Wanamaker's dream of a reconstructed Globe theatre at the heart of an educational and artistic centre in Southwark.

Nearly four decades later, who could have ever imagined how when he laid the foundations for Globe Education in 1989 and now, over the last 30 years, the Globe's educational work under his direction would grow to offer a huge array of different activities embracing all ages and levels of knowledge, combining on the one hand a historically informed, practical approach to the text with, on the other, the latest developments in digital technology.

In the period leading up to and following the forced closure of our venues, we also said farewell to Mark Sullivan (Director of Communications), Sandra Lynes-Timbrell (Director of Visitor Experience), and Anthony Hewitt (Director of Development). Lotte Buchan, who for many years has been a senior member of our Theatre department, was brought onto the Executive to work alongside Michelle Terry, our Artistic Director, as Executive Director (Theatre).

We would like to extend our thanks to all our Trustees, volunteers and every colleague who has made the twelve month another significant year in the Globe's history. The many successes of 2018/2019 are a huge testament to everyone's hard work. We are also hugely grateful to our loyal supporters and partners whose generosity is so crucial to our success.

**Margaret Casely-Hayford CBE**  
Chair

**Neil Constable**  
Chief Executive

## TRUSTEES' REPORT

The Trustees present their report and audited financial statements for the year ended 31 October 2019.

The information contained within the Trustees, Executives and Advisers section and the Statement of Trustees' Responsibilities form part of this report.

The financial statements as at 31 October 2019 and for the year the ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including, *Statement of Recommended Practice: Accounting and Reporting by Charities* and the Companies Act 2006.

## OUR CAUSE

We celebrate Shakespeare's transformative impact on the world by conducting a radical theatrical experiment.

Inspired and informed by the unique historic playing conditions of two beautiful iconic theatres our diverse programme of work harnesses the power of performance, cultivates intellectual curiosity and excites learning to make Shakespeare accessible for all.

'And let us ... on your imaginary forces work'.  
*Henry V, Prologue*

## OUR AIMS

The Charitable Aims of The Shakespeare Globe Trust, as laid down in our founding instrument are as follows:

'The Trust's primary purpose is to promote, maintain, improve and advance education, by encouraging and stimulating public appreciation and understanding of the dramatic art in all its forms, but principally in relation to the works of William Shakespeare. The Trust aims to fulfil this purpose through educational programmes, theatre performances, exhibitions and guided tours at the Globe Theatre.'

# Strategic Report.

## Review of 2018 / 2019

### Achievements and Performance

#### ONE GLOBE

We steered our transformation to 'programme as one' and continued to nurture our artistic, educational and interpretative output. We embedded our new Cause, Brand Model, Visual Identity and shared Internal Values across the organisation and with our stakeholders.

#### GOVERNANCE AND LEADERSHIP

In securing future leadership: we implemented the proposals and recommendations of the Governance and Management Leadership review with the bedding in of the new Executive roles and Senior Management Team structures and repurposed the governance arrangements of our Advisory Groups and the Globe Council. The Board moved forward in recruiting the appointment of a number of new Trustees, including the Treasurer.

#### ARTISTIC DIRECTION

Alongside supporting the Artistic Director in what was their second season, we ensured the new Globe Theatre lighting system delivered to the requirements of our refreshed performance practices and the development of a Conservation Management Plan.

#### PEOPLE PLAN

We continued to implement our over-arching People Plan, including our Diversity & Inclusion plans; embracing audiences, participants, visitors, volunteers, Trustees, artists and our workforce. We set out ways we must manage and resolve key aspects around pay parity and gender pay gap differentials, as well as working harder on staff communication.

#### BUSINESS PLAN

Before the onset of the Covid-19 pandemic we had started to develop a new 5 – 10 Year Business Plan (2019 – 2026) that would deliver to the new Cause and provide for our long-term sustainability. We also prepared for the impact of Brexit, further external factors and changes to our international strategic priorities. However the Covid-19 closure has meant that these plans are currently under reconsideration.

#### PROJECT PROSPERO

Before the onset of the Covid-19 pandemic we had reached a significant milestone stage in decision making by completing and reviewing the pre-construction services programme, the value-engineering opportunities, the finalised project costs and business interruption plans which allowed the project to phased over a longer period as funds are made available. We also implemented interim capital works and repairs to bring the staff working areas up to a better standard and move some staff off-site to a new space on Clink Street. We also ensured the successful occupation of Empire Warehouse in March 2019. However the Covid-19 closure has meant that these plans are currently under reconsideration.

#### BUSINESS INTELLIGENCE

We embarked upon a significant digital infrastructure transition to support our One Globe ambition, implementing new Globe-wide CRM, website and ticketing systems, further ensuring compliance with new Data Protection statutory obligations and optimising opportunities with the Globe Player and Globe on Screen.

## On Stage.

As we explore and celebrate Shakespeare's transformative impact on our world, we continue to find ourselves asking questions about then and now. Who and what was having an impact on Shakespeare? How will future generations respond to him and to us? What is his legacy and what will be ours?

During the 2018 / 19 Winter Season in our intimate candlelit Playhouse, these were the questions we asked as we paired up plays by Shakespeare and his celebrated older contemporary, Kit Marlowe. In *Macbeth*, *Doctor Faustus*, *Edward II* and *Richard II* there is a call and response between both writers as they explore power and corruption, ambition and legacy, masculinity and femininity, sexuality and desire, authenticity and identity. *Richard II* also marked the start of a year-long journey through Shakespeare's history plays.

And as we examined the transformative impact of Shakespeare and Marlowe on the world today, we in turn laid the groundwork for future generations to continue the debate around these timeless, poignant and potent themes. Our celebrated pieces of new writing – *After Edward* and *Dark Night of the Soul* – added the voices of artists of today to the conversation.

*Raleigh: The Treason Trial* also opened at the site of the original trial, Winchester Great Hall, before being welcomed into the Playhouse.

In the summer of 2019 we continued this celebration and interrogation of our 'Sceptred Isle', taking our historical journey into the Globe Theatre with Shakespeare's state-of-the-nation plays, *Henry IV Parts 1 and 2* and *Henry V*, performed by our resident Globe Ensemble. The summer season also included the most joyous response to complicated times with *A Midsummer Night's Dream*, *The Merry Wives of Windsor*, Ben Jonson's *Bartholomew Fair* in the Sam Wanamaker Playhouse, and the return of our 2018 production of *As You Like It*.

*The Merry Wives of Windsor* celebrated our community as we collaborated with performers from local groups Soldier Arts Academy, Clean Break and London Bubble. This production was also broadcast live into cinemas, delighting audiences across the globe.

Scenes, sonnets and songs returned in 2019 with *Shakespeare Within the Abbey* and our *Shakespeare Walks*. Mark Rylance led a company which included young performers from Intermission, with scenes and speeches woven throughout two-hour walks around London.

Further afield, we saw our touring ensemble of eight actors offer audiences around the world a trio of plays which included *The Comedy of Errors*, *Twelfth Night* and *Pericles* – all stories of belonging, displacement and refuge. Continuing last summer's Audience Choice experiment, for many performances we put the power in the hands of the audience as they cast their vote for the play they wanted to see.

Closer to home, Morgan Lloyd Malcolm's beloved *Emilia* transferred to the West End, and played to critical acclaim from March to June.

During the UK's national refugee week, 'You, me and those who came before', we curated a festival of performances and events dedicated to *Worlds Elsewhere*.

Throughout the year our festival *Voices in the Dark*, in addition to an eclectic programme of visiting artists, colluded and collided with the season productions, questioning notions of identity, of legacy, and giving voice to those underrepresented and unheard in our communities. Performances and events ranged from comedy nights and cabaret to music, plays, panel discussions, poetry and podcasts. Artists and events included Show of Hands' *Songs of the People*, The Fourth Choir, Deborah Frances-White's *The Guilty Feminist* podcast, The Comedy Store Players, The Soldier's Arts Academy's *Armistice Memorial* and the theatre industry-led *Act for Change* Symposium.

In September we were also delighted to host Peace One Day's 20th Anniversary Celebration – a charity which had been seen its launch at the Globe. We welcomed artists such as Sting, Jude Law and Sinéad Cusack to our stages.

## Education and Learning.

In 2019 we celebrated 30 years of education at Shakespeare's Globe and worked with over 140,000 people of all ages on site. The range of ages was reflected in the annual Southwark *Concert for Winter* which welcomed choirs from 90 to four years old.

A beautifully illustrated retelling of *The Tempest* was published for young children. Family festivals at half-term and in the summer holidays continued to grow in popularity with authors and audiences. The new Children's Laureate, Cressida Cowell, was announced from the stage of the Sam Wanamaker Playhouse in the summer and returned to read from her work in the autumn. Joseph Coelho, Kes Gray and Chris Riddell were but three authors who took part in the *Shakespeare's Telling Tales* summer festival.

25,000 school students from London and Birmingham state secondary schools enjoyed *Playing Shakespeare with Deutsche Bank* production of *Romeo and Juliet* – 20,000 of which were free tickets – the 13th annual production that Deutsche Bank has supported. Integrated British Sign Language performances, relaxed performances and Saturday matinee performances for community groups supported the project's mission to make Shakespeare accessible to all.

*Henry V* was chosen as the play for the *Our Theatre* project and was staged by five Southwark groups in the Sam Wanamaker Playhouse. Rehearsals were photographed by students from London Southbank University. The cast was invited to see the professional production of the play in the Globe Theatre and the project was supported for a second year by the Harris Foundation for Lifelong Learning.

Our studios were filled year-round with primary and secondary students who took part in *Lively Action* workshops led by Globe Education Practitioners. 20,000 German students also enjoyed workshops at the Globe during the year.

Globe Education Practitioners also led workshops in schools across the world – from Singapore to Santa Barbara. They visited our Center for Teaching Shakespeare in Diverse Classrooms, based at the School of Education at the University of California at Davis. MA students worked with our Practitioners in Davis prior to taking a summer course at Shakespeare's Globe to improve their classroom practice.

Our two-year project with schools in China culminated in two conferences in Beijing and Zhengzhou attended by teachers, government officials and opinion formers.

Courses for undergraduates and graduates attracted more students than ever before. The Rutgers Conservatory at Shakespeare's Globe presented *Measure for Measure* on the Globe stage. Education also worked with BA and MA students from a number of institutions including East 15, Guthrie and the Royal Conservatoire of Scotland.

The annual Sam Wanamaker Festival attracted students from the UK's leading drama schools. They spent a weekend workshoping together before presenting scenes to a packed Globe. Two students from Warsaw were this year's international guests and presented a scene from *Hamlet* in Polish.

The Department's three in-house academics taught the King's College / Shakespeare's Globe MA – still the most popular Shakespeare MA in the country – and supervised PhD students. Research interns offered dramaturgical support for theatre productions. The Research team also led *Research in Action* workshops that brought together scholars, theatre artists and the general public in explorations around *Disability in Performance* and *21st-Century Acting: Race and Inclusive Practice*. We also offered the festival *Women and Power*, which included stimulating performances, workshops and a symposium.

We also marked the 400th anniversary of the death of Richard Burbage, Shakespeare's leading actor, with a range of public events. The centenary of Sam Wanamaker's birth was celebrated with the launch of his biography by Diana Devlin and a year-long changing exhibition about him with materials drawn from our library and archive. Dr Devlin gave the Sam Wanamaker Fellowship Lecture on the life and career of the Founder.

Robin Hood was the theme of the *Read not Dead* series of six early modern plays curated by Professor Lois Potter.

A two week Shakespeare and Poland Festival, supported by the Polish Ambassador, included performances, lectures, seminars and publications and introduced audiences to some significant Polish writers and theatre artists from the 16th to the 21st centuries.



## Access.

This year Shakespeare's Globe won the Leonard Cheshire Award for Most Inclusive Employer following our work with visually impaired and blind patrons. Feedback for our work is generally very positive, although incremental improvements will always need to be made as we attract audience members, students, faculty, actors and volunteers from an increasingly broad spectrum of society. We have worked with Inclusion London to support neurodivergent work placements for people with learning difficulties and create opportunities for them in the creative industries. This has led us to reflect on how we communicate internally and externally.

Our Access Scheme now has 2,859 members. These patrons are supported by our volunteer Access Ambassadors, who spent the year undergoing extensive training with Deaf, visually impaired, neurodivergent and disabled theatre professionals.

*Playing Shakespeare with Deutsche Bank* used integrated sign language to open the shows to the Deaf students who attended the production this year. This has led to further advancements in how we deliver sign language in our season productions, and how we inform patrons and visitors about our sensory environment.

## Investing in our Spaces.

Project Prospero was our next major capital development aimed at providing a fully integrated campus on Bankside to transform the organisation, enabling audiences, scholars and the general public to engage at all levels with Shakespeare. This development encompassed a world class exhibition, a state of the art library and archive, several education and rehearsal studios and a fit for purpose production centre. We completed the design development in 2018 and secured planning permission.

In 2018 we undertook extensive pre-construction services work with Sir Robert McAlpine. The review reinforced the feasibility and benefits of the project but it also identified a higher project cost than had previously been anticipated. Unlike many other UK charitable arts organisations, the Globe receives no annual Government subsidy; we rely heavily on individual philanthropists and leading cultural grant-makers as well as our devoted audiences, visitors, friends, patrons and volunteers for support of projects such as this.

During 2019 we conducted a full mid-term review to re-evaluate our fundraising plan, explore partnership opportunities and form a financing strategy that would be needed to raise the increased level of funds. We appointed Halpin Partnership to undertake this review which revealed a great reservoir of goodwill for the project, the leadership and the objectives of the project. However the increased costs, and indeed the UK's macro-economic and political uncertainty, meant that raising the additional funds would only be possible within a much longer timeframe than had been anticipated.

The Trustees firmly believed that we must deliver on our objectives of the project much earlier than this new timeline would have permitted. They therefore decided to look at the project differently recognising that significant funds of circa £9.5m had already been pledged by external supporters.

During 2019 we commissioned our architects, Allies and Morrison, to develop a masterplan for the Globe estate. Their brief was to develop a plan that delivers as many of the project principles as

is possible in a way that is affordable, fundable, capable of being delivered in flexible phases as funding allows, whilst minimising reliance on obtaining planning permission and being sustainable. Included in this brief was consideration of broader estate wide needs in addition to those of the original project.

A revised plan was presented to Trustees in September 2019 who approved the plan in principle. Initial work was underway to develop the initial stages with an aim of being able to deliver Phase 1 of the new project by the end of 2022. In parallel with this, we also reinvigorated the international campaign fundraising board with the appointment of Richard Buxton and Alan Jones as its co-chairs.

The closure of our venues in March 2020 and the de-designation of Prospero funds to support the overall costs of the organisation during the enforced closure, has meant that the project will now need to be re-reviewed as part of our future recovery plans.

We recognised in the past year that our continued growth has meant that we need more accommodation in addition to studio and rehearsal space. We were pleased to acquire 250 square meters of office space on a long term lease arrangement, within a short walk of our Bankside site, at 1 Clink Street. This space was fitted out in Spring 2019 and provides much needed office accommodation and meeting room facilities for our people.

We were also pleased finally to enter into a lease at Empire Warehouse on Bear Gardens directly adjacent to our Sackler Education Studios. This space was also fitted out in Spring 2019, providing high quality studio and rehearsal space.

As we look to the future, we are also developing a Conservation Management Strategy for our two theatres as well as a long term capital site wide maintenance plan recognising the need to invest in our estate for the long term.

It is to be hoped that, in the course of time, funds will be added to the reserves to replenish amounts necessarily de-designated to ensure the Globe had free reserves to face the Covid-19 crisis.

## Plans for the Future.

At the time of the closure of Shakespeare's Globe on 18 March 2020, we were drawing towards the end of our 2019 / 2020 season in the Sam Wanamaker Playhouse, which concluded the year-long exploration of 'our sceptred isle' with new productions of *Henry VI* and *Richard III* played by the Globe Ensemble. The season also revolved around the theme of She-Wolves and Shrews, with Ella Hickson's new play *Swive [Elizabeth]*, *The Taming of the Shrew* and Thomas Middleton's *Women Beware Women*. We were also drawing towards the final week of our *Playing Shakespeare with Deutsche Bank* production of *Macbeth*, which, along with many other educational activities, had to be cut short or cancelled, in line with the Government's lockdown and social distancing policy.

Our closure has had an immediate and dramatic effect on our financial health, in common with that of every other cultural organisation across the UK. The majority of our income would normally come from ticket sales for the summer season, which had been scheduled to open on 14 April, and which we would expect to bring in monthly takings of just over £2million. Without this income, we have been forced to reduce our costs dramatically and made prompt use of the Government's Job Retention Scheme as fully as possible to cover the cost of both fulltime employees and, as far as possible, support our freelance staff – including the creative and production staff who were working on the summer's forthcoming productions. From April 2020, the vast majority of the Globe's staff were furloughed. We are developing plans to reshape and resize the organisation for when we are allowed and able to operate at any scale, and we look forward to welcoming audiences back to live performances as soon as this is possible.

In September 2020, the Globe announced a major proposed restructuring programme to be implemented by the end of the calendar year and started a formal collective consultation process on redundancies and new terms and conditions for all employees. This programme is on-going and impacts all areas of the organisation.

We have also had to make substantial changes to working arrangements, with most staff operating from home, and a strictly enforced regime of hygiene and social distancing for those required to work onsite. Despite this, it is estimated that maintaining the Globe during closure will cost in the region of £450k per month during which time no live performances or onsite education activity has taken place, not to mention some £15m of income for the year foregone, from April to October 2020. Further costs and lost income will have an impact in 2020 / 2021 until such time as the Globe site and our theatres are able to reopen in a safe and economically viable way.

At the time of this report, we cannot know what course the progress and impact of the Covid-19 virus will take, or for how long the Government's current social distancing policy and other measures will have to remain in place; nor what new measures may be introduced. What positive steps can we take within this hostile climate?

Firstly, we are working on a range of different operational scenarios over the coming months, according to when the policy is lifted or eased, while at the same time ensuring that the Globe site is safe and ready, when the time comes to, once again, open its doors to the public. In August we restarted our onsite Guided Tours with social distancing, as well as our online shop; and our partners at the Swan restaurant opened their doors for the first time in August 2020. The online shop and the restaurant remain open, although subject to Government restrictions, and the Guided Tours are only running when it is deemed economically viable to do so, and potentially subject to closure under Government restrictions. The Board of Trustees have approved the use of £7.5m of de-designated reserves during 2019 / 2020 and the following period in order to ensure that the Globe continues to operate during closedown and to protect the fabric and infrastructure of its theatres and Bankside site. We have also put our Project Prospero plans outlined in the 2018 / 2019 report on hold and will assess the project's viability as part of our recovery strategies.

Secondly, we have asked and continue to ask for donations, gifts and grants, and have been delighted at the response. In particular, we requested theatre patrons who would have attended performances this Summer to donate some, or all, of the cost of their tickets to help us survive this most challenging of times – a request answered by a third of theatre bookers, creating some £250k of value. Other donations of £285k have been received as voluntary income in response to our continued digital presence and publicity of our plight in the media. We thank all of our donors for their donations big and small, all of which have gone some way to offset the terrible cost of the closure.

Thirdly, we are doing all we can to continue to engage our audiences. Non-furloughed staff are creating a wide range of new Shakespeare-related digital content and delivering education resources for students at home. The new online content includes free streaming of a selection of filmed productions hosted on our YouTube channel, which has seen an exponential increase in subscribers



from around 15,000 to 131,000 people, and a collaboration with the Guardian for Shakespeare and Love in Isolation, a series that sees artists, in times of solitude, sharing some of the greatest words ever written. Our YouTube premieres began with the 2018 production of *Hamlet*, and was followed by a series of five former productions: *Romeo & Juliet* (2009), *The Winter's Tale* (2018), *A Midsummer Night's Dream* (2013), *The Two Noble Kinsmen* (2018) and *The Merry Wives of Windsor* (2019), garnering over 2.8 million views from people across 137 countries, including the UK, USA, India, Japan, Italy, Germany, Spain, Turkey, Canada and Australia. We are now turning the Sam Wanamaker Playhouse into a broadcast studio and will be broadcasting content this autumn, including performances, lectures, panel discussions from the playhouse stage as part a series of online digital festivals.

Shakespeare's Globe is anti-racist and believes Black Lives Matter. We stand in solidarity with our friends who strive for racial justice across the globe. We recognise that we must face our historic bias and racism, to understand our historic bias and racism, and make necessary changes in order to become an anti-racist, pro-equality organisation. We acknowledge the steps we have already taken: the work in our higher education and research department, the work on our stages, the work with our community and young people, speaking with and listening to people over the past few years, have all been approached with the aim of creating a culture and environment in which everyone's experience at Shakespeare's Globe is as equal, inclusive and equitable as possible. However, it is now clear to us that these changes have been too small, too slow and not specifically anti-bias, anti-racist or anti-oppressive and the organisation outlined its commitment to anti-racism launched plans in addition to the *Shakespeare and Race* Festival held in August 2020.

We are confident that we will emerge from this crisis continuing to deliver excellence to our audiences, and to provide hundreds of jobs to not only our permanent staff, but also to the actors, designers, Globe Education Practitioners, makers, creatives, and musicians, who make up our extraordinary ecosystem. Ultimately, the Globe means very little without the multitude of people who bring it to life, and who open up Shakespeare's work for discovery and delight.

## Public Benefit.

Members of the general public, and particularly children and young people and students, benefit from the charitable activities of the Globe, by attending performances, workshops and our Guided Tour, across our sites and on digital platforms.

In shaping the Trust's objectives the Trustees have taken into consideration the Charity Commission's guidance on Public Benefit. The Globe receives no direct funding from Government and is therefore reliant on income from fees and charges in respect of its charitable activities, grants and donations, and from ancillary income, as well as from gift aid contributions from its trading subsidiary to cover its operating costs and provide the necessary funding for future development.

The Globe's ticket pricing strategy reflects this strategy and the aim of enabling all members of the public, irrespective of means, the opportunity to attend theatrical performances and benefit from educational activities. There has been no change to the price of £5 for standing tickets since our opening over 20 years ago. Following the year under review, when our sites have been closed, our digital presence has substantially increased, with a large amount of material presented on our website and through YouTube screenings free of charge.

## Financial Review.

A deficit of £2,428k (2018: surplus £820k) resulted for the year, which was a decrease of £3,248k on the previous year surplus. The deficit in 2018/2019, included an impairment of tangible fixed assets, attributable to the realignment of Project Prospero, of £2,080k. Before this impairment the deficit was £348k. The past two years have been challenging for the Globe; there has been a falling off of sales of tickets for theatrical performances, and this reduction in surplus and deficit is reflective of this trend. We believe that much of this falling off is attributable to macro-economic uncertainty due to the UK's upcoming departure from the European Union. The terrorist attacks at London Bridge in 2017 also affected the number of overseas visitors.

### INCOME

The Globe is funded from a variety of sources and receives no public subsidy. Total income for the year was £23,452k (2018: £24,176k), of which £22,554k (2018: £22,756k) was unrestricted.

The majority of our income during 2018/2019 was from our charitable activities (£18,173k; 2018: £18,583k), predominantly income from theatre and performance (£12,241k; 2018: £12,694k) but also income from our Exhibition and Tour (£2,818k 2018: £3,057k) and income from our Education activities (£3,114k; 2018: £2,832k).

A further £3,959k (2018: £3,533k) principally derived from trading both in our retail shop and as a contribution from our catering partner, Swan, Shakespeare's Globe.

We also received substantial funding, restricted and unrestricted, through our membership programme and other fundraising activities (£1,269k; 2018: £1,928k).

### EXPENDITURE

Total expenditure was £25,871k (2018: £23,409k), including the impairment of tangible fixed assets of £2,080k (2018 – nil) referred to above.

Unrestricted expenditure was £25,172k (2018: £22,769k) meaning that an unrestricted deficit of £2,618k (2018: £13k) was generated before unrealised gains and transfers.

### BALANCE SHEET

Despite trends in reducing income and increasing expenditure which is placing pressure on unrestricted reserves, the assets and liabilities of the Group remain largely unchanged at £41,815k (2018: £44,243k). The carrying value of the Group's physical estate has reduced by £2,842k as a result of the significant impairment associated with changes in the Project Prospero plans, as well as regular depreciation. The value stands at £27,308k (2018: £30,150k). Debtors have increased slightly by £634k to £2,790k (2018: £2,156k) while cash balances have decreased by £332k showing a regular variation in the working capital cycle.

## EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Note 17 to the financial statements details two decisions taken by Trustees after 31 October 2019 which, although not impacting the balances as at the balance sheet date, will have a subsequent impact on assets and reserves in the following accounting period. The first of these is the further impairment of the Prospero asset under construction, including the remaining £642k held within asset under construction at 31 October 2019. The second of these releases £7,519k of designated reserves for general use in response to the Covid-19 crisis.

## GOING CONCERN

The preparation and completion of this Annual Report and Financial Statements has, inevitably, been delayed due to the Covid-19 crisis. Since the closure of the Globe venues in March 2020, the Board of Trustees and Executive Management have been working on flexible plans, both operational and financial, for the continued viability of the organisation. We currently remain confident about our future, but these are very challenging and unprecedented times for the Globe, the cultural sector and society in general; and are likely to remain so for quite some time to come.

A detailed, yet adaptable, business plan has been prepared and a financial budget and cash flow model is aligned to that plan.

These plans are clearly dependent upon a variety and number of key assumptions. For example, national and local Government decisions, rules and advice as to the opening of public venues (indoors and outdoors); travel restrictions; social distancing; capacity in our theatres; the demand from the general public; our ability to obtain sponsorship and donations; our fixed and variable cost structure; and any Government funding and support for the Globe; to note just a few.

The plans and models have been prepared for the period to October 2022, which is a period of at least 12 months from the date of approval of the financial statements. Sensitivity analysis has been assessed on these key assumptions alongside the financial effects thereon; being reasonably plausible downside scenarios based on information currently available.

Further details of the above are set out in Note 3 to the financial statements.

Based on all of the above, the Board of Trustees are confident in the Globe's ability to remain as a going concern and have therefore prepared the financial statements on a going concern basis of accounting.

Nevertheless, the Board of Trustees acknowledge that there is a material uncertainty (which is likely to persist for some time) which may cast significant doubt about the Group's and Globe's ability to continue as a going concern; given the key assumptions, the financial modelling and reasonably plausible downside scenarios.

It is for these reasons that the Auditors' report (set out on pages 22 and 23) emphasises the material uncertainty related to going concern for the group and Trust, which may cast significant doubt about the group's and Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group or Trust was unable to continue as a going concern.

We are delighted that we have been successful in our application for a grant of £3m from the Government's Culture Recovery Fund, which gives confidence that our plans for a sustainable future have support and which also, of course, supplies much-needed cash to cover the substantial spending required to enable us to seek to reopen in March 2021.

## RESERVES POLICY

The Globe adopts a risk-based approach to setting a minimum level of free general reserves which the Trustees consider to be appropriate to maintain at any time. Factors taken into account include working capital requirements, budgets, cash flow forecasts, long term financial plans, key risks, the timing of major incoming and outgoing cash flows, cash flows not included in the budget process and estimated wind-up costs.

In the light of the Covid-19 crisis and the particular focus upon the Globe's needs for funding, the Trustees have carried out a full review of its needs in terms of resourcing and reserves.

The Globe aspires to having reserves that would cover at least three months of expenditure. The reserves cover at 31 October was 1.5 months. The value of free general reserves at 31 October 2019 was £3.8m (2018: £2.4m).

In addition to the unrestricted reserves as detailed above, the Globe held designated cash reserves of £7.5 million (2018: £8.5 million) at 31 October 2019 for the following purposes:

- Preservation of the Theatres fund (£3.6m) set aside for estimated building maintenance expenditure and emergency facilities for uninsured and unforeseen events.
- Prospero Capital fund (£3.0m).
- Artistic Support fund (£292k) to provide against risks associated with commissioning, developing and programming new work.
- Film fund (£7k) towards the Globe's commitment to filming and investing in digital performance archives.
- Remedial works fund (£573k) created by the Trustees to enable the Globe to maintain its buildings pending implementation of the Prospero project and to provide additional working space.
- Strategic projects fund (£18k).

For this reason the Trustees are satisfied that sufficient reserves were held as at 31 October 2019. As indicated in note 17 to the financial statements and elsewhere in this report, these balances were brought back into the general free reserves in March 2020, in order to enable the Globe to remain solvent throughout the Covid-19 crisis.

## INVESTMENT POLICY

The Globe's primary objective with regard to its funds is to preserve the capital value, and has always interpreted this by holding all of its reserves in bank deposits.

## FUNDRAISING

We raise a small percentage of our funds from the public and our aim is always to ensure we do this in a respectful and compelling way that is consistent with our values.

The Trust is a member of the Fundraising Regulator and supports its purpose and activities. All fundraising conducted on behalf of the Globe, whether by committees, volunteers or staff must comply and has complied with the Fundraising Regulator's Code of Fundraising Practice and all relevant legislation. Overall fundraising activity is monitored by the Board of Trustees, and has complied with the requirements of the Charities Act 2011.

The Trust does not engage in unsolicited approaches to the public, whether by use of external agencies or otherwise for the purposes of raising funds. Donation boxes are present throughout the site but the public are not solicited for donations, and no complaints have been received from our actual or prospective donors.

## INTERNAL CONTROL AND RISK MANAGEMENT

Trustees are responsible for ensuring that the Globe has effective systems to identify, manage and control risks across the organisation. The primary tool of risk management is the risk register, which records and assesses all significant risks, controls and other measures in place to mitigate those risks, and ensures that those measures are effective.

The Trustees review the Globe's risk register in full once each year and, in addition, will review significant risks on a regular basis either as full board or in committees. Within these reviews they will ensure that any internal controls are commensurate, economic and

effective. Since March 2020 the risk register has been reviewed bi-monthly at Trustee meetings and in more depth at meetings of the Audit and Risk Committee, and risks specific to the organisation's response to the Covid-19 crisis have been added and tracked.

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

## PRINCIPAL RISKS AND UNCERTAINTIES

The Globe faces the following principal risks and challenges:

- The primary risk is, of course, the impact of the ongoing Covid-19 crisis, which has created ongoing and wide-ranging levels of uncertainty covering most of the operations of the Globe.
- At the time of this report, it is still unclear, for example, when performances can take place without, or with limited, social distancing, impacting the numbers who can attend, but also movement onstage for actors, the ability of practitioners to deliver onsite and live Education programmes and Guided Tours, and for staff and volunteers to carry out their roles in a safe and secure manner.
- Ensuring an appropriate balance between the creative and educational objectives on the one hand, and commercial viability and sustainability on the other hand, particularly in the absence of any Government subsidy.
- Ensuring that surpluses generated from operations and fundraising are sufficient to fund the operating assets (human and physical) of the Globe.
- The de-designation of funds allocated to Project Prospero increases risks associated with delivering the aims of that project, including retaining the commitment of existing donors and donations / pledges, and securing new donations given the extended time for delivery and potential change to the overall scope and nature of any associated capital plans.
- Identifying temporary and permanent additional working space to host our programmes of work and support staff: including additional rehearsal, education and general office space.
- The departure of the United Kingdom from the European Union in January 2020, coupled with the upcoming departure from the Single Market and Customs Union at the end of 2020 will have far-reaching and, as yet, uncertain impacts on our ability to attract audiences and other visitors, and to secure the services of a diverse and engaging staff team.

## THE GLOBE'S PEOPLE AGENDA

The Globe remains committed to its people agenda, initiated in 2017, which aims to establish a clear employer brand at the Globe and continue to make the Globe a great place to work. To this end we changed our payroll provider during the year and improved privacy arrangements around the sharing of payroll data with our staff.

We also began to review our internal policies in order to ensure that they are appropriate, and cover as completely as possible the breadth of experience at the Globe.

We continue to convene our Staff Consultation Group which meets several times each year to discuss matters that impact on our people. Publication of our Gender Pay Gap figures led to the creation of More Space forums, which gave an opportunity for staff to reflect on the perception and reality of the experience of women seeking advancement at the Globe. We started to train all staff, starting with the Executive team, on a series of training modules on diversity and inclusion beginning with a session on unconscious bias.

### PAY POLICY FOR SENIOR STAFF

The Executive Committee comprise the key management personnel of the Globe in charge of directing and controlling, running and operating the Globe on a day to day basis.

The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. Pay levels have been benchmarked against similar roles in other organisations with a view to remunerate at the median rate for comparable roles. Pay proposals are presented to and agreed by the Remuneration and Human Resources Committee. Since March 2020 staff not included in the furlough have been asked to take a voluntary pay cut, and furloughed staff have been paid 80% of their normal pay. Talks are underway to implement a revised pay structure under new terms and conditions to be implemented by the start of the new calendar year.

### TRANSACTIONS INVOLVING TRUSTEES

Trustees declare any and all actual and potential conflicts of interest and duty and these are held as a matter of record. An annual declaration is made in accordance with the Conflicts Policy adopted by the Board in 2009. Furthermore, each Board agenda includes an opportunity for Trustees to declare any conflicts in connection with items to be discussed or resolved.

No Trustee had a material interest in any contract or matter of significance to the Globe's business during the period or subsequently; immaterial interests are detailed in note 21 to the financial statements.

### VOLUNTEERS

A significant contribution was made from volunteers during the year, enabling the Globe to carry out its activities. Most of this volunteer resource derived from a pool of nearly 700 enthusiastic and dedicated volunteer stewards who provided essential house management support throughout both theatre seasons and at other public events from time to time, as well as offering time to support the Education department and our Archives.

Volunteers have given 67,000 hours of their time over the whole organisation. Over the summer season stewards volunteered an average of 15.4 shows each.

Other volunteers worked on the Friends' desk in the foyer, helping to accept donations from tour groups and other visitors across the year.

We would like to extend our heartfelt thanks to all volunteers who helped the Globe achieve its objectives this year.

### EMPLOYMENT OF DISABLED PERSONS AND DISABILITY AWARENESS

The Globe will consider all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. If an existing employee becomes disabled every effort is made to ensure continued employment at the Globe.

The Globe's policy is to provide training, career development and opportunities for promotion in a manner identical to those for other employees.

The Globe seeks to achieve the objectives set down in the Equality Act 2010 and regularly reviews its operational policies and procedures to ensure that equality of access to the Globe's facilities and services is offered to each individual, in accordance with legislation and best practice, and in the furtherance of the Globe's aims to be accessible, open and welcoming to people from all sections of society.

# Structure and Governance.

### LEGAL STATUS

The Shakespeare Globe Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated December 1973, and amended most recently in 2016. The guarantee is an amount not exceeding £10 for each member. There were 15 members as at 31 October 2019 (2018:16). The Trustees are the only members of the charitable company.

The Trustees have due regard to the Charity Commission's guidance on public benefit when exercising their powers and duties to which that guidance refers, and take the view that the contents of this Report demonstrate that its requirements are met.

### TRUSTEES AND DIRECTORS

Trustees, who are directors under company law, are elected by the Board. The Trustees have control of and responsibility for the affairs of the Globe. The Trustee Board comprises the Chair, the Chief Executive and other Trustees.

### RECRUITMENT AND APPOINTMENT OF TRUSTEES

Trustees are recruited through the operation of the Nominations Committee. This Committee acts on guidelines agreed by the Board and aims to ensure that the Board and its committees represent an appropriate mix of skills, experience, background and diversity relevant to the scope of activities carried on by the Trust. The Committee also seeks to ensure continuity of these attributes in the light of Trustee retirement and oversees succession arrangements. The committee recruits and selects potential Trustees and recommends candidates for appointment by the Board.

### TRUSTEE INDUCTION AND TRAINING

The Nominations Committee also oversees induction for new Trustees and training across the whole Board, based on individual and group need. On appointment each new Trustee receives an induction pack and is briefed by the Chair, Chief Executive and members of the Executive Committee. They are also given an opportunity to tour the Globe site and observe its activities.

### THE BOARD AND ITS COMMITTEES

There are four Trustee Board Committees: The Chair Committee, the Nominations Committee, the Remuneration and Human Resources Committee and the Audit and Risk Committee. The Chair of each Committee is a Trustee who reports to the Trustee Board on that Committee's activities.

#### Chair Committee

The function of this Committee is to oversee the business of the Globe between meetings of the Board, in accordance with good governance, principles, policies and decisions as laid down by the Board. All major decisions particularly with regard to major financial matters are reserved to the Board. The Committee is chaired by the Chair of the Board and includes the Deputy Chairs, Chairs of other committees and other Trustees as required by the Chair from time to time.

From April 2020, the Chair Committee was reconstituted temporarily as the Crisis and Recovery Committee, and has met at least monthly and often more frequently as an advisory subcommittee of the Board to discuss and debate strategies around managing resources and reopening strategies during the ongoing pandemic restrictions. As such, the Crisis and Recovery Committee cannot itself make any decisions, but it can recommend actions to the Board of Trustees.

#### Nominations Committee

This Committee is chaired by the Deputy Chairs and includes two other members of the Board. The purpose of the Committee is:

- (i) To review the size, structure and composition of the Board and its committees
- (ii) To identify and nominate candidates for the Board and Board committees having regard to the Globe's need for a requisite set of skills expertise and diversity as well as to fill vacancies and have regard to succession
- (iii) To put forward candidates to the Board for approval

#### Remuneration and Human Resources Committee

Considers remuneration strategy, policies, structure and other issues regarding the workforce, particularly with regard to the Executive Committee and senior staff, and advise the Board accordingly. The committee is chaired by a Deputy Chair and includes two other members of the Board. The committee met twice in 2018 / 19 (2017 / 18: 2)



### Audit and Risk Committee

This Committee has special responsibility to review, assess and monitor the risks to which the Globe is exposed; and to ensure that the organisation has a robust framework of internal controls in place to minimise the occurrence and impact of adverse events arising from those risks, and ensuring that these controls are operating effectively. This Committee is also responsible for the production of the Trustees' Annual Report and Financial Statements as well as overseeing the relationship with the Globe's external auditors.

The Committee is chaired by the Honorary Treasurer and membership includes at least three other members of the Board. Meetings of the Committee are usually attended by the Chief Executive, the Chief Operating Officer, the Director of Finance and Business Administration and, from time to time, the external auditor by invitation. The Committee met four times during 2018 / 2019 (2017 / 2018: 3).

### OTHER COMMITTEES

The Development Committee assists the Trustees in developing strategies for fundraising and aid their implementation, particularly with regard to the Globe's capital strategy. Advisory Committees provide advice on Creative Programming, Architectural Research, Higher Education and International Relations.

There is also an independent US charity, Shakespeare Globe Centre USA, that supports fundraising activities in the USA.

### EXECUTIVE MANAGEMENT

Executive management of the Globe is delegated to the Chief Executive who is accountable to the Trustees. He holds all powers not expressly reserved to the Board or delegated by the Board to Committees and these powers may be exercised on his behalf by such members of staff as he determines. He convenes an Executive Committee which deals with strategic, financial and operational decision-making and receives reports from representatives of the Globe's operations. This committee is not a formal Committee of the Board.

The Executive Committee met ten times in 2018 / 2019 (2017 / 2018: 17).

### GLOBE COUNCIL

The purpose of the Council is to serve as an advisory group for the Trustees with respect to the overall strategies and activities of the Globe and is chaired by the Chair of Trustees.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Shakespeare Globe Trust for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the *Statement of Recommended Practice: Accounting and Reporting by Charities* (2015);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

### QUALIFYING THIRD PARTY INDEMNITY

The Articles of Association provide the directors with a qualifying third party indemnity which was in force throughout the period. The indemnity remains in force at the date of approval of this report and the financial statements.

### AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as statutory auditors to The Shakespeare Globe Trust and its subsidiaries, and it is the intention of the Trustees that they do so.

### INFORMATION PROVIDED TO THE AUDITORS

The Trustees who held office at the date of approval of this Trustees' report confirm, so far as they are aware, there is no relevant audit information of which the group's auditors are unaware and each Trustee has taken all the steps that he or she ought to have taken as a Trustee to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

### APPROVAL AND SIGNATURE

This Trustees' Report (including the Strategic Report) as set out on pages 8 to 21 was approved by the Trustees and signed on their behalf by:

**Margaret Casely-Hayford CBE**  
Chair

Date: 28 October 2020



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SHAKESPEARE GLOBE TRUST

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion, The Shakespeare Globe Trust's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 October 2019 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 October 2019; the consolidated statement of financial activities, and the consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Material uncertainty related to going concern – group and parent charitable company

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the group's and parent charitable company's ability to continue as a going concern. The charitable company has established business and financial plans which include a number of assumptions and there is uncertainty as to whether these assumptions will materialise. These conditions, along with the other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and parent charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and parent charitable company were unable to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our

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

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

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

### Strategic Report and Trustees' Report

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

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

### Responsibilities for the financial statements and the audit

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

As explained more fully in the Statement of trustees' responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of this report

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

### OTHER REQUIRED REPORTING

#### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

### Andrew Lowe (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 29 October 2020

Year ended 31 October 2019

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

	NOTE	2019		2018			
		£000	£000	£000	£000	£000	
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
<b>Income from:</b>							
Donations and legacies	5	810	459	<b>1,269</b>	957	971	1,928
Other trading activities	6	3,959	–	<b>3,959</b>	3,533	–	3,533
Charitable activities	7	17,734	439	<b>18,173</b>	18,134	449	18,583
Interest receivable		51	–	<b>51</b>	132	–	132
<b>Total income</b>		<b>22,554</b>	<b>898</b>	<b>23,452</b>	<b>22,756</b>	<b>1,420</b>	<b>24,176</b>
<b>Expenditure on:</b>							
Raising funds	8	922	–	<b>922</b>	688	–	688
Other trading activities	8	2,612	–	<b>2,612</b>	2,118	–	2,118
Charitable activities	8	19,558	699	<b>20,257</b>	19,963	640	20,603
<b>Total expenditure (before impairment)</b>		<b>23,092</b>	<b>699</b>	<b>23,791</b>	<b>22,769</b>	<b>640</b>	<b>23,409</b>
<b>Net (expenditure) / income (before impairment)</b>		<b>(538)</b>	<b>199</b>	<b>(339)</b>	<b>(13)</b>	<b>780</b>	<b>767</b>
Impairment of tangible fixed assets	11	2,080	–	<b>2,080</b>	–	–	–
<b>Total expenditure (after impairment)</b>		<b>25,172</b>	<b>699</b>	<b>25,871</b>	<b>22,769</b>	<b>640</b>	<b>23,409</b>
Unrealised foreign exchange (loss) / gain		(9)	–	<b>(9)</b>	53	–	53
Net (expenditure) / income before transfers		(2,627)	199	<b>(2,428)</b>	40	780	820
Transfers between funds	16	356	(356)	–	334	(334)	–
Net movement in funds		(2,271)	(157)	<b>(2,428)</b>	374	446	820
Accumulated funds brought forward at 1 November	16	35,611	8,632	<b>44,243</b>	35,237	8,186	43,423
<b>Accumulated funds carried forward at 31 October</b>	16	<b>33,340</b>	<b>8,475</b>	<b>41,815</b>	<b>35,611</b>	<b>8,632</b>	<b>44,243</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. There is no difference between the Statement of Financial Activities and the Income and Expenditure Account and therefore a separate statement of recognised gains and losses has not been prepared.

The notes on pages 27 to 42 form part of these financial statements.

As at 31 October 2019

**BALANCE SHEETS**

	NOTE	Group		Charity	
		2019 £000	2018 £000	2019 £000	2018 £000
<b>Fixed assets</b>					
Tangible fixed assets	11	<b>27,308</b>	30,150	<b>27,308</b>	30,150
Investment in subsidiary	12	–	–	<b>670</b>	–
<b>Total fixed assets</b>		<b>27,308</b>	30,150	<b>27,978</b>	30,150
<b>Current assets</b>					
Stocks		<b>296</b>	227	–	–
Debtors	13	<b>2,790</b>	2,156	<b>2,628</b>	5,668
Cash at bank and in hand		<b>14,476</b>	14,808	<b>13,380</b>	11,209
<b>Total current assets</b>		<b>17,562</b>	17,191	<b>16,008</b>	<b>16,877</b>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	<b>(3,055)</b>	(3,098)	<b>(2,583)</b>	(2,937)
<b>Net current assets</b>		<b>14,507</b>	14,093	<b>13,425</b>	13,940
<b>Total assets less current liabilities</b>		<b>41,815</b>	44,243	<b>41,403</b>	44,090
Creditors: amounts falling due after one year	15	–	–	–	(3,481)
<b>Total net assets</b>		<b>41,815</b>	44,423	<b>41,403</b>	<b>40,609</b>
<b>Funds</b>					
Unrestricted funds	16	<b>3,781</b>	2,376	<b>3,369</b>	–
Designated funds	16	<b>7,519</b>	8,539	<b>7,519</b>	7,451
Fixed asset reserve	16	<b>22,040</b>	24,526	<b>22,040</b>	24,526
Capital redemption reserve	16	–	170	–	–
<b>Total unrestricted funds</b>		<b>33,340</b>	35,611	<b>32,928</b>	31,977
<b>Restricted income funds</b>	16	<b>8,475</b>	8,632	<b>8,475</b>	8,632
<b>Total funds</b>		<b>41,815</b>	<b>44,243</b>	<b>41,403</b>	<b>40,609</b>

The Charity's net income was £794k (2018: net income £813k). The notes on pages 27 to 42 form part of these financial statements.

These financial statements on pages 24 to 42 were approved by the Trustees and signed on their behalf by

**Patrick Figgis**  
Treasurer

Date: 28 October 2020

Company number: 1152238

Year ended 31 October 2019

**CONSOLIDATED CASH FLOW STATEMENT**

		2019	2018
	NOTE	£000	£000
<b>Net cash inflow from operating activities</b>	20	<b>566</b>	2,749
<b>Cash flows from investing activities</b>			
Interest receivable		<b>51</b>	132
Purchases of tangible fixed assets	11	<b>(940)</b>	(678)
Disposal of short term investments	12	–	184
<b>Net cash utilised by investing activities</b>		<b>(889)</b>	<b>(362)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(323)</b>	2,387
Cash and cash equivalents at beginning of year		<b>14,808</b>	12,368
Effect of unrealised foreign exchange (loss) / gain		<b>(9)</b>	53
<b>Cash and cash equivalents at end of year</b>		<b>14,476</b>	<b>14,808</b>
Cash and cash equivalents comprise:			
<b>Cash at bank and in hand</b>		<b>14,476</b>	14,808

The notes on pages 27 to 42 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. Background**

The Shakespeare Globe Trust (the 'Trust' or the 'Charity') is a registered charity (registered charity no.: 266916) and company limited by guarantee (registered company no. 1152238), and its wholly-owned subsidiaries comprise: Shakespeare Globe Trading Limited (private limited company; trading subsidiary, active until 31 October 2019, subsequently dormant); Shakespeare Globe Productions Ltd (private limited company; theatre production company); and SGT Trading Limited (dormant private limited company, subsequent to year end became an active trading subsidiary). All group companies share a registered office at 21 New Globe Walk, London SE1 9DT.

**2. Basis of preparation**

The financial statements as at 31 October 2019 and for the year the ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including, Accounting and Reporting by Charities: Statement of Recommended Practice and the Companies Act 2006.

**3. Going concern****BACKGROUND**

In assessing the going concern position of the Trust and the Group as at 31 October 2019, the Trustees have considered the Group's projected activities, financial budgets, cash flows and liquidity for a period to October 2022, which is a period of at least 12 months from the date of approval of the financial statements.

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

**IMPACT OF COVID-19**

The Covid-19 global pandemic became a matter of concern for Trustees and Executive Management from early February 2020 and plans were made to respond to any potential short-term closures which may arise. At that time, it was not envisaged that a closure would impact on the Globe's summer season, which was scheduled to start from mid-April 2020. The Globe continued to operate as normal during the period to March 2020.

On 16 March 2020, the UK Government issued an emergency statement to the general public, telling them to avoid assembly in public places, including theatres. That same day, the Globe halted its winter season. The Trustees took the decision to close the entire site to the general public on 18 March 2020 and all of the Globe's activities were curtailed. By the end of that week, the Government's advice became a general closure order.

Over the following months, since March 2020, it became clear that there would be no chance of the summer season taking place and a much longer closure was inevitable due to, for example, social distancing and other requirements.

**TRUSTEES' ACTIONS**

As a result, the Trustees took the following actions to date:

- All advance ticket holders were contacted to offer them the chance to receive a refund, or convert their ticket to a credit voucher for a future performance, or to make a partial or whole donation to the Globe to assist in ensuring the future of the Globe.
- The Trustees agreed, at their meeting on 27 March 2020, to reclassify unrestricted fund designations into general

reserves in order to ensure the long term viability of the organisation, although limited additional re-designations have since been made in order to ensure that the sites remain compliant with all Health and Safety and other regulations.

- Recruitment to vacant posts was halted; and the announcement of the Government's Coronavirus Job Retention Scheme (CJRS) permitted the Globe to furlough a large number of staff whose roles were dependent on an open site.
- The Group took advantage of the following Government schemes:
  - o The Coronavirus Job Retention Scheme – permitting a large number of staff to be furloughed, with 80% of their salaries payable and covered by Government grant. This scheme continued, with restrictions applied from August, until 31 October 2020.
  - o Business Rates relief for properties included in the hospitality and leisure sector.
  - o A grant of £25,000 from the local authority applicable to certain properties.
  - o Deferral of VAT payment for the quarter ended 31 March 2020 until 2021 ('Time to Pay').
- The Globe applied for funding from the Department of Digital, Culture, Media and Sport's Culture Recovery Fund, and was successful in receiving £3m of restricted funding to be received and expended between 1 October 2020 and 31 March 2021.
- The closure of the CJRS at the end of October 2020, along with the full impact, to date, of Covid-19 on the organisation, has necessitated the implementation of a significant restructuring programme, with associated redundancy plans, in order to seek to reduce the overall annual costs of the Group from 1 November 2020 including payroll, the latter by circa 25%. The provisions of the replacement Job Support Scheme (JSS) could not be applied to support the Group's plans. The restructuring programme includes measures to further reduce the cost of closure during periods when little or no creative activity can take place.

**BUSINESS PLAN**

In order to assess, for example, the use of the going concern assumption, the Trustees have produced a detailed, yet adaptable, business plan that considers projected activity, the related financial budgets, cash flows and liquidity of the Group covering the period to October 2022.

The plans include the receipt of funding from the Cultural Recovery Fund, however because this is to be expended by March 2021 the impact of such funding is temporary.

**KEY ASSUMPTIONS**

The business and financial plans incorporate the following key assumptions:

- National and local Government decisions, rules and advice, including the recent application of Covid-related Tiers, as to the opening of public venues (indoors and outdoors), along with travel restrictions and social distancing, will be relaxed sufficiently to permit further opening of the Globe premises from January 2021, with performances in the outdoor theatre starting from March 2021.



- There are no further impositions of closure that would affect the Group's performance spaces.
- The Group is able to obtain fundraising income to contribute towards some of the costs of the productions within the 2021 summer season.
- Audience and visitor numbers return to a lower level than normally achieved, though in excess of that permitted by current Government social distancing measures. It has been assumed that audience and visitor numbers remain lower over the whole summer season period. Should current measures be in place then capacity will be reduced to significantly below those forecast.
- The achievement of a reduction in cash outflows through the restructuring of the organisation and measures planned to further reduce costs during periods when the site remains largely closed and activities are limited.

#### SENSITIVITY ANALYSIS

The Trustees have considered the impact on projected activities, budgets, and cash flows of reasonably plausible downside scenarios such that the key assumptions are not met, or able to be met, in whole or in part.

This includes, for example, a delay in reopening of a number of months, with associated revisions to programming, and reductions in income, through smaller audiences, reduced visitor numbers and fundraising targets not being achieved, beyond those considered in the current plans.

The Trustees have also sought to identify certain mitigating actions that could provide additional liquidity or reduce cash outflows to ensure that the Group can maintain sufficient liquidity over the next 24 months.

Under certain of these scenarios, the Group could utilise all of its available cash reserves, which exclude cash related to restricted income funds, within the period to October 2022 and require the implementation of some, or all, of the mitigating actions identified by the Trustees.

Such measures, whilst being identified and achievable based on current advice, may not provide liquidity to the degree required or within the required timescales. As a consequence, the Trustees acknowledge that there is a material uncertainty (which is likely to persist for some time) that may cast significant doubt about the Group's and parent charitable company's ability to continue as a going concern; given the key assumptions, the financial modelling and the sensitivity analysis.

#### CONCLUSIONS

Nevertheless, having assessed the combination of all these various options and the consequences of a potential liquidity shortfall in the event of a longer period of impact from the Covid-19 global pandemic on the ability of the Globe to re-open and the level of audiences and funding / income, the Trustees have a reasonable current expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

For these reasons, the Trustees have adopted the going concern basis of accounting in the preparation of these financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group and Trust were unable to continue as a going concern.

#### 4. Accounting policies

The following principal accounting policies have been applied consistently in respect of all material items within the financial statements:

##### 4.1 Basis of consolidation

The consolidated financial statements incorporate the results and financial position of The Shakespeare Globe Trust and its subsidiary undertakings. The consolidated entity is referred to as 'the Group'. The subsidiaries (which are all beneficially owned and controlled) have been consolidated on a line by line basis. Intra-group transactions, profits and balances have been eliminated on consolidation. No separate Statement of Financial Activities has been prepared for the Trust as permitted by s408 of the Companies Act 2006.

##### 4.2 Cash flow statement

The Group prepares a consolidated cash flow statement and the consolidated financial statements in which the Trust's results are included, are available to the public. It has therefore taken advantage of the exemption conferred by FRS102 not to prepare a separate cash flow statement for the Trust.

##### 4.3 Reserves and fund structure

Unrestricted funds comprise accumulated surpluses on general funds which the Trustees are free to use for any purpose in furtherance of the Trust's charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are monies or other assets which are to be used in accordance with specific restrictions imposed by donors or grantmakers or which have been given to the Trust for particular purposes.

A transfer between funds takes place where there is a deficit on a restricted fund and the shortfall is met from unrestricted funds (see Note 16).

##### 4.4 Income

In general, income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either the Group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution will be made, or when a distribution is received. Receipt of a legacy, in whole or in part, is considered to be probable when the amount due can be measured reliably and the Group has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Group or the Group is aware of the granting of probate, and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed but not accrued if material.

Theatre box office income is recognised when performances have taken place. Income received in advance of a theatrical performance or provision of other specified service is deferred until the criteria for income recognition are met.

Other income including exhibition and education income not covered by the definitions noted earlier is recognised on the accruals basis, once there is reasonable probability of receipt and the amount can be measured reliably.

##### 4.5 Expenditure

Expenditure is recognised on the accruals basis as a liability is incurred.

Irrecoverable VAT is included within expenditure or capitalised as appropriate.

Costs of raising funds include the salaries and direct expenditure of staff whose primary function is to raise funds.

Support costs include central functions and have been allocated to activities on bases consistent with the utilisation of those resources by the various charitable operations of the Trust and its subsidiaries. Buildings-related expenditure has been allocated based on comparative square footage occupied; other costs have been allocated based on comparative staff costs of each function.

##### 4.6 Pensions

The Group offers an auto-enrolment defined contribution pension scheme to all of its employees and additionally offers alternative defined contribution scheme arrangements to eligible employees. The amounts charged to the Consolidated Statement of Financial Activities represent the total of contributions payable in respect of these schemes during the accounting period. As such, they represent the total cost to the Group of such arrangements.

##### 4.7 Transactions in foreign currencies

The Group's functional and presentational currency is GB pounds sterling. Transactions in other currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities held in other currencies and existing at period end are translated using the rate prevailing at the balance sheet date, and any resulting gains or losses on those balances are shown as income or expenditure in the Consolidated Statement of Financial Activities.

##### 4.8 Tangible fixed assets

The Group's long leasehold offices and theatres at 21 New Globe Walk and the freehold property at Bear Gardens, all in London SE1, are held at cost and depreciated on a straight-line basis over 50 years. Land where held is not depreciated.

Short leasehold properties held by the Group are accounted for as operating leases, but any initial or other major expenditure on improvements is capitalised and written off on a straight line basis less residual value over the remaining life of any lease arrangements (subject to a maximum term of 50 years).

Group policy is to capitalise equipment with a value of £5k or more.

Assets subject to a period of construction are depreciated from the date they are brought into operational use. Other tangible fixed assets are depreciated on a straight line basis less residual value over their estimated useful life as follows:

Freehold buildings	– 2% per annum
Leasehold buildings	– 2% per annum
Leasehold improvements	– 10% per annum
Leasehold plant and machinery	– 5 – 25% per annum
Computer equipment	– 25% per annum
Fixtures and fittings	– 25% per annum
Exhibition & theatre artefacts	– 10 – 25% per annum

The carrying value of fixed assets is reviewed each year for indicators of impairment. Where there is a material difference between the net book value and the recoverable amount (being the higher of the value in use or disposal value) an impairment charge reduces the carrying value to the lower of net book value and recoverable amount. In respect of assets under construction, the recoverable amount is considered to be the value of work completed to date that remains of use to the remaining project.

##### 4.9 Stocks

Valuation of stock for resale, primarily comprising books and gifts, is determined using the first in first out method and stocks are stated at the lower of cost and net realisable value.

##### 4.10 Taxation

The Trust is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly the Trust is exempt from taxation in respect of income or chargeable gains within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes.

Trading subsidiaries provide for tax at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted at the balance sheet date. The Trust's trading subsidiaries pay any taxable profits to the Trust under Gift Aid.

The Trust is a culturally exempt organisation under Schedule 9 of the VAT Act 1994 and during the year VAT returns have been submitted on a culturally exempt basis. Irrecoverable VAT is charged against the cost of operational or support activities as incurred. Irrecoverable VAT on capital expenditure has been capitalised and will be written off over the life of the associated fixed assets.

##### 4.11 Cash at bank and in hand

Cash at bank and in hand includes short term deposits held at banks with original maturities of three months or less.

##### 4.12 Operating leases and leased assets

Rental charges applicable to operating leases are charged to the Consolidated Statement of Financial Activities on an accruals basis.

##### 4.13 Investments

Investments in subsidiary companies are shown at cost in the Trust, less provisions where appropriate.

##### 4.14 Financial Instruments

The Group holds financial assets and liabilities that qualify as basic financial instruments. These are recognised at transaction value on acquisition and subsequently measured at cost less impairment where applicable. The Group does not hold any asset which would qualify as a complex financial instrument.



**4.15 Development costs**

Development of new products including play commissions has many inherent uncertainties, the future ability to recover costs and generate a surplus being a key risk. The Group mitigates such risks through the use of analytical and tracking tools such as regular market research and box office advance bookings information. As at the balance sheet date management considers the likelihood of these risks being realised is remote.

**4.16 Capital works – assets under construction**

Expenditure in relation to work in progress capital projects is capitalised only where the likelihood of the asset's eventual construction and utilisation is probable. No depreciation is charged until the asset is brought into operational use. In respect of assets under construction, the recoverable amount is considered to be the value of work completed to date that remains of use to the remaining project.

Management reviews costs capitalised in this way and considers carefully any indicators of impairment such as changes to the scope of works and expected future service potential of assets under construction.

**4.17 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed within these financial statements, including those in relation to the carrying value of tangible fixed assets (note 11).

**5. Donations and legacies**

	2019		2018			
	Unrestricted £000	Restricted £000	Total Funds £000	Unrestricted £000	Restricted £000	Total Funds £000
Donations and gifts	668	459	1,127	823	971	1,794
Legacies	142	–	142	134	–	134
<b>Total</b>	<b>810</b>	<b>459</b>	<b>1,269</b>	<b>957</b>	<b>971</b>	<b>1,928</b>

The Group benefits greatly from the involvement and enthusiastic support of its many volunteers, details of whom are given in the annual report. In accordance with FRS102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

**6. Other trading activities**

	2019 £000	2018 £000
Retail	2,177	2,015
Catering and hospitality	763	767
Venue hire	270	391
Corporate memberships	277	206
Corporate sponsorships	408	75
Other trading income	64	79
<b>Total</b>	<b>3,959</b>	<b>3,533</b>

**7. Charitable activities**

	2019 £000	2018 £000
Theatre and performance	12,241	12,694
Education activities	3,114	2,832
Exhibition and tour activities	2,818	3,057
<b>Total</b>	<b>18,173</b>	<b>18,583</b>

Income from charitable activities includes theatre tax credit of £626k (2018: £679k).

Income from charitable activities includes £439k (2018: £449k) of restricted funds relating to grants to provide education activities.

## 8. Expenditure

### (a) Analysis of total expenditure

FY19	Expenditure						Total £000
	Theatre £000	Education £000	Exhibition & Tour £000	Fundraising £000	Trading £000	Support £000	
Staff Costs	5,299	1,265	1,003	402	323	2,935	11,227
Operational Costs	3,396	1,129	369	122	1,820	–	6,836
Corporation Tax	–	–	–	–	32	–	32
Visitor Experience	–	–	–	–	–	304	304
Communications	–	–	–	–	–	302	302
Building Operations	–	–	–	–	–	2,123	2,123
Administration	–	–	–	–	–	1,265	1,265
Depreciation and loss on disposal (Equipment)	–	–	–	–	–	897	897
Depreciation and loss on disposal (Buildings)	–	–	–	–	–	805	805
Indirect Cost Allocation	4,266	1,620	1,910	398	437	(8,631)	–
<b>Total</b>	<b>12,961</b>	<b>4,014</b>	<b>3,282</b>	<b>922</b>	<b>2,612</b>	<b>–</b>	<b>23,791</b>

Expenditure above excludes the impairment of tangible fixed assets of £2,080k (note 11).

FY18	Expenditure						Total £000
	Theatre £000	Education £000	Exhibition & Tour £000	Fundraising £000	Trading £000	Support £000	
Staff Costs	5,465	1,237	1,060	265	311	2,677	11,015
Operational Costs	3,814	914	307	164	1,377	–	6,576
Visitor Experience	–	–	–	–	–	424	424
Communications	–	–	–	–	–	507	507
Building Operations	–	–	–	–	–	1,924	1,924
Administration	–	–	–	–	–	1,229	1,229
Depreciation and impairments (Equipment)	–	–	–	–	–	1,043	1,043
Depreciation (Buildings)	–	–	–	–	–	691	691
Indirect Cost Allocation	4,435	1,550	1,821	259	430	(8,495)	–
<b>Total</b>	<b>13,714</b>	<b>3,701</b>	<b>3,188</b>	<b>688</b>	<b>2,118</b>	<b>–</b>	<b>23,409</b>

### (b) Cost analysis

Included within total expenditure are the following individual items:

	2019 £000	2018 £000
Group auditors' remuneration:		
Audit fees	49	47
Other services, principally taxation	17	11
Operating lease rentals:		
Land and buildings	418	271
Plant and equipment	68	80

## 9. Staff costs

	2019 £000	2018 £000
Monthly wages and salaries	6,771	6,237
Weekly theatre production actors, musicians and associated workers	3,466	3,864
Social security costs	700	674
Other pension costs	290	240
<b>Total</b>	<b>11,227</b>	<b>11,015</b>

Average number of staff during the year	2019	2018
Theatre and performance	143	155
Education activities	34	39
Exhibition and tours	9	34
Visitor experience	33	24
Finance, Human Resources, Information Technology and Administration	24	24
Communications	27	21
Retail	11	10
Development	10	10
<b>Total</b>	<b>291</b>	<b>317</b>

Number of staff whose gross salaries fell within the following bands	2019	2018
£60,001 – £70,000	3	2
£70,001 – £80,000	3	2
£80,001 – £90,000	–	1
£90,001 – £100,000	3	3
£100,001 – £110,000	1	–
£120,001 – £130,000	1	1
<b>Total</b>	<b>11</b>	<b>9</b>

The Group considers its key management personnel to be the Executive Committee. The total employment benefits including employer pension contributions of the key personnel were £795k (2018: £858k).

During the year the Group paid total severance benefits of £93k (2018: £126k) to 14 employees (2018: 5).

	2019 £000	2018 £000
<b>Pension costs</b>		
Defined contributions pension costs outstanding at end of year	45	87

## 10. Trustees' emoluments and expenses

No remuneration was paid to any Trustee, other than the Chief Executive, during the year nor did they receive any other benefits from employment with the Trust or its subsidiaries during the year. The Chief Executive was remunerated for his services as Chief Executive, and not in his capacity as a Trustee. This is permitted under Article 3.3.2(c) of the Articles of Association. He was paid £131k (2018: £139k), including pension contributions of £11k (2018: £11k).

None of the Trustees, who are also Directors for the purposes of the Companies Act, received emoluments in respect of services provided in their capacity as Trustees or Directors during the year (2018: the same). A total of £6k (2018: £2k) was reimbursed to two Trustees (2018: three) in respect of expenditure incurred by them in the course of Trustee activities in the year. The Trustees are entitled to the same discounts enjoyed by staff in the restaurant and café as well as a limited number of tickets to theatrical performances, limited educational workshops and guided tours. Third party indemnity insurance cover is provided for Trustees.

## 11. Tangible fixed assets

Group and Charity	Freehold Property	Long Leasehold Property	Leasehold Improvements	Plant & Machinery	Fixtures, Fittings & Equipment	Assets under Construction	Total £000
	£000	£000	£000	£000	£000	£000	
<b>Cost</b>							
At beginning of the year	4,244	29,687	256	13,356	5,351	2,840	<b>55,734</b>
Additions	–	–	749	89	25	77	<b>940</b>
Transfers	–	–	20	7	–	(27)	<b>–</b>
Disposals	–	(24)	(29)	(86)	(1,106)	–	<b>(1,245)</b>
Impairment	–	–	–	–	–	(2,080)	<b>(2,080)</b>
<b>At end of the year</b>	<b>4,244</b>	<b>29,663</b>	<b>996</b>	<b>13,366</b>	<b>4,270</b>	<b>810</b>	<b>53,349</b>
<b>Depreciation</b>							
At beginning of the year	525	10,776	121	9,492	4,670	–	<b>25,584</b>
Charge for the year	67	598	100	577	219	–	<b>1,561</b>
Disposals	–	(8)	(5)	(66)	(1,025)	–	<b>(1,104)</b>
<b>At end of the year</b>	<b>592</b>	<b>11,366</b>	<b>216</b>	<b>10,003</b>	<b>3,864</b>	<b>–</b>	<b>26,041</b>
<b>Net Book Values</b>							
<b>At 31 October 2019</b>	<b>3,652</b>	<b>18,297</b>	<b>780</b>	<b>3,363</b>	<b>406</b>	<b>810</b>	<b>27,308</b>
<b>At 31 October 2018</b>	<b>3,719</b>	<b>18,911</b>	<b>135</b>	<b>3,864</b>	<b>681</b>	<b>2,840</b>	<b>30,150</b>

During the year a review was completed to consider the balance within Assets under Construction. This led to an impairment of £2.1m, which principally related to Project Prospero due to changes in the scope and design. The amount remaining in respect of Project Prospero was £642k (see note 17).

## 12. Investments

### a) Subsidiary undertakings

The Group's net movement in funds, a loss of £2,428k (2018: a gain of £820k), includes the results of the following three 100% beneficially owned subsidiaries, which are incorporated in the UK, and registered at the same address as the Trust:

Shakespeare Globe Trading Limited ('SGTL'), a limited company which undertakes commercial activities on behalf of the Group. On 31 October 2019, the trade, assets and liabilities of SGTL were transferred to a newly-incorporated wholly owned subsidiary of the Trust, SGT Trading Limited, at a fair value determined by a third party valuer. Similarly all contracts and agreements with group companies

and with external suppliers and ongoing customers were novated to SGT Trading Limited, and the resource sharing agreement between Shakespeares Globe Trading Limited and the Trust was dissolved, replaced by one between SGT Trading Limited and the Trust. SGTL has been dormant since 31 October 2019 and will be wound up in due course.

Shakespeare Globe Productions Ltd ('SGPL'), a limited company that has the principal activities of producing, running and closing productions on behalf of the Group.

The carrying value as well as the financial performance of these three subsidiaries is summarised below:

	Company Number		Total Income	Total Expenditure	Surplus/ (Deficit) before tax	Assets	Liabilities
			£000	£000	£000	£000	£000
<b>Shakespeare Globe Trading Limited</b>	997433	2019	4,010	(2,581)	1,429	1,098	(684)
		2018	3,571	(2,152)	1,419	7,716	(7,046)
<b>Shakespeare Globe Productions Ltd</b>	9288721	2019	5,984	(6,610)	(626)	1,305	(1,305)
		2018	5,603	(6,282)	(679)	679	(679)
<b>SGT Trading Limited</b>	12107582	2019	–	–	–	1,364	(1,364)
		2018	–	–	–	–	–

A loan of £670k, bearing interest at 3% above the Bank of England base rate was extended by the Trust to SGT Trading Limited in October 2019. This loan was to enable the purchase by the Trust of the assets of Shakespeare Globe Trading Limited as part of the group reorganisation. This with other amounts due from SGT Trading Limited is secured by a fixed and floating debenture.

### b) Redeemable preference shares

In prior years, the Trust has been gifted a cumulative total of 2,957,955 redeemable preference shares of £1 each in SGTL. These shares were previously held in the Trust at £nil value due to the extended period of capital redemption. During the year, the shares and related capital redemption reserve were cancelled by a special resolution which created distributable reserves. These reserves were distributed to the Trust by a dividend by way of gift aid donation.

	2019 £000	2018 £000
Issued		
At 1 November	<b>2,958</b>	2,958
Shares cancelled	<b>(2,958)</b>	–
<b>At 31 October</b>	<b>–</b>	<b>2,958</b>

### c) Short term investments

In 2017, the Trust set up and owns the single share in the Shakespeare's Globe NY Limited Liability Company (registered at 165 West 46th Street, Suite 700, New York, NY 10036, USA), a company, which invested \$225k (£184k) in the Farinelli Broadway Limited Partnership (registered at 230 West 41st Street, Suite 1703, New York, NY 10036, USA). During 2018 this investment was recouped in full with a surplus £155k. The single share in the LLC remains at a cost of \$1.

At 31 October 2019, the value of the Trust's share of the net assets and liabilities is nil (2018: net liability of £36k).

## 13. Debtors

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Amounts falling due within one year:				
Trade debtors	746	682	415	310
Other debtors	80	127	49	92
Tax credit recoverable	1,305	679	–	–
Amounts owed by subsidiary undertakings	–	–	1,575	4,606
Prepayments and accrued income	659	668	589	660
	<b>2,790</b>	<b>2,156</b>	<b>2,628</b>	<b>5,668</b>

## 14. Creditors: amounts falling due within one year

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade creditors	394	568	359	526
Taxes and social security	411	299	144	252
Other creditors	54	75	53	75
Accruals and deferred income	2,196	2,156	2,027	2,084
	<b>3,055</b>	<b>3,098</b>	<b>2,583</b>	<b>2,937</b>

Deferred income	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
At 1 November	1,456	1,261	1,388	1,194
Deferred income recognised in the year	(1,456)	(1,261)	(1,388)	(1,194)
Deferred in year	1,267	1,456	1,158	1,388
At 31 October	<b>1,267</b>	<b>1,456</b>	<b>1,158</b>	<b>1,388</b>

## 15. Creditors: amounts falling after one year

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Amounts owed to subsidiary undertaking	–	–	–	3,481

The long term creditor was established on acquisition of the net assets of SGTL in 2005. This amount was unsecured, non-interest bearing and had no fixed date for repayment. On 31 October 2019, this balance was settled as part of a group reorganisation.

## 16. Movement in funds

2019 Restricted Funds – Group	As at 1 November 2018 £000	Income and other gains £000	Expenditure £000	Net income / (expenditure) £000	Transfers £000	As at 31 October 2019 £000
Globe building grant	5,624	–	–	–	(356)	<b>5,268</b>
Prospero capital campaign	2,461	436	–	436	–	<b>2,897</b>
Globe Education China	397	–	(239)	(239)	–	<b>158</b>
Education projects	82	439	(442)	(3)	–	<b>79</b>
Performance and theatre	3	–	–	–	–	<b>3</b>
Access and apprenticeship	65	23	(18)	5	–	<b>70</b>
<b>Total</b>	<b>8,632</b>	<b>898</b>	<b>(699)</b>	<b>199</b>	<b>(356)</b>	<b>8,475</b>
<b>Unrestricted Funds</b>						
Preservation of the theatres	3,770	–	(134)	(134)	–	3,636
Prospero capital campaign	3,145	–	(152)	(152)	–	2,993
Strategic projects	525	–	(507)	(507)	–	18
Film fund	7	–	–	–	–	7
Remedial works fund	800	–	(227)	(227)	–	573
Artistic support fund	292	–	–	–	–	292
<b>Designated funds</b>	<b>8,539</b>	<b>–</b>	<b>(1,020)</b>	<b>(1,020)</b>	<b>–</b>	<b>7,519</b>
<b>Capital redemption reserve</b>	<b>170</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(170)</b>	<b>–</b>
<b>Fixed asset reserve</b>	<b>24,526</b>	<b>–</b>	<b>(2,842)</b>	<b>(2,842)</b>	<b>356</b>	<b>22,040</b>
<b>General reserve</b>	<b>2,376</b>	<b>22,554</b>	<b>(21,319)</b>	<b>1,235</b>	<b>170</b>	<b>3,781</b>
<b>Total</b>	<b>35,611</b>	<b>22,554</b>	<b>(25,181)</b>	<b>(2,627)</b>	<b>356</b>	<b>33,340</b>



<b>2018 Restricted Funds – Group</b>	<b>As at 1 November 2017</b>	<b>Income</b>	<b>Expenditure</b>	<b>Net income / (expenditure)</b>	<b>Transfers</b>	<b>As at 31 October 2018</b>
	£000	£000	£000	£000	£000	£000
Globe building grant	5,980	–	–	–	(356)	<b>5,624</b>
Prospero capital campaign	1,539	922	–	922	–	<b>2,461</b>
Globe Education China	442	–	(45)	(45)	–	<b>397</b>
Education projects	64	423	(427)	(4)	22	<b>82</b>
Performance and theatre	1	26	(24)	2	–	<b>3</b>
Access and apprenticeship	160	6	(101)	(95)	–	<b>65</b>
Other	–	43	(43)	–	–	<b>–</b>
<b>Total</b>	<b>8,186</b>	<b>1,420</b>	<b>(640)</b>	<b>780</b>	<b>(334)</b>	<b>8,632</b>
<b>Unrestricted Funds</b>						
Preservation of the theatres	2,970	–	–	–	800	3,770
Prospero capital campaign	2,965	–	(402)	(402)	582	3,145
Strategic projects	1,041	–	(626)	(626)	110	525
Film fund	250	–	(243)	(243)	–	7
Remedial works fund	–	–	–	–	800	800
Artistic support fund	292	–	–	–	–	292
<b>Designated funds</b>	<b>7,518</b>	<b>–</b>	<b>(1,271)</b>	<b>(1,271)</b>	<b>2,292</b>	<b>8,539</b>
<b>Capital redemption reserve</b>	<b>170</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>170</b>
<b>Fixed asset reserve</b>	<b>25,226</b>	<b>–</b>	<b>(1,056)</b>	<b>(1,056)</b>	<b>356</b>	<b>24,526</b>
<b>General reserve</b>	<b>2,323</b>	<b>22,809</b>	<b>(20,442)</b>	<b>2,367</b>	<b>(2,314)</b>	<b>2,376</b>
<b>Total</b>	<b>35,237</b>	<b>22,809</b>	<b>(22,769)</b>	<b>40</b>	<b>334</b>	<b>35,611</b>

The movement on the Trust's restricted funds and fixed asset reserve is as per the Group, as disclosed above. The Trust's closing balance on designated funds was £7,519k and the designations were as per the Group funds (2018: £7,451k). The closing balance on the unrestricted funds was £3,369k (2018: nil). The Trust's unrestricted income totalled £22,563k, including income from Shakespeare Globe Trading Limited relating to a £3,311k distribution from capital and a gift aid donation of £1,300k. The Trust's unrestricted expenditure, including expenditure relating to designated funds, was £19,126k.

**FIXED ASSET RESERVES**

The fixed asset reserves are permanent funds matched to the value of fixed assets recognising that, in the event that cash is required, these assets cannot be readily liquidated and their realisable value may be negligible. There are two funds held, the Globe Building Grant (£5,268k) reflecting a restricted Arts Council England grant received in 1995 that was used to build the Globe, and the Fixed Asset Reserve (£22,040k), a designated fund, reflecting the balance of non-liquid assets held within tangible fixed assets (Note 11). Arts Council England hold a charge over the Globe site which enables them to reclaim some or all of the grant if the site is sold, ceases to use it for the Globe's purposes or in the event of insolvency.

**RESTRICTED FUNDS**

The **Project Prospero** capital campaign fund £2,897k (2018: £2,461k) is restricted to the development of the Globe's West Block incorporating a new library, archive, exhibition, workshops and rehearsal studios and an upgrading of its production departments. The project is currently on hold pending a re-evaluation as to its feasibility.

The **Globe Education China** fund £158k (2018: £397k) is a restricted Arts Council England grant to promote Shakespeare in China through workshops and performances planned for 2020 and beyond.

**Education Projects** funds totalling £79k (2018: £82k) are restricted for use in specific education activities. The most significant of these funds relates to the Playing Shakespeare with Deutsche Bank project (nil balance as at 31 October 2019) funded by Deutsche Bank, whereby performances are created for young people and designed to support teaching of English in the UK National Curriculum at Key Stages 3, 4, and 5 as well as being suitable for those teaching international curricula. The Globe has a long-standing relationship with Deutsche Bank, with a similar project planned to take place next year.

The **Access and Apprenticeship** fund £70k (2018: £65k) is restricted to the improvement of access and diversity to the Globe. The fund includes a significant donation from ICAP of £203k received in 2017. The fund has been used to cover the cost of apprentices and the remaining balance will be spent on continuing to sponsor these activities in 2020 and 2021.

The **Performance and Theatre** fund £3k (2018: £3k) is restricted for use in specific Theatre projects.

**DESIGNATED FUNDS**

**NOTE:** All the funds listed below were extant at year end, but were dissolved in March 2020 (see Note 17 Events after the reporting period) in order to enable the Globe to have sufficient general reserves to respond to the Covid-19 crisis.

**Preservation of the Theatres** fund £3,636k (2018: £3,770k) was set up for the estimated quinquennial building and theatres maintenance requirements.

**Prospero Capital Campaign** £2,993k (2018: £3,145k) is the fund set up to support Project Prospero. It was predominantly derived from the Globe's contribution from annual surpluses over recent years.

**Strategic projects** fund £18k (2018: £525k) supported capital and other one-off projects planned for the next financial year. This year the funds have been used to carry out large scale remedial work across our estate.

**Film fund** £7k (2018: £7k) was set up to fund the Globe's commitment to filming and investing in its digital assets.

The **Remedial Works** fund £573k (2018: £800k) was set up in 2018 to fund essential maintenance and repair works to the West Block buildings of the Globe site.

**Artistic Support** fund £292k (2018: £292k) provides for the inherent risk in programming, and will be used in the event that box office income does not meet research and development commitments in the year.

The capital redemption reserve fund was effectively, by Trustee special resolution, transferred to the general reserve in the year following a group re-organisation. The general reserve fund is available to the Trustees to use within the Group, on an unrestricted and undesignated basis.

## 17. Events after the reporting period

On 16 March 2020, the UK Government advised the general public against attending theatres, and on 23 March announced a general closure of all public venues, as a result of the Covid-19 outbreak in the UK.

The Trustees agreed to curtail all performances with effect from the evening of 16 March and to close the Globe site as a public venue with effect from 18 March. Limited offsite web-based activities have continued to provide access to recorded performances, as well as Education events streamed live.

None of these events have created the need for adjustments to be made to the balances and movements recorded at the balance sheet date.

There are, however, two events that require disclosure as non-adjusting post-balance sheet events.

In March 2020, the Trustees resolved to remove designations from cash held under designations at the year end, in order to ensure sufficient general reserves were available to expend on general costs arising during closure. The designations thus removed amounted to £7,519k and were made up as follows:

	£000
Preservation of the theatres	3,636
Prospero capital campaign	2,993
Strategic projects	18
Film fund	7
Remedial works fund	573
Artistic support fund	292
<b>Total</b>	<b>7,519</b>

In view of the Globe's prolonged closure, and the need to re-utilise monies set aside for the Prospero project, the Trustees at their meeting in July 2020 decided to reformat plans to meet the project over a much longer term. They therefore agreed that it would be necessary to impair the capitalised Asset Under Construction completely.

The impact of this additional impairment is an additional impairment charge writing off costs capitalised in 2019/20 before July 2020 and £642k capitalised as at 31 October 2019.

## 18. Analysis of net assets between funds

Group	Restricted	Unrestricted	2019	Restricted	Unrestricted	2018
	£000	£000	£000	£000	£000	£000
Fixed assets	5,268	22,040	27,308	5,624	24,526	30,150
Net current assets	3,207	11,300	14,507	3,008	11,085	14,093
<b>Net assets at 31 October</b>	<b>8,475</b>	<b>33,340</b>	<b>41,815</b>	<b>8,632</b>	<b>35,611</b>	<b>44,243</b>
Charity	Restricted	Unrestricted	2019	Restricted	Unrestricted	2018
	£000	£000	£000	£000	£000	£000
Fixed assets	5,268	22,710	27,978	5,624	24,526	30,150
Net current assets	3,207	10,218	13,425	3,008	10,932	13,940
Creditors: amounts falling due after one year	–	–	–	–	(3,481)	(3,481)
<b>Net assets at 31 October</b>	<b>8,475</b>	<b>32,928</b>	<b>41,403</b>	<b>8,632</b>	<b>31,977</b>	<b>40,609</b>

## 19. Operating leases

Minimum payments due under non-cancellable operating leases:

	Group		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Land and buildings:				
Payable within one year	312	258	312	258
Payable in two to five years	840	258	840	258
Payable over five years	728	–	728	–
Plant and equipment:				
Payable within one year	119	74	119	74
Payable in two to five years	297	128	297	128
<b>Total</b>	<b>2,296</b>	<b>718</b>	<b>2,296</b>	<b>718</b>

Operating leases on land and buildings include properties leased to provide additional space for workshops and rehearsals as well as office accommodation and storage.

## 20. Reconciliation of changes in resources to net cash inflow from operating activities

	2019	2018
	£000	£000
Net income / (expenditure)	(2,428)	820
Interest receivable	(51)	(132)
Unrealised foreign exchange loss / (gain)	9	(53)
Depreciation	1,561	1,592
Impairment	2,080	125
Loss on disposal fixed assets	141	17
(Increase) in stocks	(69)	(2)
Decrease / (increase) in debtors	(634)	481
(Decrease) in creditors	(43)	(99)
<b>Net cash inflow from operating activities</b>	<b>566</b>	<b>2,749</b>

## 21. Related party transactions

Related parties comprise subsidiaries and those charged with governance, being Trustees and Executives

	2019		2018	
	Amounts due from £000	Amounts due to £000	Amounts due from £000	Amounts due to £000
<b>The Shakespeare Globe Trust:</b>				
<b>Subsidiary undertakings:</b>				
Shakespeare Globe Productions Ltd	1,305	–	679	–
Shakespeare Globe Trading Limited	–	–	3,927	3,481
SGT Trading Limited	940	–	–	–
<b>Total</b>	<b>2,245</b>	<b>–</b>	<b>4,606</b>	<b>3,481</b>

Included within the above is a £670k loan to SGT Trading Limited, which is interest bearing at 3% above the Bank of England base rate, has no fixed repayment date and is secured by a fixed and floating debenture. This is shown as an investment in subsidiary.

Unless specified otherwise, amounts due from and to subsidiary undertakings are unsecured, non-interest bearing and repayable on demand. Transactions with subsidiary undertakings are primarily for intra-group services and cross company recharges.

### Trustees

The total amount donated by 14 Trustees and Executives (2018: 12) amounted to £32k (2018: £7k).

In addition, the following Trustees have relationships with organisations that have engaged with the Group:

Philip Kirkpatrick is a Trustee of the Globe and a partner with Bates Wells & Braithwaite London LLP, one of the Group's legal advisers. Total income received from Bates Wells & Braithwaite London LLP during the financial year amounted to £19k (2018: £nil). No amounts were outstanding at year end. Bates Wells & Braithwaite London LLP also provided pro-bono legal services to the Globe during the year of value £41k (2018: £nil).

Dan Rabinowitz is a Trustee of the Globe as well as Chairman and President of Shakespeare's Globe USA. During the financial year, the Group received £13k (2018: £1k) from Shakespeare's Globe USA. Dan Rabinowitz is also a Director and Vice President of the Board of GTA Inc. During the year total income from GTA Inc was £1k with £1k outstanding at year end.

Joanna Mackle is a Trustee of the Globe and is also a Deputy Director at the British Museum. During the year the Globe paid £2k (2018: £1k) for advertising in the British Museum Friends magazine, a subsidiary of the British Museum. No balance was outstanding at year end.

Patrick Spottiswoode is a member of the Globe's Executive Team and is also a Director of the Mountview Academy of Theatre Arts. During the year the Globe used the Academy as a rehearsal space at a cost of £20k (2018: £nil). No balance was outstanding at year end.

Mark Sullivan is a member of the Globe's Executive Team and is also a Director of the Rose Theatre Trust. Tours of the Rose Theatre form a part of some of the Globe's guided tours and the Rose are paid for this. The total value in the financial year was £3k (2018: £nil) with no balance outstanding at year end.

## 22. Financial Instruments

Group	2019	2018
	£000	£000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	746	682
Accrued income	76	342
<b>Total</b>	<b>822</b>	<b>1,024</b>
Financial liabilities measured at amortised cost		
Trade creditors	394	568
Accruals	929	700
<b>Total</b>	<b>1,323</b>	<b>1,268</b>

The Trust has taken advantage of the disclosure exemption granted by FRS102 from disclosing an analysis of the Trust's financial instruments.