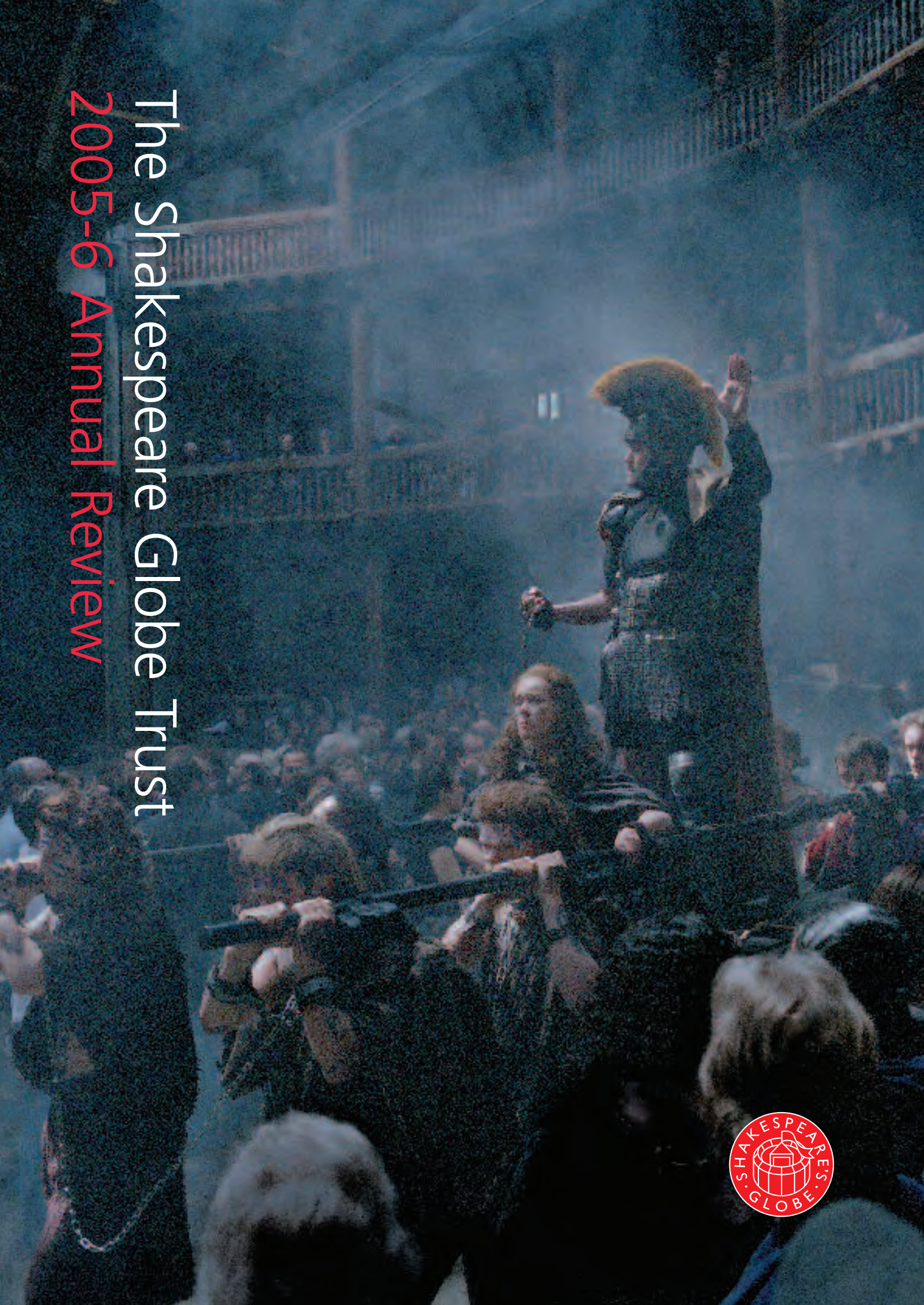




The Shakespeare Globe Trust 2005-6 Annual Review





Chairman's Statement

2005-6 was a year of great innovation and success for Shakespeare's Globe.

Dominic Dromgoole had an enormously enthusiastic response to his first year as Artistic Director. The 'Edges of Rome' season achieved a balance of challenging repertoire and commercial success, pairing two of Shakespeare's lesser-known and more challenging plays, *Coriolanus* and *Titus Andronicus*, with two proven box office draws at the Globe, *Antony & Cleopatra* and *The Comedy of Errors*. The first two explored the brutality and political intrigue of the ancient world and audiences found many parallels with life as we experience it today.

These were complemented by two pieces of new writing. Simon Bent's *Under the Black Flag* dramatised the untold story of the political and social background of the fictional pirate Long John Silver, while *In Extremis* by Howard Brenton used the true story of Abelard and Heloise to explore the timeless – and timely – debate between reason and faith. This eclectic programme continued the Globe's mission to bring Shakespeare to the widest possible audience, showcase new writers and take a fresh and exciting approach to the plays in the setting for which many of them were written.

Achievements in education have been no less exciting this year – from the first Globe Education PhD to a new programme of pre-school Shakespeare workshops. John Wolfson's fascinating talk on the authorship of *Titus Andronicus* provided just one instance of our commitment to make Shakespearean scholarship informative and entertaining to the general public. Most importantly, in September 2006, we were able to announce Globe Education's groundbreaking collaboration with the Department for Education and Skills in providing three days of practical workshops to England's 260 secondary school English consultants. These consultants will go on to work with English departments throughout England, helping teachers to develop practical ways of engaging children with Shakespeare.

Theatre performances and events run by the education department were complemented by lively temporary displays in the exhibition that compared present-day perceptions and experiences of Rome and its empire with those shared by Shakespeare and his audience.

We also took the first steps towards a more integrated approach to the Globe's commercial activities, bringing under one management the exhibition, corporate events, catering, merchandising and marketing. One visible sign of this new integration has been the year-round daytime opening of the Bankside Gates, previously closed outside theatre performances. This innovation has resulted in a significant increase in the number of passing visitors to the site.

Whilst we have enjoyed generous support from corporate and private donations and from the Friends of Shakespeare's Globe, the vast bulk of the Trust's income still comes from paying visitors and we remain dependent on the success and popularity of our three chief activities. Over 2005-6 the Trust generated a consolidated net surplus of some £250,000, which will go towards the long-term upkeep of the Globe and the further development of the project. The Trust has also approved an investment of some £250,000 to refresh the existing exhibition.

More excitingly, we also look forward to a new fundraising campaign in support of the next three-part phase of development at Shakespeare's Globe: the construction of an entirely new education and rehearsal centre; the creation of a library and audio-visual centre at the west end of the Globe site; and the completion of the Jacobean theatre at the south-east corner of the site based on plans left by Inigo Jones – the closest the world is ever likely to get to the Blackfriars, the indoor playhouse used by Shakespeare in the latter part of his career, and for which he wrote many of his greatest plays.

Roger Parry

Chairman

In addition to generating income through primary and secondary trading activities, Shakespeare's Globe relies on a family of supporters for its fundraised income. In 2006 we were delighted to continue our association with a number of long-standing corporate partners. PricewaterhouseCoopers celebrated their tenth year of support for Globe Education's 'Our Theatre' community project, involving a broad range of schools across Southwark. Since 1997, over 4,000 students from 48 schools have participated in this annual project, and special thanks are due to Anne Wolfe, Senior Manager, Community Affairs at PwC (1997–2005), who was instrumental in getting the project started, and in ensuring its long-term success.

Further support from Deutsche Bank enabled Globe Education to launch 'Word Peace', the final phase of 'Word Play', which the bank has funded for three years, a project designed to work actively with students on the language of conflict and resolution in Shakespeare's plays. Credit Suisse, Ford and Arden Publishing also continued their support of Globe Education, Virgin continued as our official airline partner, and we received renewed funding from Chubb Insurance and Sumitomo. In addition, we were pleased to welcome new corporate members and sponsors: Jones Lang Lasalle, Thomson Learning, Lanson, Waterman Civils and Marsh.

This was also the year that the Friends of Shakespeare's Globe, some 6,500 staunch supporters, celebrated their 21st Birthday. Many of the Friends have been linked with the Globe since its very first days when the theatre site was little more than a hole in the ground, and today, over two decades on, they continue to nurture and support our work, not only through their membership subscriptions and donations, but also through their attendance at plays and Globe Education events.

The Trust relies on a significant pool of over 300 enthusiastic and dedicated volunteer stewards who provide essential house management support. Other volunteers work on the donations/Friends' desk, helping with the Trust's fund-raising efforts. It is estimated that the in-kind contribution from volunteer stewards, many of whom are also Friends, is in excess of £200,000 per annum.

My sincere thanks to all our donors, sponsors, Patrons, Friends and volunteers for their continuing commitment to us.

The annual meeting of the Shakespeare Globe Council, which comprises all trustees and former trustees as well as a wider group of friends and supporters, was well attended. The Council, under the chairmanship of Sir Michael Perry, serves as an advisory and support group for the trustees and the executive team with regard to our overall artistic, educational and commercial strategies and activities. Lyn Williams has been elected as Convenor.

Trustees resigning in the course of the year were Keith Baxter, Sir Peter Hall, Guy Lamming, and

Professor Martin White and we give them our heartfelt thanks for all their work on our behalf. We also welcomed as new Trustees Andrew Fraser, Nicholas Kent, Valerie Mitchell and Sue Robertson.

It has been another successful year both in terms of our programme of activities and our financial position, with a surplus of some £250,000 achieved. The Exhibition attracted 261,000 paid visitors, which represented a modest increase on the previous period, although it fell short of its revenue targets and a strategic review of the role, configuration and investment needs of the Exhibition has been commissioned by the trustees. I want to record special thanks to my colleague, David Marshall, who left the Globe at the end of the period following ten years of dedicated service as a member of the Executive Team and leading the Exhibition Department.

Amongst the sad losses the Trust suffered this year, I must mention that of Professor Don Rowan, a long-standing supporter of the Globe in the academic world and a generous benefactor towards the outstanding collection of books that constitutes the Globe's Canadian library.

Theatre

In a packed season of 248 performances, the theatre achieved an audience capacity of 75%, representing 275,800 patrons. Additionally, at the beginning of the period and in the final stage of Mark Rylance's tenure as Artistic Director, the Shakespeare Globe Theatre company undertook a highly acclaimed ten-week tour of America with *Measure for Measure*, culminating in a two-week off-Broadway run in New York.

2006 was primarily, however, a year of new beginnings in the Globe theatre, most notably in the appointment of Dominic Dromgoole as Artistic Director, who further developed the achievement of his predecessor in presenting work which is at once bold, experimental and commercially successful.

As mentioned in the Chairman's statement, Dominic's appointment heralded a period of expanded ambition with vitality and commitment coursing through all the work of the 'Edges of Rome' season. More full shows were presented – six – than the Globe had ever attempted before over a summer season and two new plays were produced with the intention of making new writing central to our ambitions; an ambition fast blossoming into reality with more new writing especially created for the Globe Theatre on the horizon. In 2006 there were more actors in our three companies – over seventy – than we've ever employed before and design elements of our productions were incorporated more comprehensively into our work, with several shows extending out into the yard; a miniature Ephesus was built in the tiring house for *The Comedy of Errors* and for the first time we put a roof on the Globe, with Bill Dudley's stunning velarium for *Titus Andronicus*.

This renewed ambition paid off in a number of ways, with audience figures up on 2005 despite presenting two new plays and two of Shakespeare's less popular titles. The audience became more varied and there was a degree of press and critical attention which the Globe has never achieved before with three leader columns in the *Guardian*, *The Times* and the *Daily Telegraph*, reflecting the bold new energy coursing round the building.

There were also more novel firsts. We opened a field hospital on the piazza, as our wonderful stewards, front of house team and firemen, looked after the weak and wounded who reeled away from the blood-thirsty madness that was *Titus Andronicus*. There was a large contingent of pirates who turned up in full regalia for the opening night of *Under The Black Flag*, and merrily tried to gatecrash their way into the play. There was a burgeoning Jonathan Cake fan club for *Coriolanus* that crowded out the front of the yard. And many other moments which resulted from the spirit of ambition that buoyed 2006. It will be hard to forget a beaming Howard Brenton standing in the middle of the yard, and happily receiving the prolonged acclaim of the crowd for *In Extremis*, his delicate and moving play about Abelard and Heloise.

Education

The number of people of all ages coming to the Globe for workshops and courses continued to rise this year, with over 80,000 attending during the period under review.

But it was also a year of lively new initiatives and special anniversaries.

As mentioned above, 'Our Theatre', the Globe's annual project for Southwark schools, celebrated its 10th anniversary this year with a performance of *As You Like It*. Globe Education also offered its first series of workshops for pre-school children in a Southwark nursery over the course of the autumn term.

In support of our mission to commission new writing, secondary school students from London worked with Globe Education Practitioners to devise monologues inspired by the themes of conflict and peace. These were later performed by a professional company of actors at an event entitled 'Word Peace'.

Our programme of public events was as rich as ever, but a few highlights stand out. Richard Wilson, Professor of English at the University of Cardiff, was this year's International Shakespeare Globe Fellow, and contributed to 'Martyrdom and Peace', an outstanding programme of public lectures and readings. Ann Thompson and Neil Taylor delivered a stimulating Sam Wanamaker Fellowship Lecture to celebrate the launch of their groundbreaking Arden Shakespeare edition of *Hamlet*. The inaugural Globe Theatre History Research Seminar was led by the leading scholar, Ros Knutson, and John Wolfson, the Globe's

Honorary Curator of Rare Books, gave his 10th annual talk to complement the plays chosen in the Theatre Season.

The first Sam Wanamaker Festival brought together pairs of students from the leading drama schools across the UK for a weekend of workshops prior to a public performance of duologues by Shakespeare and his contemporaries on the Globe stage. Globe Education contributed a six-week intensive module to the first year of the MA course in Classical Acting offered by Drama Centre London (a part of Central St Martin's College of Art and Design).

Looking forward to late 2006 and 2007, exciting plans have been developed in association with the Department for Education and Skills to share the practical approaches to teaching Shakespeare we have developed at the Globe with English secondary school consultants throughout England and Wales. Similar discussions were held with teachers in the USA, and programmes for high school students in Louisiana and for teachers in California as part of a Globe Education Academy for Teachers at the University of California, Davis, have been scheduled for 2007.

Future Plans

In 2007, a new fundraising campaign will be launched to develop the three areas touched upon in the Chairman's report: the education and rehearsal centre, premises to accommodate research facilities and a collection of rare books from the Shakespearean period, and the completion of the indoor Jacobean theatre. Our target, to be raised over a period of five years, is £20M. To implement this new campaign, the Trust has brought together Jan Hall, Iraj Ispahani and Alice Perkins under the chairmanship of Bruce Carnegie-Brown to form a Major Projects Group.

Planning consent has already been granted for the development of the new Education and Rehearsal Centre at premises in Bear Gardens that have been occupied continuously by the Trust since Sam Wanamaker established a fund-raising base in the area and which are adjacent to the remains of the Rose Theatre. In addition, Southwark Council has approved proposals for the sale of the freehold of these premises to the Trust for its permanent educational and cultural use. We are grateful to the Council for continuing to support our work. Works on the main site have also been commissioned to create two bespoke education spaces and make essential improvements to the lecture theatre.

Peter Kyle

Chief Executive





An operating surplus of £247,000 (2005: £361,000) was reported for the 53 weeks to 7 October 2006 (2005: 52 weeks to 30 September) on consolidated income of £10,034 million (2005: £9.916 million).

Principal funding sources

A little over two-thirds of the Trust's recurring income derives from primary charitable purposes in the form of admission charges to the theatre and exhibition, together with fees for educational services. Secondary revenue is generated largely from visitor spending in the on-site shop and catering facilities. Facilities hire is the other main commercial trading income source. Sponsorships, corporate support and general donations, currently, make up less than ten per cent of the group's annual incoming resources.

Result for the year

The presentational requirements of FRS 25: 'Financial Instruments: presentation and disclosure' have been adopted for the first time in 2005/06. This has an immaterial impact on the operating result for the year, but means that some £3.3 million of preference shares issued by the Trust's trading subsidiary and previously shown as part of capital and reserves are now included as part of creditors (mainly falling due after more than one year) in the group balance sheet. Prior year comparatives are restated where applicable.

Consolidated operating income was up by 1.4% on the previous period, with: (1) a full year's benefit from the change to VAT exempt status, arising as a consequence of a group re-organisation carried out in May 2005, being reflected in theatre, exhibition and educational services income, and (2) improved cash flow and higher deposit interest rates over the period generating increased bank interest income. These favourable factors off-set a 4% decline in secondary trading receipts and made up for the non-recurrence of one-off legacy income of £765,000 reported as part of 2004/05 income.

The *Edges of Rome* theatre season achieved an average financial capacity of 75% (2005: 73%) over 219 performances, in repertory, of four Shakespeare plays: *Titus Andronicus*, *Coriolanus*, *The Comedy of Errors* and *Antony & Cleopatra* and 29 performances, in total, of two pieces of new writing for the Globe stage: *In Extremis* by Howard Brenton and *Under the Black Flag* by Simon Bent.

Paying visitors to the full guided theatre tour and permanent exhibition were 261,000 in the period, marginally up on 258,000 paying visitors in the previous period. However, admissions income from these visits was significantly short of budget, prompting a strategic review of the future positioning and investment needs of this part of the Trust's primary activities.

Globe Education continued to see strong demand for its established range of schools workshops, undergraduate courses and other public education events, while its community education programme enjoyed generous support from a variety of corporate supporters, grant-making trusts and foundations and individual donors.

Ancillary and non-charitable trading turnover fell 4% in the period from £2.147 million to £2.066 million, largely as a result of a decline in catering and hospitality income compared with the previous year. New catering and events management arrangements were introduced in January 2007.

Consolidated operating expenditure increased by a net 2.6% on the previous year, with the Trust's total staff costs increasing by 11%. A salary benchmarking review accounted for around a fifth of the year-on-year increase in staff costs, with another two-fifths or so being accounted for by increased Globe Theatre Company seasonal production staff and performer costs compared with 2005. An increase of some 5% in underlying facilities and support cost expenditure was off-set by the release of prior year provisions no longer required.

Capital expenditure amounted to £92,000 over the period (2005: £233,000). Subject to a major fund-raising campaign due to be launched in 2007, capital expenditure commitments are set to increase significantly in the medium term as the Trust's facilities development plans are progressed over 2007 and in subsequent years.

A medium-term £3 million bank loan which was taken out in 1999 to finance the development of the Underglobe, which houses a permanent exhibition and hosts corporate and other private hire events, was fully repaid in April 2006.

Total net assets of the group at the balance sheet date were £24.436 million (2005: £24.189 million) of which £23.261 million (2005: £24.414 million) is represented by tangible fixed assets, mainly comprising the Globe Theatre and associated visitor centre facilities.

Financial Management policies

The principal financial management policy during the year was to conserve long-term charitable funds and build up reserves in anticipation of future capital development plans and to provide a degree of operating risk cover, while ensuring adequate working capital is maintained to support the full range of the Trust's charitable activities.

Graeme Wallace

Chief Operating Officer
Shakespeare's Globe
19 March 2007

Auditor's Statement

We have examined the summarised financial statements of the Shakespeare Globe Trust for the 53 weeks ended 7 October 2006 which comprise the Summary Consolidated Income and Expenditure Account, the Summary Consolidated Balance Sheet and the Consolidated Cash Flow Statement which are contained within the charity's non-statutory Annual Review ('Annual Review'). The summarised financial statements are non-statutory accounts prepared for the purpose of inclusion in the Annual Review.

This statement is made, on terms that have been agreed with the charity, solely to the charity in order to meet the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice revised 2005. Our work has been undertaken so that we might state to the charity those matters we have agreed to state to it in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The board of trustees has accepted responsibility for the preparation of the summarised financial statements. Our responsibility is to report to the charity our opinion on the consistency of the summarised financial statements on pages 9 to 11 within the Annual Review with the statutory Annual Report and Accounts.

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

Basis of opinion

We conducted our work having regard to Bulletin 1999/6 The auditor's statement on the summary financial statement issued by the Auditing Practices Board. Our separate report on the charity's statutory Annual Report and Accounts for the 53 weeks ended 7 October 2006 describes the basis of our statutory audit opinion on those Accounts.

Opinion

In our opinion, the summarised financial statements set out on pages 9 to 11 are consistent with the statutory Annual Report and Accounts for the 53 weeks ended 7 October 2006.

We have not considered the effects of any events between the date on which we signed our report on the full statutory Annual Report and Accounts (22 January 2007) and the date of this statement.

KPMG LLP

Chartered Accountants
1 Forest Gate
Brighton Road
Crawley RH11 9PT
19 March 2007

Financial Summary

These summarised financial statements are extracted from the statutory annual Report and Accounts for the 53 weeks ended 7 October 2006. They may not contain sufficient information to allow for a full understanding of the financial affairs of the charity. For further information, the full annual accounts, the auditor's report on those accounts and the trustees' Annual Report should be consulted. Copies of these can be obtained from The Chief Operating Officer, Shakespeare's Globe, 21 New Globe Walk, Bankside, London SE1 9DT.

The annual accounts were approved on 22 January 2007 and have been delivered to the Charity Commission and the Registrar of companies. The accounts have been audited by a qualified auditor, KPMG LLP, which gave an audit opinion that was unqualified and did not include a statement required under section 237(2) and (3) of the Companies Act 1985.

Roger Parry

Chairman
For and on behalf of the Board of Trustees
19 March 2007

The Shakespeare Globe Trust – Summary consolidated income and expenditure account

	53 weeks to 7 October 2006	52 weeks to 30 September 2005 as restated
	£000	£000
Income		
Theatre & exhibition admissions, educational services & touring net income	7,104	6,055
Other trading receipts	2,046	2,229
Partnership funding, including donations & other gifts	732	737
One off legacy income	-	765
Bank interest receivable	152	111
Total operating income	10,034	9,897
Expenditure		
Personnel costs (including theatre performers and education practitioners)	4,605	4,162
Primary purpose charitable trading expenditure (non-staff related)	1,358	1,141
Other trading costs	851	860
Marketing and fund-raising	665	652
Facilities, property & other support costs	1,018	1,418
Governance	40	45
Net depreciation	1,244	1,223
Interest payable (including non-equity preference share dividend)	6	35
Total operating expenditure	9,787	9,536
Operating surplus	247	361

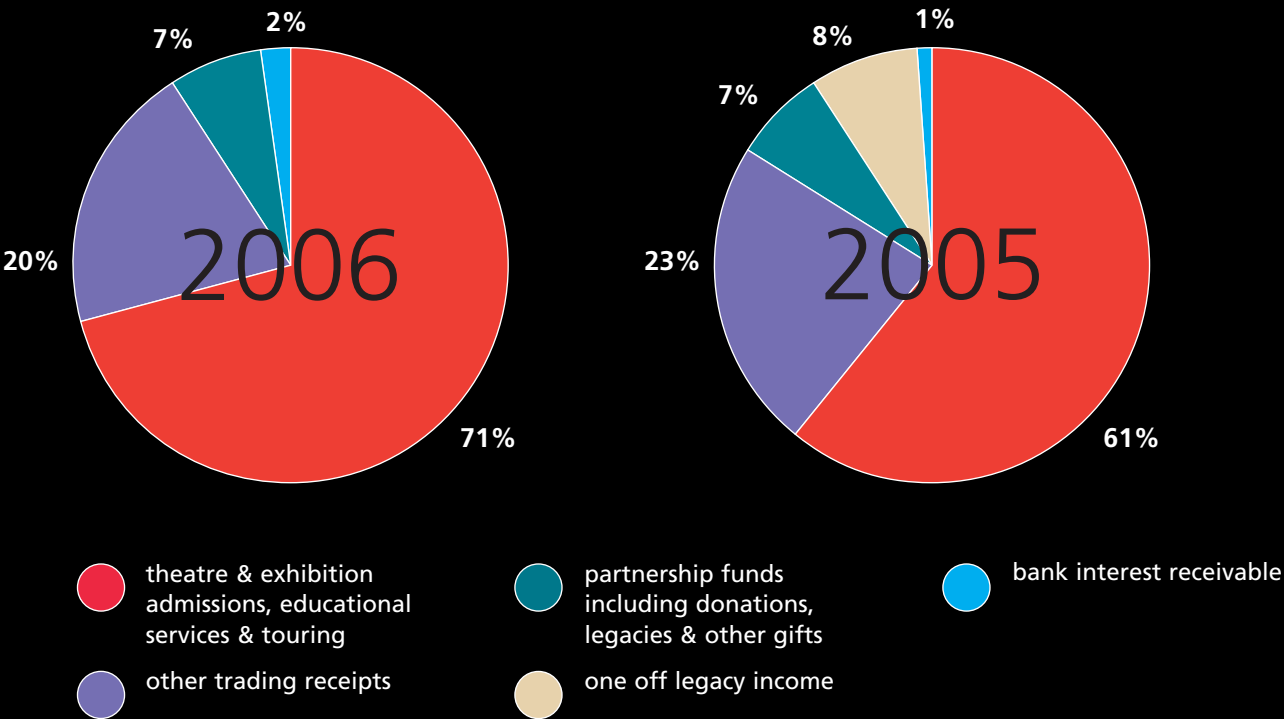
The Shakespeare Globe Trust – Summary consolidated balance sheet

	At 7 October 2006	At 30 September 2005 as restated
	£000	£000
Fixed assets	23,261	24,414
Current assets	6,011	5,701
Creditors: amounts due within one year	(1,071)	(2,121)
Net current assets	4,940	3,580
Total assets less current liabilities	28,201	27,994
Creditors: amounts due after more than one year	(3,765)	(3,805)
	24,436	24,189
Capital and reserves		
Accumulated funds		
Unrestricted	14,144	13,314
Restricted	10,247	10,869
	24,391	24,183
Capital redemption reserve	45	6
	24,436	24,189

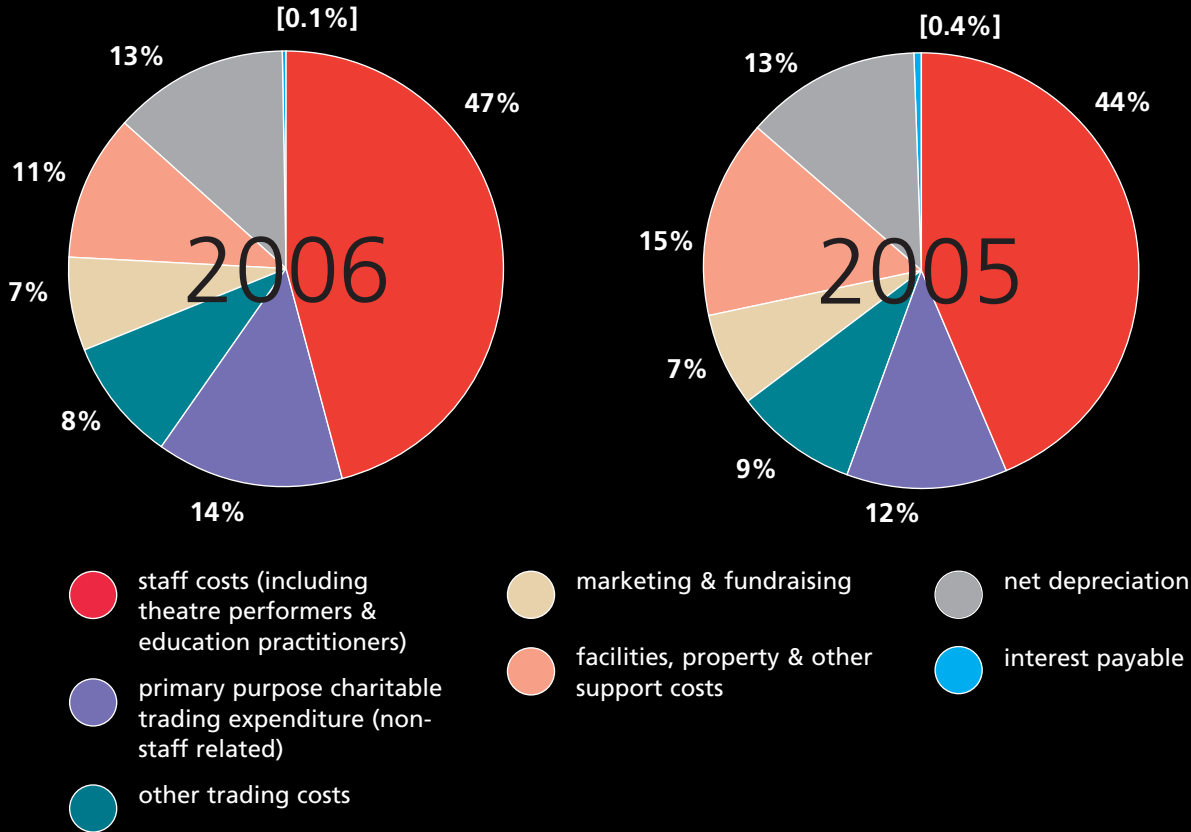
The Shakespeare Globe Trust – Summary consolidated cash flow statement

	53 weeks to 7 October 2006	52 weeks to 30 September 2005
	£000	£000
Net cash inflow from operating activities	1,230	1,118
Interest received	152	111
Interest paid	(6)	(35)
Purchase of tangible fixed assets	(92)	(233)
Net cash inflow before financing	1,284	961
Financing:		
Bank borrowings net of repayments	(375)	(500)
Increase in cash and cash equivalents	909	461

The Shakespeare Globe Trust operating income profile



The Shakespeare Globe Trust operating expenditure profile



Governance & Management

Patron

HRH the Prince Philip

Founder

Sam Wanamaker CBE

Honorary President

Zoë Wanamaker CBE

Trustees

Roger Parry	(Chairman)
Sir Michael Perry GBE	
Robert Brooke	(Deputy Chairman)
Bruce Carnegie-Brown	
Dr Diana Devlin	
Stephen Dingle	(Honorary Treasurer)
Robert Erith TD DL	
Andrew Fraser CMG	
The Rt. Hon. Lord Howell of Guildford	
Valerie Mitchell OBE	
David Pickard	
Sue Robertson	
Spencer Wigley	(Honorary Secretary)

Executive Committee

Chief Executive	Peter Kyle
Artistic Director	Dominic Dromgoole
Marketing Director	Andrew Macnair
Director of Development	Samir Savant
Director, Globe Education	Patrick Spottiswoode
Chief Operating Officer	Graeme Wallace

Council

Sir Michael Perry GBE (Chairman)
Lyn Williams (Convenor)
Sheila Allen
Gene Anderson
Merrick Baker-Bates CMG
Robert Banks
Keith Baxter
Linda Beaney
Henry Beltran
Lord Birkett of Ulverston
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Bill Bryden CBE
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Bruce Carnegie-Brown
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Joe Dowling
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Daniel Hahn
Jackie Haighton
Patrick Haighton
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Michael Hallifax
Rosemary Harris
Sue Harrison
Sandra Hepburn
John Hignett
Professor Frank Hildy
Valerie Hill-Archer
Anastasia Hille
Thelma Holt CBE
Polly Hope
Jeffrey Horowitz
The Rt. Hon. Lord Howell of Guildford
Lady Clare Howes
Iraj Ispahani
Graham Jackson
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Michael Kahn
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Fraser Keen
Ken Kelling
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Geoffrey King
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Joseph Marcell
Charles Marowitz
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Dr Gordon McMullan
Audre Mendel
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Yukio Ninagawa
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Professor Stanley Wells
Martin Westwood
Professor Martin White
John Whitney
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