



THE SHAKESPEARE GLOBE TRUST

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2013

The Shakespeare Globe Trust
(Limited by Guarantee)

Registered company number 1152238

Registered charity number 266916

Principal Office: 21 New Globe Walk, Bankside, London, SE1 9DT

PATRON

His Royal Highness
Prince Phillip
Duke of Edinburgh KG KT

HONORARY PRESIDENT

Zoe Wanamaker CBE

CHAIRMAN

Roger Parry (retired 25 March 2013)
Lord Falconer (from Jan 2013)

DEPUTY CHAIRMAN

Lord Bichard KCB

HONORARY TREASURER

Dr Martin Clarke (Honorary Treasurer
and Chair Audit Committee)

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Andrew Fraser CMG
Iraj Ispahani
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CHIEF EXECUTIVE

Neil Constable

EXECUTIVE COMMITTEE

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Artistic Director
Liz Fosbury,
Chief Finance and Operations Officer
Anthony Hewitt,
Development Director
Patrick Spottiswoode,
Director, Globe Education
Mark Sullivan,
Commercial Director

COMPANY SECRETARY

Liz Fosbury

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CHAIRMAN AND CHIEF EXECUTIVE STATEMENT

2013 was a year of huge industry and achievement at the Globe, with more people engaging with Shakespeare than anywhere else in the world.

An ambitious theatre programme of Shakespeare productions was complemented by a brilliant run of new plays, three new touring productions and the Globe appearing in the West End for the first time. Throughout the year, our education work achieved an unprecedented depth and diversity, and our Exhibition and Tour broke all attendance records.

Most excitingly of all, after years of scholarly debate and some tireless fundraising, we completed the construction of the Sam Wanamaker Playhouse in time for an audacious new season of Jacobean plays in 2014.

TRUSTEES' AND DIRECTORS' REPORT

OUR AIMS

Shakespeare's Globe exists to promote and improve the understanding and enjoyment of all aspects of the dramatic art; principally in relation to the works of Shakespeare in performance.

Inspired by Shakespeare and the Globe's theatres, our aim is to be the world's leading centre and organisation for the study and celebration of plays in performance.

The strategies employed to achieve our aims and objectives are to:

- Present a stimulating range of high quality theatre productions of around 260 performances each year at the Globe at relatively low and accessible ticket prices (including up to 600 £5 standing tickets for all performances); supplemented by digital productions of these performances and a touring programme of productions around the UK and abroad.
- Offer a wide range of educational programmes on-site, online and in the community, aimed variously at school students, undergraduates, scholars and the general public, covering all age groups and abilities, a significant element of which is free to students.
- Offer guided tours of the theatre and access to a permanent exhibition to visitors throughout the year.

The Globe uses visitor numbers and levels of demand for our educational courses, theatre performances and exhibition to gauge our success in delivering public benefit in relation to our primary charitable purposes and we invite feedback from all visitors, theatre-goers and students who participate in our educational programmes.

OUR ACHIEVEMENTS AND PERFORMANCE

Our organisational wide strategic objectives for the year as detailed in our five year business plan for the period 2012 to 2016, included the following:

- Enhancing the way in which the artistic, educational and interpretative offers are nurtured, as well as supporting their individual strengths and inter-relationships.
- Providing a long term self-sustainable future by maximising revenue opportunities (at home and abroad) and via rigorous control of costs and resources.
- Making the most of our iconic buildings and planning and prioritising the future maintenance and developments of the overall Globe Centre.

- Developing our national and international profile/reputation and ensuring that we make Shakespeare's Globe the location of choice to see and engage with Shakespeare (and our theatres).
- Developing, enabling and rewarding all those who work here to ensure they help deliver our vision.
- Exceeding the expectations of all those who engage with Shakespeare's Globe.

A summary of our achievements and performance for the year is set out below:

GLOBE THEATRE

– PROMOTING ARTISTIC AND LITERARY APPRECIATION

- A total of 283 performances were presented at the Globe Theatre from late April to mid-October and played to a total audience of 383,000 at an overall audience capacity of 87%.
- Our main scale Shakespeare productions – *The Tempest*, *A Midsummer Night's Dream* and *Macbeth* – played to 96% capacity, and enjoyed both great critical acclaim and a delighted response from audiences.
- Our touring Shakespeare productions – *Henry VI* three plays, *King Lear* and *Taming of the Shrew* – played 35 performances at the Globe to an audience capacity of 85%, plus 239 performances nationally and internationally at 50 venues attracted audiences of 67,000.
- Our *Globe to Globe* 2013, a continuation of our 2012 global festival, comprised four Shakespeare productions presented by international companies from South Africa, Georgia, Belarus and France.
- Our new writing commissions comprised three new productions; *Gabriel*, *Blue Stockings* and *The Lightning Child* – 39 performances played to an audience capacity of 71%.
- Over 42% of our audiences throughout the season enjoyed the £5 groundlings tickets, 88% of which were sold, thus ensuring that the Globe continues to play to a truly democratic and broad audience.
- Approximately 2,000 screenings of Globe productions were presented at cinemas around the world and played to an estimated audience of 55,000.
- A live streaming of the three *Henry VI* plays from the battlefields in Barnet was enjoyed by an estimated audience of 8,000.
- 83,000 theatregoers enjoyed our revived productions of *Twelfth Night* and *Richard III* for a limited run in the West End at the Apollo Theatre.
- Our films from previous years continued to sell well on DVD. A variety of digital platforms are now showing our work, including Digital Theatre. Eight productions from this season were filmed – *Macbeth*, *The Tempest*, *A Midsummer Night's Dream*, *Gabriel*, the three *Henry VI* plays and *King Lear*.
- Our digital engagement with our audience has growth significantly on the previous year; we now have 85,000 Facebook friends (up 180%), 66,000 Twitter followers (up 164%) and an e-mail membership of over 150,000 (up 26%).

GLOBE EDUCATION – LEARNING AND INSPIRATION FOR ALL

- Our principal learning workshop programme for school age children, Lively Action, attracted over 80,000 students aged 7–18 with 75% schools as repeat visits.
- As part of our commitment to our local community, *A Winter's Tale* was staged by over 150 Southwark secondary students as the annual *Our Theatre* production, we held our 'Children as Storytellers' project in five Southwark primary schools and we ran three Southwark Youth Theatres.
- Over 16,000 students from 128 London state schools received free tickets for the *Playing Shakespeare with Deutsche Bank's* production of *Romeo and Juliet* at the Globe, and we provided free continued professional development (CPD) training to 88 participating teachers to support this learning.
- As part of our commitment to teacher training, summer courses were attended by 120 teachers from the USA, New Zealand and Germany were run in association with UC Davis and from across the USA in association with the ESU (USA) and the second bi-annual summer course for New Zealand teachers ran alongside the annual summer school for New Zealand students.
- 999 undergraduate and graduate students participated in Higher Education courses this past year, and the BFA acting majors from Rutgers University, New York spent their entire third year of study at Shakespeare's Globe.
- The 2013 Sam Wanamaker Festival attracted students from every accredited drama school in the UK and participation from students from Qatar as part of the UK/Qatar Year of Culture.
- Research work during the year included two research projects (Entertainment in Performance and Original Practices Music at the Globe); our researchers published seven articles, one book, one set of programme notes and ten blogs; we took on one new PhD student, co-supervised by King's College London, and welcomed 357 readers/ researchers to our library and archives. Research activity also supported the architects of the Sam Wanamaker Playhouse.
- A series of seminars and lectures on indoor playhouse practice was held in the Autumn and we co-organised with Prof. David Lindley a major international conference on 'Shakespeare, Music and Performance'.
- We launched a new series of lectures called 'These are the Youths that Thunder at the Playhouse' providing a public platform for the work of emerging scholars.
- 8,558 members of the public attended our Globe Education Events – a 45% increase on the previous year.
- Our commitment to public events included nine 'Read Not Dead' play readings held at the Globe, in addition to touring events at Glastonbury and the Wildemess festival. We launched Sackler Story Days, engaging over 200 families, and a new story telling event, Muse of Fire, attracted 1,200 people.
- iBook versions of Globe Education Shakespeare editions were published and have sold very well.
- Our digital Education offering continues to grow, page views of 1,088,000 were up 20% on the previous year. We were awarded 'best in class' in an international award for the Playing Shakespeare website at the Interactive Media Awards. 'Globe Playground', our digital offer targeted at 5 to 11 year olds, achieved 31,000 page views since its launch in July. 'Adopt An Actor' attracted 166,000 page views, a 140% increase on the previous year.

GLOBE EXHIBITION AND THEATRE TOURS – PROMOTING AN APPRECIATION OF HISTORY AND LITERATURE

- We welcomed a record number of 352,000 visitors on the Exhibition & Tour. This exceptional performance is down to a combination of factors including a very vibrant overall London visitor economy which has benefited hugely from the Olympic Games legacy in 2012, exceptionally good weather over the July/August 2013 period and improved marketing activity designed to drive both domestic and overseas Exhibition & Tour visitors.
- As a supplement to the Exhibition we run an extensive programme of live demonstrations and activities designed to augment the visitor experience and provide additional educational value. During the year we presented 2,064 dressing, swordplay and printing press demonstrations.
- To supplement the core Exhibition and demonstration programme we have presented a number of small temporary exhibitions including:
 - o A continuation of our Festival in Focus photographic exhibition featuring stunning reportage and performance images from our 2012 *Globe to Globe* festival.
 - o A new display on the development of the Sam Wanamaker Playhouse project which provides visitors with an insight to the research and development process for constructing our new indoor theatre which opened in January 2014.
 - o A display called 'To Tell My Story': a history of performance by Black and Asian actors who have played a major part in shaping our relationship with Shakespeare's plays, which is part of a three-year research and outreach project at Warwick University, led by Professor Tony Howard. This also included specially-recorded additional information for our audioguide.
 - o Loans of clothes and other items to London Metropolitan Archives to supplement their own collection for their temporary free exhibition 'Shakespeare and London'.
- A considerable amount of work has already been completed in the development of a new guided tour for the indoor Sam Wanamaker Playhouse; further development work is currently on-going and we intend conducting the first tour into the indoor playhouse in March/April 2014 or possibly earlier.

MAKING THE MOST OF OUR ICONIC BUILDINGS

- Significant progress was made during the year to realise Sam Wanamaker's vision to create an indoor Jacobean theatre – the Sam Wanamaker Playhouse – alongside the outdoor Globe theatre. Following authentic designs and craftsmanship of the period, the Playhouse will inspire a uniquely intimate and intense theatre experience. In addition to the Playhouse, an extensive redevelopment of the foyer spaces had been planned and designed, to enhance the on-site experience for visitors. Virtus, the principal contractor, started work on this project at the beginning of November 2012. The foyer element of the project was successfully completed on time and budget and opened to the public in April 2013, in time for the start of our summer Theatre Season. Practical completion in respect of the Sam Wanamaker Playhouse was achieved on 15 November 2013, just after the end of this financial period, and The Playhouse was officially opened on 19 November 2013 by our Royal Patron, His Royal Highness the Duke of Edinburgh. This project was delivered to within 8% of its original budget target, additional costs being agreed due to enhancements to the project brief.
- As part of the main foyer re-modelling we have introduced a new Foyer Café Bar, new visitor signage and way-finding system as well as new electronic signage and promotional facilities; these facilities have been very well received by visitors and provide us with greatly increased flexibility to promote the wide range of programmes and facilities the Globe has to offer.

- Plans to acquire on long leasehold some accommodation immediately adjacent to our Sackler Studios, to provide a public café space and a well-proportioned education workshop, progressed during the year. The acquisition of this lease should be completed by the end of February 2014, it is anticipated that this additional space will come into use by September 2015.

PLANS FOR NEXT YEAR

GLOBE THEATRE

To realise Sam Wanamaker's vision of a year round theatre operation, two theatres presenting work summer and winter: The new Sam Wanamaker Playhouse presented its first public performances from 9 January 2014.

To draw together two momentous anniversaries: the 450th anniversary of Shakespeare's birth and the centenary of the First World War, in our 2014 Globe Theatre Summer season.

To continue to extend our reach via our touring programme and via digital means.

Specifically we intend to:

- Offer fresh productions of great plays within the new Playhouse. The inaugural season will comprise: **The Duchess of Malfi**, written by John Webster and directed by Dominic Dromgoole; **The Knight of the Burning Pestle**, written by Francis Beaumont, Cavalli's *L'Ormindo*, a co-production with the Royal Opera House, and **The Malcontent**, written by John Marston and performed by the Globe Young Players.
- Present a series of other kinds of performances in The Playhouse; including Eileen Atkins reincarnating Ellen Terry reincarnating Shakespeare's women; to Trevor Pinnock, the master of Baroque music; to John Williams, the Grammy Award winning guitarist; to the punk comedy of Rubberbandits.
- Establish the Globe Young Players, a new company of talented 12 to 16 year olds specially selected and trained by the Globe's resident experts in the craft and performance of early modern drama; their first production will be **The Malcontent**, first performed in the Blackfriars playhouse by the Children of the Chapel.
- Present our 2014 Globe Theatre Season which will include new productions of Shakespeare's **Antony & Cleopatra**, **Julius Caesar** directed by Dominic Dromgoole, **The Comedy of Errors** directed by Blanche McIntyre, and a revisiting of Lucy Bailey's 2006 production of **Titus Andronicus**.
- Present four new commissions as part of The Globe Theatre Season: **Doctor Scroggy's War** by Howard Brenton, **Holy Warriors** by David Eldridge, Simon Armitage's **The Last Days of Troy** and Richard Bean's **Pitcairn**.
 - o Launch our two year global tour of **Hamlet** touring every country in the world and tour a revival of this year's **King Lear**, a mid-scale reworking of Dominic Dromgoole's 2013 **A Midsummer Night's Dream** and **Much Ado About Nothing**.
 - o Continue our international Globe to Globe programme: Deafinitely Theatre will return to stage **A Midsummer Night's Dream** in British Sign Language and Theatre Arpana will present **All's Well That Ends Well** in Gujarati. Rakatá will stage Lope de Vega's classic **Punishment Without Revenge** in Spanish.

GLOBE EDUCATION

To continue to extend the reach and impact of our Education work for students, teachers and the general public, with particular consideration to digital means.

Specifically we intend to:

- Review and develop our existing education work, including adapting our programmes to help teachers meet the challenges of the new National Curriculum and developing Continued Professional Development (CPD) courses to offer nationally for teachers.
- Provide opportunities for undergraduate and graduate students from a wider network of UK universities; to include piloting on-line courses with higher educational institutions and to develop Globe Education certificated courses.
- Present **The Merchant of Venice** *Playing Shakespeare with Deutsche Bank* production to 15,000 school children, with an additional week to be supported by ticket sales targeted at schools.
- Develop outreach Education programmes to support growth to activity beyond current space constraints on-site.
- Develop an Education season exploring 'Shakespeare: Playing Indoors' to examine indoor theatre playing conditions and their influence on plays and playing.
- Plan education events to complement the theatre seasons.
- Continue to develop digital resources to introduce children to the Globe and to Shakespeare and to support the teaching of the plays in schools in the English speaking world.
- Extend the streaming of educational events for the public and to make some lectures accessible from our website.
- Continue to develop the digital learning platform for Globe Education Shakespeare Editions.
- Seek alternative sources of funding to enable us to continue with externally funded education projects.

EXHIBITION AND TOUR

- To launch the new guided tour of the Sam Wanamaker Playhouse.
- To continue our programme of small temporary exhibitions with:
 - o An exhibition by Tom De Freston, examining the artist's engagement with tragedy in literature.
 - o An exhibition of etchings by Graham Clarke, including his series 'The Life and Times of Mr William Shakespeare'.
 - o An exhibition of contemporary interpretations of Shakespeare's characters in oil paintings by John Link.
 - o A temporary display of a painting by Ronnie Copas loaned from Robert Pennant Jones, 'The Poet and the Painter', depicting scenes from 37 Shakespeare plays.
- To expand the Exhibition audioguide content by supplementing our foreign-language provision with versions in Russian and Mandarin; and the content for all eight languages will be amended to include up-to-date information about the development and use of the Sam Wanamaker Playhouse. And to develop and launch a new audio-guide designed specifically for our younger visitors; we hope to launch this new service in the second quarter of 2014.
- To continue to develop the themes and topics for the new Exhibition working with a number of different partners and cultural organisations and to continue to pursue a range of funding options to support this.

MAKING THE MOST OF OUR ICONIC BUILDINGS

- To start the process to fulfil the final element of Sam Wanamaker's original vision for the Globe, to provide an extensive Library facility on site. We intend to undertake a feasibility and scoping study for the development of the 'West Block' of the Globe estate, to include a new Exhibition and a fit for purpose Library, which will fit into our overall master planning programme. Architects Allies and Morrison have been commissioned to undertake this study, which will include a detailed brief for each of the major components of the project; in addition to those functions referred to above, consideration will be given to event space, workshop studios, theatre workshops and additional retail and catering facilities.
- To develop a funding strategy for the West Block development project.
- To identify and secure suitable additional space to enable us to develop and grow our education programmes and provide sufficient office accommodation to support the continued growth to our activities.

PUBLIC BENEFIT

Children, students and other members of the general public benefit from the activities of the Globe.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. The Globe receives no direct annual government funding and relies on grants and donations, the income from fees and charges in respect of its charitable activities and from its ancillary and non-charitable trading activities to cover its operating costs and to provide the necessary investment for future development.

The Globe's pricing policy reflects its strategy of enabling all members of the public, whatever their means, to attend our theatre and take part in our educational activities. In setting the level of fees and charges, the Trustees give careful consideration to the accessibility of our educational services and theatrical performances for those on low incomes. The Globe makes available up to 600 standing tickets at £5 for every theatre performance, held at this price since the theatre opened 16 years ago. 186,000 £5 tickets were available for our main 2013 Theatre Season, which represented 42% of all available tickets. Our annual production of a Shakespeare play aimed specifically at 12 to 16 year olds is provided free of charge to 14,000 young people, due to the generous support of Deutsche Bank. Certain public education events are free, as are most of the education services delivered to schools in Southwark. Web based resources for schools are also made available at no charge. Full price adult entry to the Exhibition and Tour is £13.50; with concessions available to students, seniors, children and families.

FINANCIAL REVIEW

The Globe's activities continued to grow, and we achieved a surplus of £3,699,000 (2012: £3,166,000). Total incoming resources for the year were £21,662,000 (2012: £20,423,000), an increase of 6% (£1,239,000) on the previous year. This increase is mainly attributable to higher incoming resources from charitable activities of £865,000 (7%) and higher ancillary and other trading income of £332,000 (11%).

We enjoyed our fourth year of exceptional box office sales, achieving average audience attendance levels across the Theatre Season of 87%; our three main scale Shakespeare plays achieving average attendance levels of 96%, in line with the main season in the previous year. We continued to enjoy high demand for our educational services and our exhibition/tour offering attracted 16% more visitors than the previous year.

The results of Shakespeare Globe Trading Limited (SGTL), the Globe's trading subsidiary, are summarised at note six to the consolidated financial statements and show a net surplus of £1,727,000 (2012: £1,228,000) before a gift aid payment of £1,750,000 (2012: £1,250,000) to the Globe.

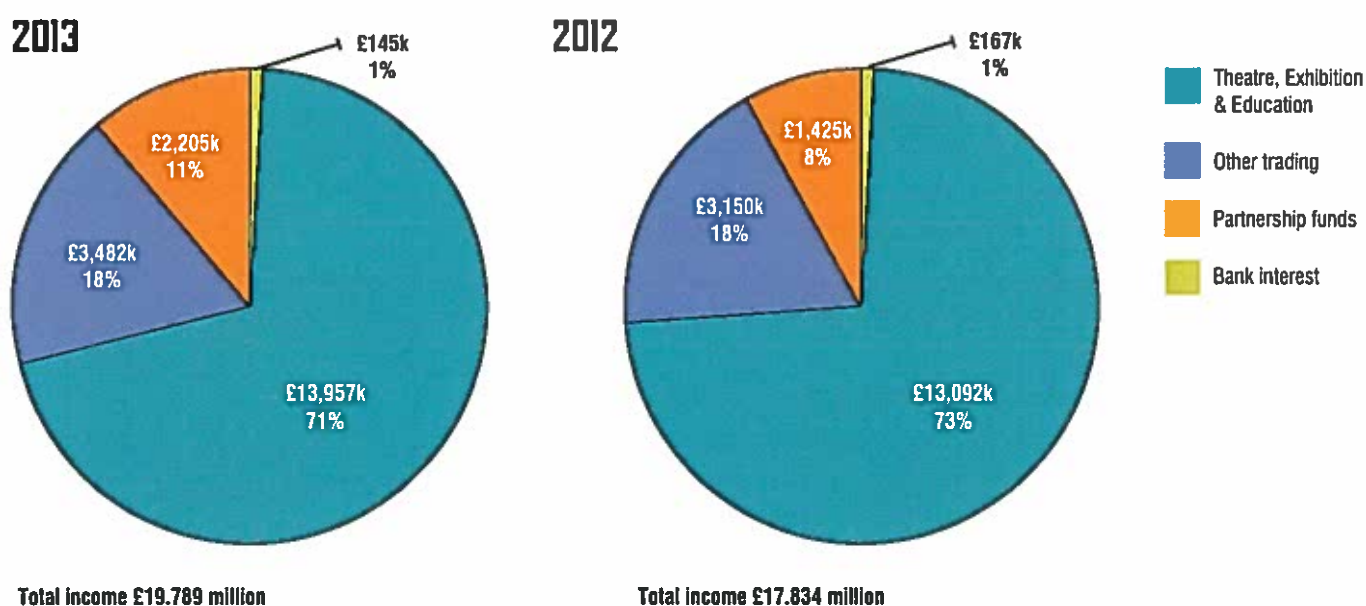
The total balance carried forward on the Globe's consolidated unrestricted and restricted income funds at the end of the year was £40,241,000 (2012: £36,542,000).

Consolidated unrestricted funds at the end of the year amounted to £8,156,000 (2012: £7,295,000); which included designated funds of £6,137,000 (2012: £5,450,000).

INCOMING RESOURCES

Around three quarters of the Globe's incoming resources derive from primary 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, catering and facilities hire. Recurring annual sponsorships, corporate support and general donations make up less than ten per cent of the group's annual incoming resources.

A summary of incoming resources, excluding capital funds, is set out below:



Income from **charitable activities** totalled £13,957,000, an increase of £865,000 (7%) on the previous year.

Total **Theatre** income was £9,530,000 (2012: £9,271,000), an increase of 3% on the previous year. A total of 283 (2012: 295) performances were presented at the Globe Theatre. Box office income in respect of these theatre performances amounted to £7.2 million (2012: £7.2 million); it was an exceptionally successful season for the fourth year running with overall attendance of just over 383,000 paid theatre goers at 87% occupancy (2012: 96% occupancy for the main Theatre Season and 66% occupancy for the international Globe to Globe festival in support of the 2012 Cultural Olympiad). The balance of theatre income is made up of programme sales and performance related merchandise income, touring box office income (which achieved a 22% growth in sales on the previous year), other events, filming income and funds from the Arts Council to support filming of £172,000 (2012: £246,000).

Education fees raised were £1,604,000 (2012: £1,479,000) an increase of 8% on the previous year. This reflects both a growth to activity and an increase in attendance capacity at courses and events.

The **Exhibition & Tour** generated attendance levels for the year of 352,000 paying visitors (2012: 301,000) and income of £2,823,000 (2012: £2,342,000), showing growth to income of 21% on the previous year. This strong growth in visitor numbers is felt to be largely due to the vibrant overall London visitor economy which benefited hugely from the Olympic Games legacy in 2012.

The Globe receives no direct annual government subsidy for our core artistic and educational work. Therefore we rely on our family of supporters for all **Fundraising** income.

Total funds raised amounted to £4,078,000 (2012: £4,014,000), of which £1,859,000 (2012: £2,573,000) related to the Capital Campaign for the Sam Wanamaker Playhouse.

Income from Friends subscriptions, individual donations and general unrestricted donations from Trusts amounted to £1,726,000 (2012: £1,129,000), core unrestricted donations are consistent year on year, the increase on the previous year being due to legacy income received in 2013 of £876,000 compared to a one off donation in the previous year of £500,000.

Funds received in support of our **Education** work totalled £257,000 (2012: £162,000). Of this £221,000, in addition to £97,000 of funding received in the previous year, was used to support education projects during the year; the balance of £36,000 relating to projects to be carried out in 2014. This includes a donation of £62,000 from Deutsche Bank, for the *Playing Shakespeare with Deutsche Bank* project. This represents a proportion of their total contribution of £301,000, the balance of which is reported under trading and other income. Deutsche Bank confirmed their support of this flagship education project for a further three years.

Fundraising for the new Sam Wanamaker Playhouse achieved its targets during the year and has enabled the project to be completed without government support. A number of gifts from Trusts and Foundations have been received in support of this project, the name a seat campaign resulted in the sale of all available seats by the official opening of the Playhouse on 19th November 2013 and we held a very successful fundraising gala; all these factors contributed to the achievement of the fundraising target of £7.5 million within the financial year.

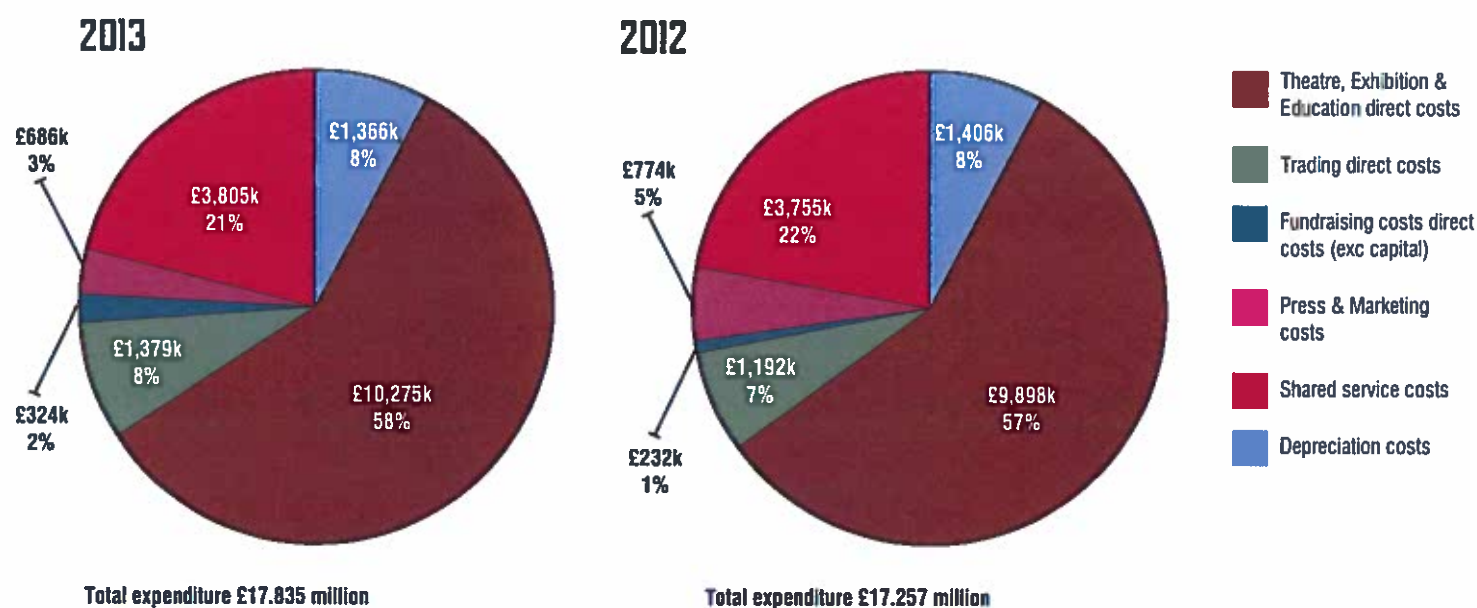
Trading and other income Trading operations, including public and events catering, hire of facilities and provision of corporate and private event management services, merchandise sales and publications and music recordings, are carried out by the Globe's wholly owned subsidiary, Shakespeare Globe Trading Limited (SGTL).

SGTL achieved a turnover of £3,482,000 (2012: £2,792,000) for the year representing an improvement of just under 25% on the previous year, as a result of growth to our retail and catering activities. The surplus of £1,727,000 (2012: £1,228,000) showed 41% growth on the previous year, due to the higher turnover and a reduction to cost of sales.

RESOURCES EXPENDED

Total **resources expended** amounted to £17,963,000 (2012: £17,257,000), an increase of 4% on the previous year.

A summary of expenditure, excluding capital fundraising costs, is set out below:



Expenditure on **charitable activities** totalled £14,831,000, an increase of £797,000 (6%).

Theatre costs totalled £9,202,000 (2012: £8,923,000), an increase of 3% on the previous year, in line with the growth to income also at 3%.

Education costs amounted to £3,082,000 (2012: £2,781,000), an increase of 11% reflecting an increase to direct costs as a result of higher activity levels.

Exhibition costs were 9% higher than the previous year at £2,547,000 (2012: £2,330,000), less than the growth to income of 21%, but reflecting higher direct staff costs to support this growth.

Fundraising The costs of generating voluntary income totalled £699,000 (2012: £463,000), an increase of 51% on the previous year. This reflects an increase to staff resource and donor cultivation activities to support our capital campaign, and includes 100% of the Sam Wanamaker Playhouse Capital Campaign costs, successfully achieved during the period.

Ancillary and non-trading expenses amounted to £1,785,000 (2012: £1,652,000), an increase of 8% on the previous year and reflective of the increase to activity levels.

Shared services costs totalled £3,805,000 (2012: £3,756,000), an increase of just over 1% on the previous year. Shared services costs cover expenditure on the management and maintenance of the building, including insurance and utility costs, finance, personnel and IT. The increase on the previous year relates mainly to inflationary cost pressures.

Capital expenditure amounted to £6,833,000 during the year (2012: £2,087,000). Of this £2,804,000 relates to the re-modelled foyer which was opened in April 2013, and £3,667,000 was expended on the construction of the new Sam Wanamaker Playhouse. Approximately £200,000 was spent on other improvements to our building and its fixtures and fittings, including the refurbishment of all toilets in our catering block, a replacement lift to service our catering facilities and the fit out of the two new public bars in the foyer. The balance of capital expenditure of just over £160,000 relates to improvements to our technical support facilities and IT infrastructure and hardware.

A significant contribution was made from **volunteers** to enable the Globe to carry out its activities, mostly in the form of a growing pool of over 500 enthusiastic and dedicated volunteer stewards who provided essential house management support throughout the theatre season and at other public events from time to time.

Other volunteers worked on the donations/Friends' desk in the foyer, helping with our fundraising efforts by accepting donations from tour groups and other visitors to the Globe all year round.

No monetary amount has been included in the Globe's voluntary income for the period to reflect the value of the 'in kind' support provided by the Globe's volunteers. The 'in kind' contribution from volunteer theatre stewards, many of whom are also members of the Friends' scheme, exceeded 48,000 hours over the year, at an estimated value in excess of £300,000.

RESERVES POLICY

The Globe has reviewed its policy during the year and has determined to maintain its unrestricted charitable reserves in the following manner:

- A minimum level of liquid reserves of £1.8 million to be held by way of operating contingency at all times to enable the Globe to continue operating in the event of a fall in trading or fundraising revenue; the intention is to increase this to £3 million over the next 12 years to provide an operating contingency equivalent to three months of operating expenditure.

The Globe's consolidated unrestricted and otherwise undesignated reserves as at 31 October 2013 of £2 million meet the needs of this policy.

In addition to the unrestricted reserves held for the purposes detailed above the Globe has designated a reserve of £6,137,000 from its own cash resources for the following purposes:

- A £1 million long term facilities estate maintenance and renewal fund.

- A short to medium term building maintenance and renewal fund of £1,248,000, of which £350,000 is planned to be spent in 2014.
- £2.3 million towards the funding of its Capital Campaign for the Sam Wanamaker Playhouse and West Block development.
- An artistic contingency fund of £450,000.
- £1,165,000 related to capital and other one off expenditure planned in 2014.

A table showing the movement of designated reserves over the period is set out below.

Designated Reserves	Brought forward at 1/11/12	Funds utilised during the year	Designations during the year	Carried forward at 31/10/13
	£000s	£000s	£000s	£000s
Long term facilities estate maintenance and renewal fund	1,000	0	0	1000
Short to medium term estate maintenance and renewal fund	900	(202)	550	1,248
Capital Campaign	2,400	(2,176)	2,050	2,274
Artistic contingency fund	450	0	0	450
Capital and other one off expenditure planned in next 12 months	700	(677)	1,142	1,165
Total Designated Reserves	5,450	(3,055)	3,742	6,137

Trustees are satisfied that sufficient reserves are held to meet the Globe's requirements and to maintain them at this level for the time being. The reserves policy is subject to regular review to ensure that the retained reserves meet the long term needs of the organisation on an on-going basis.

INVESTMENT POLICY

In accordance with the Globe's **investment policy** it does not hold any investments other than in the form of bank deposit accounts. With regard to these, the primary objective is capital protection, the secondary objective to maximise interest income. The investment policy is subject to regular review to ensure it meets the needs of the organisation on an on-going basis.

STRATEGIC REPORT

REVIEW OF THE BUSINESS AND ANALYSIS OF ITS PERFORMANCE

A detailed review of performance during the period is set out on pages 4 to 8 and under the financial review on pages 10 to 14 of the Trustees report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Globe faces the following principal risks and challenges:

- balancing the artistic and educational objectives of the Globe with commercial considerations necessary to ensure continued financial viability in the absence of any government subsidy and in the current economic climate;
- ensuring sufficient annual surpluses are generated from primary and secondary trading to allow for the maintenance and renewal of existing facilities and operating assets of the Centre;
- our ability to raise the capital funds required to develop and enhance our operating facilities, and in particular the development of the West Block to include a new Library, Research and Archive Centre.
- finding space and funding to develop our education work;
- developing a Master Plan for our buildings to properly support our charitable activities whilst also maximising our commercial potential to provide the necessary support to such activities.

RISK MANAGEMENT

The Trustees are responsible for ensuring the Globe has effective risk management and control systems in place. The board reviews significant risks and ensures reasonable measures have been taken to manage risks. Senior management has responsibility for managing resources, monitoring performance and establishing and maintaining effective internal control systems. The system of internal control and risk management is designed to:

- identify and prioritise strategic and operational risks to the achievement of the Globe's aims and objectives;
- evaluate the likelihood of those risks being realised and their potential impact; and
- manage these risks efficiently, effectively and economically

The Trustees are satisfied that appropriate internal control systems and risk management processes are in place. They consider the following framework provides the Globe with adequate measures to reduce the impact of identified risks:

- Senior management reviews key strategic and operational risks on a regular basis. They consider progress on mitigating actions, new and emerging risks, and opportunities.
- The Audit Committee reviews risks and internal controls on a regular basis
- The Board reviews the Globe's highest rated risks, together with action taken or proposed to manage such risks, at each Board meeting.

The system is designed to manage rather than to eliminate the risks faced by the Globe and it must be recognised that such a system can provide only reasonable and not absolute assurance.

STRUCTURE AND GOVERNANCE

LEGAL STATUS

The Shakespeare Globe Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 18 December 1973 and most recently amended 20 May 2009.

Ancillary and non-charitable trading activities in support of the Globe's primary aims are carried on by the Globe's subsidiary undertaking, Shakespeare Globe Trading Limited ("SGTL"). SGTL pays its annual taxable surplus to the Globe under Gift Aid legislation.

The Trust also uses the name Shakespeare's Globe and the Globe for its charitable and other trading activities.

TRUSTEES AND DIRECTORS

The trustees, who act as directors for the purposes of the Companies Acts, are elected by the Board.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Recruitment and appointment of new Trustees is handled by a Nomination Committee which reports to the Board. This committee considers and makes recommendations to the Board in accordance with guidelines agreed by the Board aimed at ensuring that an appropriate mix of skills, experience, background and diversity relevant to the full scope of the Globe's activities is in place on the Board and its committees. The Chairman reviews with each Trustee his/her role and contribution when such Trustee is due for re-appointment, usually at three year intervals and the Chairman receives feedback on his own position annually.

Trustees usually serve for three terms of three years, extendable only in exceptional circumstances. The Chairman, Deputy Chairman, Honorary Treasurer and Honorary Secretary serve for two terms of three years, again extendable only in exceptional circumstances.

Mr Andrew Fraser, Mr David Pickard and Ms Valerie Mitchell, having served three terms, will retire from the Board at the end of the forthcoming Annual Retirements Meeting on 24 March 2014.

POLICIES AND PROCEDURES FOR TRUSTEE INDUCTION AND TRAINING

Trustee induction and training needs are reviewed on a case by case basis by the Nomination Committee. When first appointed, Trustees receive an induction pack and are briefed by the Chairman, Chief Executive and Executive Committee members, as well as the opportunity to tour the Globe site and see its activities.

THE BOARD AND ITS COMMITTEES

The Trustees, as a Board, recognise that they are responsible for the good standing of the Globe, the safe management of its assets, and the approval of strategy for its future development and all key policy decisions. The Trustees meet on a formal basis at least six times a year to carry out such responsibilities.

The following committees have formally reported and/or provided support to the Trustees in directing the affairs of the Globe during the period.

Chairman's Committee

The Committee's function is to oversee the business of the Globe between meetings of the Board in accordance with the principles, policies and the specific decisions and instructions of the Board. All major decisions, particularly in the financial area, are reserved to the Board. The Committee is chaired by the Chairman of the Board and also includes the Deputy Chairman and other Trustees according to the requirements of the Chairman from time to time.

Nomination Committee

The purpose of the Committee is to: (i) review regularly the size, structure and composition of the Board and Board committees; (ii) identify and nominate candidates for the Board and Board committees, having regard to the Globe's need for the requisite blend of skills, expertise and diversity as well as to fill vacancies and have regard to succession; (iii) put forward candidates to the Board for approval. The Committee is chaired by a Trustee and also includes two other members of the Board.

Remuneration Committee

The purpose of the Committee is to consider remuneration strategy, policies, structure and other issues and matters, particularly with respect to the Executive Committee and senior staff, and advise the Board accordingly. The Committee is chaired by a Trustee and includes three other members of the Board.

Capital Campaign Executive Committee

The function of this Committee is to assist the Trustees in developing funding opportunities and fund-raising strategies and policies for the Globe and to assist in their implementation.

The Capital Campaign Executive Committee is chaired by a Trustee and includes advisers and other Trustees appointed by the Board. There is also an independent Shakespeare's Globe Centre USA Board that supports fundraising activities in the US.

Audit Committee

The Audit Committee has overall responsibility to ensure that the organisation has robust internal controls in place, that these controls are working effectively at all times and are regularly reviewed to reflect changing business conditions.

The Committee's function is: (i) to review the financial management of the Globe and its subsidiary company in a way that enables the Committee to satisfy the Trustees that there are appropriate mechanisms in place to secure the proper reporting of financial performance and (ii) to assist the Board in its observance of its responsibility to ensure that the Globe's published financial statements represent a true and fair reflection of that performance. The Committee also reviews the Risk Analysis and Governance procedures and practice.

The Committee is chaired by the Honorary Treasurer and also includes three other members of the Board. The company's external auditors and the Chief Executive and Chief Financial and Operations Officer normally attend meetings of the Committee by invitation.

The Shakespeare Globe Council

The purpose of the Council, made up of 130 members comprising all Trustees and former Trustees as well as a wider group of friends and supporters, is to serve as an advisory and support group for the Trustees with respect to the overall artistic, educational and exhibition strategies and activities of the Globe. The Council is chaired by the Chairman of the Board. Working groups are formed from its number to advise on the Theatre, Education, International and other activities.

International Relations Committee

Not a formal Committee of the Board, the International Relations Committee liaises with the international Globe Centres and other international partners on their development regarding matters relating to Shakespeare.

DAY TO DAY MANAGEMENT

Executive Committee

Not a formal Committee of the Board, this Committee's function is the formulation of strategy and policy for Board approval, and the effective day to day operation, management and administration of Globe's activities in accordance with the general strategy, principles and policy approved by the Board. The Committee is chaired by the Chief Executive and also includes the senior executive officers of the company.

TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees (who are the directors for the purposes of company law) to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the group and charity financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and charity and of the profit or loss 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;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Financial statements are published on the charitable company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the group's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the on-going integrity of the financial statements contained therein.

INFORMATION TO AUDITORS

The Trustees who held office at the date of approval of this Trustees' report confirm, so far as they are aware, that there is no relevant audit information of which the company'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 company's auditors are aware of that information.

CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Trustees declare any actual or potential conflicts of interest and these are recorded. A declaration is made annually in accordance with the Conflicts Policy adopted by the board on 7 December 2009 and the item is on the agenda of each board meeting. No Trustee was materially interested in any contract or matter of significance to the Globe's business during the period or subsequently; immaterial interests are detailed at Note 26 on page 37. The Trustees received no remuneration or benefits for their contribution to the charity, with the exception of the Chief Executive of the Globe who received a salary in respect of his position as Chief Executive and was reimbursed for expenses wholly and necessarily incurred on behalf of the Globe.

EMPLOYMENT OF DISABLED PERSONS AND DISABILITY AWARENESS POLICY

The Globe considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Globe continues. The Globe's policy is to provide training, career development and opportunities for promotion which are, as far as possible, 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 procedures and policies to ensure that equality of access to the Globe's facilities and services is offered to all persons, in accordance with the requirements of disability legislation, and in furtherance of the Globe's charitable aims to be accessible, open and welcoming to persons from all sections of society.

STAFF CONSULTATION

The Globe recognises the benefits of good communication, at all levels, between management and staff in promoting the effective pursuit of its charitable aims. Active staff involvement is facilitated through periodic meetings with the Executive Committee and through regular briefings from senior management. Operational managers meet monthly to review operational performance, exchange information about departmental priorities and participate in the development of the strategic plan.

AUDITORS

The auditors, BDO LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Board (Trustees') Meeting on 27 January 2014 in accordance with section 485 of the Companies Act 2006.



Charles Falconer
Chairman



Phillip Kirkpatrick
Director

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE SHAKESPEARE GLOBE TRUST

We have audited the financial statements of The Shakespeare Globe Trust for the year ended 31 October 2013 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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 and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 October 2013, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Don Bawtree Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 3 July 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Year ended 31 October 2013

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

					Year end 31/10/12
Incoming Resources	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£000	£000	£000	£000
Incoming resources from generated funds:					
– Voluntary income					
Donations and other fundraising income	2	1,813	2,265	4,078	4,014
– Activities for generating funds					
Ancillary and other non-charitable trading income	3	3,482	–	3,482	3,150
– Investment income					
Interest receivable	4	131	14	145	167
Incoming resources from charitable activities					
– Theatre, exhibition and education income	5	13,785	172	13,957	13,092
Total incoming resources		19,211	2,451	21,662	20,423

Resources Expended	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£000	£000	£000	£000
Cost of generating funds:					
– Costs of generating voluntary income	7	311	388	699	463
– Ancillary and non-charitable trading expenses	7	1,786	–	1,786	1,652
Charitable activities					
– Theatre, exhibition and education expenses	7	14,193	638	14,831	14,034
Preservation of the Globe Theatre	7,19	246	356	602	1,067
Governance costs	8	45	–	45	41
Total resources expended		16,581	1,382	17,963	17,257

Net incoming resources before transfers		2,630	1,069	3,699	3,166
Gross transfers between funds	19	4,053	(4,053)	–	–
Net movement in funds before minority interest		6,683	(2,984)	3,699	3,166
Subsidiary company share transfer	28	–	–	–	307
Total funds brought forward		25,853	10,689	36,542	33,069
Total funds carried forward		32,536	7,705	40,241	36,542

During the year £6,833,000 (2012: £2,087,000) has been spent within the group on the acquisition of tangible fixed assets so is not shown as resources expended. Of this £2,804,000 has been spent on the re-modelled foyer and £3,667,000 on the construction of the new Sam Wanamaker Playhouse.

All restricted funds are income funds. There have been no discontinued operations in the period. There are no material gains or losses other than those disclosed in the Consolidated Statement of Financial Activities. There is no difference between the result on a historical cost basis and that shown in the Consolidated Statement of Financial Activities.

The notes on pages 26 to 38 form part of these financial statements.

Year ended 31 October 2013

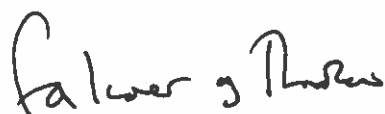
CONSOLIDATED BALANCE SHEET

	Note	As at 31/10/13		As at 31/10/12	
		£000	£000	£000	£000
Fixed Assets – Tangible	13		31,784		26,317
Current Assets					
– Stocks	14	221		233	
– Debtors	16	1,860		2,474	
– Cash at bank and in hand	23	8,819		9,100	
		10,900		11,807	
Creditors: amounts falling due within one year	17	(2,273)		(1,412)	
Net current assets			8,627		10,395
Total assets less current liabilities			40,411		36,712
Creditors: amounts falling due after more than one year	18		–		–
			40,411		36,712

Funds					
Restricted income funds	19		7,705		10,689
Fixed asset reserves	21		24,380		18,558
Designated funds	21		6,137		5,450
Unrestricted funds	21		2,019		1,845
Capital redemption reserve	21		170		170
			40,411		36,712

Unrestricted funds of £2.0 million are held to meet the Trust's reserves policy to hold a minimum level of liquid reserves of £1.8 million by way of an operating contingency at all times.

These financial statements were approved by the trustees on 27 January 2014 and signed on their behalf by:



Charles Falconer
Chairman



Martin Clarke
Honorary Treasurer

The notes on pages 26 to 38 form part of these financial statements.


Year ended 31 October 2013

TRUST BALANCE SHEET

Trust Balance Sheet	Note	As at 31/10/13		As at 31/10/12	
		£000	£000	£000	£000
Fixed Assets Tangible	13		31,784		26,317
Current Assets					
– Stocks	14	45		50	
– Debtors	16	2,085		2,541	
– Cash at bank and in hand	15	8,597		8,692	
		10,727		11,283	
Creditors: amounts falling due within one year	17	(2,167)		(1,035)	
Net current assets			8,560		10,248
Total assets less current liabilities			40,344		36,565
Creditors: amounts falling due after more than one year	18		(3,481)		(3,481)
			36,863		33,084

Funds					
Restricted income funds	19		7,705		10,689
Fixed asset reserves	21		24,380		18,558
Unrestricted funds (including designated funds)	21		4,778		3,837
			36,863		33,084

These financial statements were approved by the trustees on 27 January 2014 and signed on their behalf by:



Charles Falconer
Chairman



Martin Clarke
Honorary Treasurer

The notes on pages 26 to 38 form part of these financial statements.

Year ended 31 October 2013

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31/10/13		Year ended 31/10/12	
		£000	£000	£000	£000
Net Cash inflow from operating activities	12		6,407		2,770
Return on investment and servicing of finance					
– Interest received	4	145		167	
Net cash inflow from returns on investment and servicing of finance			145		167
Capital expenditure					
– Purchase of tangible fixed assets	13	(6,833)		(2,087)	
Net cash outflow from capital expenditure			(6,833)		(2,087)
Management of liquid resources					
– (Decrease) in cash on term deposit	15		(281)		(500)
(Decrease) Increase in cash and cash equivalents	23		(562)		350

The notes on pages 26 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with FRS25 'Financial instruments'.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' ('SORP') issued in March 2005 (revised), the Charities Act 2011 and the Companies Act 2006.

Fund accounting

Unrestricted funds

Unrestricted funds are generally available to be applied by the Trustees in furtherance of the objects of the charity.

Designated funds

Designated funds are those funds which have been set aside by the Trustees for a particular purpose, in accordance with the Globe's five year Business Plan.

Restricted income funds

Restricted income funds include those which are subject to specific conditions imposed by the Arts Council of England, in respect of two National Lottery Fund grants awarded for site development and construction, and conditions imposed by English Partnerships in relation to its contribution towards the funding of the development of the Shakespeare's Globe Exhibition.

Other restricted donations arise where donors have stipulated a specific project, within the artistic, educational and site development activities carried on in furtherance of the Globe's charitable purposes, to which they wish their support to be applied (see note 20).

Depreciation relating to restricted fund assets is charged to restricted funds.

Transfer between funds

Where all conditions attached to a restricted fund are met a transfer of funds is recognised to transfer unused amounts to unrestricted funds.

Basis of consolidation

The group accounts consolidate the accounts of The Shakespeare Globe Trust and its subsidiary undertaking, Shakespeare Globe Trading Limited, which carries on non-primary purpose trading activities to generate funds in support of the Globe's mission. The results of Shakespeare Globe Trading are consolidated on a line by line basis, after eliminating inter-company transfers of goods for resale.

The Globe has taken advantage of section 230 of the Companies Act 2006 and has not included its own income and expenditure account in these financial statements. The net income of the Globe for the year was £3,722,000 (2012 year: £3,249,000).

Investments

Investments held as fixed assets are stated at cost less provision for impairment. When gifted, investments are initially recorded at valuation before being considered for impairment.

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison to of the carrying value of the asset against the higher of realisable value and value in use.

Assets under construction

Assets under construction are accounted for at cost pending completion, at which point an assessment is made of the carrying value of the asset against the higher of realisable value and value in use.

Donations

- i) Covenants and donations, including legacies, are accounted for as they are received, unless there is reasonable assurance of entitlement and receipt, when they are recognised on an accruals basis.
- ii) Donated facilities and services have been included as income where the benefit is reasonably quantifiable and measurable. The value placed on them has been the value to the charity (ie the price that the charity would have paid on the open market).

Theatre box office income

Advance box office receipts are carried forward as deferred income and not recognised as incoming resources until after performances have matured.

Other income

Other income, including exhibition income, is recognised on an accruals basis, once there is reasonable certainty of receipt.

Resources expended

Resources expended are accounted for on an accruals basis. The cost of generating funds includes expenditure directly attributable to raising income and gifts in kind.

Basis of cost allocation and apportionment

Where costs are identifiable to a specific cost category in the consolidated Statement of Financial Activities, they are allocated in full to that category.

Support costs are apportioned to revenue generating departments on the following bases:

Facilities management costs	Departmental head count
Visitor services costs	Visitor numbers
Rates and Utilities	Management assessment/Floor space
Finance, IT and HR	Departmental head count
Marketing and communications overheads	Management assessment of time/cost
General Administration costs	Departmental head count
Depreciation	Management assessment of usage

Governance costs comprise statutory audit fees and the costs of servicing the Board and other Trustee meetings.

Stocks

Merchandise Stocks are stated at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided, on a straight-line basis, to write off the cost of tangible fixed assets over

their estimated useful economic lives, at the following annual rates:

Computer equipment (hardware and software)	–	25% per annum
Fixtures and fittings	–	25% per annum
Leasehold plant and machinery	–	4% to 10% per annum
Exhibition and theatre artefacts	–	10% to 25% per annum
Leasehold buildings	–	2% per annum
Leasehold improvements	–	2% per annum

Pension costs

The group does not operate its own pension scheme but pays defined contributions into individual personal pension schemes on behalf of eligible employees. The amounts charged in the consolidated Statement of Financial Activities represent the contributions payable to these schemes in respect of the accounting period.

Direct Taxation

The Globe is a registered charity and is exempt from taxation on its charitable activities under the provisions of the Income and Corporation Taxes Act 1988. The annual taxable surplus of Shakespeare Globe Trading Limited is paid over under Gift Aid. Consequently, no liability for corporation tax is provided for in its accounts.

VAT

VAT is included in income according to the tax status of the supply in question. Exhibition admissions income, theatre box office sales and fees for educational services are regarded as exempt income. Input VAT is recoverable in accordance with non-business apportionment and partial exemption calculation methods agreed with HMRC.

Leases

Operating lease rental charges are charged to the consolidated Statement of Financial Activities on a straight-line basis over the life of the lease.

Transactions in foreign currency

In accordance with SSAP20, transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses are included in the SOFA.

Classification of redeemable preference shares

In accordance with FRS25, the redeemable preference shares issued by Shakespeare Globe Trading Limited (see note 28) are classified as a financial liability and are included in creditors (see notes 17 and 18). The fixed annual amount payable to the redeemable preference shareholders is charged against income for the period as interest payable.

The relevant cost of redeemable preference share capital issued at the balance sheet date is included in creditors due in less than one year to the extent that redemption falls due to be made from the annual surplus of the Globe's subsidiary undertaking for the most recently ended accounting period. The balance of unredeemed shares in issue at the balance sheet date is treated as creditors due after more than one year.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

2. DONATIONS AND OTHER FUND-RAISING INCOME

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Unrestricted donations and covenants	394	745
Tax recoverable (on unrestricted donations and subscriptions)	87	76
Restricted donations (see note 19)	2,265	2,809
Friend's subscriptions and donations	456	384
Legacy receipts	876	–
	4,078	4,014

3. ANCILLARY AND OTHER NON-CHARITABLE TRADING INCOME

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Retail sales, including front of house merchandise	2,040	1,746
Facilities hire and access fees (including associated catering commission)	400	340
Catering concession income	540	566
Corporate hospitality	168	152
Corporate sponsorships	272	243
Other trading income	62	103
	3,482	3,150

4. INTEREST RECEIVABLE

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Bank deposit interest	145	167

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Year ended 31/10/13	Year ended 31/10/12
Theatre, Exhibition and Education Income	£000	£000
Theatre (including restricted filming income)	9,530	9,271
Exhibition – admissions income	2,823	2,342
Education fees	1,604	1,479
	13,957	13,092

6. INVESTMENT IN SUBSIDIARY UNDERTAKING

The Globe's investment in its wholly owned subsidiary undertaking, Shakespeare Globe Trading Limited (company number 997433 registered in England and Wales) is stated at cost within its own accounts. The results of Shakespeare Globe Trading Limited for the period are summarised below:

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Income		
Trading activities in support of parent company	3,482	2,792
	3,482	2,792

Expenditure		
Cost of sales	1,019	899
Administrative expenses	771	708
	1,790	1,607

Surplus before interest and gift aid payment	1,692	1,185
Interest receivable	35	43
Surplus after interest and before gift aid payment	1,727	1,228
Payment under gift aid to parent company	(1,750)	(1,250)
Deficit for the year before and after taxation	(23)	(22)
Income and expenditure account brought forward	261	345
Transfer to capital redemption reserve	–	(62)
Income and expenditure account carried forward	238	261

After adjustments required by FRS 25 in respect of redeemable preference shares in issue at the respective balance sheet dates (see notes 1 and 28), the aggregate amount of assets, liabilities and shareholders' funds attributable to Shakespeare Globe Trading Limited at 31 October 2013 was: assets £4,123,000 (2012: £4,401,000); liabilities £3,532,000 (2012: £3,787,000); shareholders' funds £591,000 (2012: £614,000).

In prior years the charity has been gifted a cumulative total of 2,958,000 redeemable preference shares in its wholly owned subsidiary undertaking Shakespeare Globe Trading Limited. The Globe now owns 100% of the redeemable preference shares held in its subsidiary undertaking. These shares are held in the Globe at NIL value due to the extended period of capital redemption.

7. RESOURCES EXPENDED

	Year ended 31/10/13					Year ended 31/10/12
	Direct Costs	Press & Marketing	Shared Services	Depreciation	Total – All funds	Total – All funds
	£000	£000	£000	£000	£000	£000
Cost of generating funds:						
Fund-raising activities	452	44	172	31	699	463
Ancillary and non-charitable trading activities	1,379	3	272	132	1,786	1,652
	1,831	47	444	163	2,485	2,115

Charitable activities						
Theatre	7,150	531	1,370	151	9,202	8,923
Exhibition	1,137	81	1,089	240	2,547	2,330
Education	1,988	27	857	210	3,082	2,781
Total primary charitable activities	10,275	639	3,316	601	14,831	14,034
Preservation of The Globe Theatre	–	–	–	602	602	1,067
Governance	–	–	45	–	45	41
	–	–	45	602	647	1,108
Total resources expended	12,106	686	3,805	1,366	17,963	17,257

8. GOVERNANCE

	Year ended 31/10/13					Year ended 31/10/12
	Direct Costs	Press & Marketing	Shared Services	Depreciation	Total – All funds	Total – All funds
	£000	£000	£000	£000	£000	£000
Governance	–	–	45	–	45	41

Governance costs comprise statutory audit fees and costs of servicing board and other Trustee meetings.

9. TRUSTEES' AND DIRECTORS' EMOLUMENTS AND EXPENSES

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 period. £nil was reimbursed to Trustees in respect of expenditure incurred by them in the course of Trustee activities in the period (2012: nil). The Trustees are entitled to the same discounts enjoyed by staff in the restaurant, café and shop. Third party indemnity insurance cover is provided for Trustees.

10. STAFF NUMBERS AND COSTS

The aggregate staff costs were as follows:

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Wages and salaries	4,390	4,183
Theatre production actors, musicians and associated workers	2,328	2,030
Social security costs	556	494
Other pension costs	97	74
	7,371	6,781

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Higher paid employees The number of staff whose emoluments, excluding pension contributions, fell within the following bandings, was as follows:		
£60,001 – £70,000	1	1
£70,001 – £80,000	1	2
£80,001 – £90,000	1	0
£90,001 – £100,000	1	1
£100,001 – £110,000	1	1

Contributions to personal pension schemes in respect of the above higher paid employees amounted to £34,544 (2012: £18,750)

The average number of staff engaged by the group during the year was:

2013

	Theatre	Exhibition, Shop & Guides	Education	Comms, Admin & Central services	Fundraising	Total
Full-time equivalent paid workers	103	73	52	41	9	278
Interns	1	0	2	1	1	5
Volunteers	22	0	0	0	4	26
Total	126	73	54	42	14	309

2012

	Theatre	Exhibition, Shop & Guides	Education	Comms, Admin & Central services	Fundraising	Total
Full-time equivalent paid workers	80	63	51	41	8	243
Interns	1	0	3	1	1	6
Volunteers	24	1	3	0	1	29
Total	105	64	57	42	10	278

II. NET MOVEMENT IN FUNDS

	Year ended 31/10/13	Year ended 31/10/12
This is stated after charging	£000	£000
Operating lease rentals		
– plant & machinery	123	82
– land & buildings	91	91
Auditor's remuneration		
– audit fee	31	32
Depreciation	1,366	1,405

12. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31/10/13	Year ended 31/10/12
	£000	£000
Changes in resources	3,699	3,167
Interest receivable	(145)	(167)
Depreciation	1,366	1,405
Decrease in stocks	12	41
Decrease/(increase) in debtors	614	(719)
Increase/(decrease) in creditors	861	(957)
Net cash inflow from operating activities	6,407	2,770

13. TANGIBLE FIXED ASSETS

Group and charity	Freehold Property	Long Leasehold Property	Leasehold Improvements	Plant & Machinery	Fixtures, Fittings & Equipment	Assets under Construction	Total
Cost	£000	£000	£000	£000	£000	£000	£000
At beginning of the year	4,221	23,377	134	9,403	3,359	1,869	42,363
Additions	–	–	2,063	686	417	3,667	6,833
At end of the year	4,221	23,377	2,197	10,089	3,776	5,536	49,196
Depreciation							
At beginning of the year	148	7,321	11	6,138	2,428	–	16,046
Charge for the year	45	460	37	385	439	–	1,366
At end of the year	193	7,781	48	6,523	2,867	–	17,412
Net Book Value							
At 31 October 2013	4,028	15,596	2,149	3,566	909	5,536	31,784
At 31 October 2012	4,073	16,056	123	3,265	931	1,869	26,317

Fixed assets are held by the Trust for charitable and ancillary trading purposes. Items with a cost of £500 or more are capitalised.

14. STOCKS

	Group		Charity	
	31/10/13	31/10/12	31/10/13	31/10/12
	£000	£000	£000	£000
Goods for resale	176	183	0	0
Stock of Oak for construction work	45	45	45	45
Sundry stock items	0	5	0	5
	221	233	45	50

15. CASH AT BANK AND IN HAND

	Group		Charity	
	31/10/13	31/10/12	31/10/13	31/10/12
	£000	£000	£000	£000
Cash at the bank and in hand	4,357	4,600	4,135	4,192
Cash on term deposit	4,462	4,500	4,462	4,500
	8,819	9,100	8,597	8,692

16. DEBTORS

	Group		Charity	
	31/10/13	31/10/12	31/10/13	31/10/12
	£000	£000	£000	£000
Trade debtors	804	608	563	280
Other debtors	358	1,683	356	1,683
Amounts owed by subsidiary undertaking	0	0	468	395
Prepayments and accrued income	254	183	254	183
Legacies receivable	444	0	444	0
	1,860	2,474	2,085	2,541

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	31/10/13	31/10/12	31/10/13	31/10/12
	£000	£000	£000	£000
Trade creditors	458	378	418	313
Taxes and social security	172	351	155	119
Other creditors	177	352	140	284
Accruals and deferred income	1,466	331	1,454	319
	2,273	1,412	2,167	1,035

Deferred income of £576,253 (2012: £NIL) relates to advance sales in respect of productions to be held in the Sam Wanamaker Playhouse from January 2014.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	31/10/13	31/10/12	31/10/13	31/10/12
	£000	£000	£000	£000
Amounts owed to subsidiary undertaking	0	0	3,481	3,481
	0	0	3,481	3,481

19. RESTRICTED FUNDS

Source	Funds brought forward at 1 November 2012 (re-stated)	Incoming resources	Resources expended (including associated fundraising cost)	Funds carried forward at 31 October 2013
	£000	£000	£000	£000
Education Partnership funds	97	257	(318)	36
Total Restricted Educational Funds	97	257	(318)	36
Theatre & Others				
Theatre	5	311	(261)	55
Other	79	10	(59)	30
Total Other Restricted Funds	84	321	(320)	85
Capital Campaigns				
Sam Wanamaker Playhouse & West Block development project	2,712	1,859	(4,411)	160
Bank interest on campaign funds	36	14	(30)	20
Total Capital Campaign Restricted Funds	2,748	1,873	(4,441)	180
TOTAL INCOME FUNDS	2,929	2,451	(5,079)	301
Restricted fund capital grants	7,760	0	(356)	7,404
TOTAL RESTRICTED FUNDS	10,689	2,451	(5,435)	7,705

Reserves of £4,053,000 expended on the new Sam Wanamaker Playhouse project have been transferred to the fixed asset reserve.

20. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

Source	Unrestricted funds	Restricted funds	Total 31 October 2013	Total 31 October 2012
	£000	£000	£000	£000
Net movement in funds for the year	6,683	(2,984)	3,699	3,166
Net consumption of tangible fixed assets held for charitable purposes	(5,467)	–	(5,467)	(670)
Net movement in funds available for future activities	1,216	(2,984)	(1,768)	2,496

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Other Assets	Liabilities	Capital Redemption Reserve	Total 31 October 2013
	£000	£000	£000	£000	£000
Restricted income funds	7,404	301	–	–	7,705
Fixed asset reserve	24,380	–	–	–	24,380
Designated	–	6,137	–	–	6,137
Unrestricted funds	–	4,794	(2,605)	(170)	2,019
Total for group	31,784	11,232	(2,605)	(170)	40,241

Analysis of designated and unrestricted funds:

	Total 31 October 2013
	£000
The Shakespeare Globe Trust	29,158
Shakespeare Globe Trading Limited	238
Adjustment on consolidation	3,140
	32,536

22. RECONCILIATION OF MOVEMENT IN CHARITY FUNDS

	Total 31 October 2013
	£000
Opening fund balances at 1 November 2012	33,084
Net movement in funds for year ended 31 October 2013	2,029
Gift aid payments from subsidiary undertaking	1,750
Closing fund balances at 31 October 2013	36,863

23. RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET FUNDS

	Year Ended 31 October 2013	Year Ended 31 October 2012
	£000	£000
(Decrease)/Increase in cash	(562)	350
Cash inflow from changes in liquid resources	281	500
Net funds brought forward	9,100	8,250
Net funds carried forward	8,819	9,100

24. ANALYSIS OF CHANGE IN NET FUNDS

	Cash at Bank & in hand	Cash on deposit	Total
	£000	£000	£000
At 31 October 2012	4,600	4,500	9,100
Cash flows	(562)	281	(281)
At 31 October 2013	4,038	4,781	8,819

25. COMMITMENTS

The group had capital commitments at 31 October 2013 of £817,000 (2012: £538,000). The 2013 commitment relates to contractor costs and professional adviser fees in relation to the construction of the new Sam Wanamaker Playhouse of £707,000 plus additional theatre specialist equipment for the Playhouse of £92,000 and a commitment to upgrade our finance system of £18,000. The 2012 commitment related to contractor and professional adviser fees in respect of the construction of the new Playhouse and foyer re-modelling project.

Operating leases payable in the following year, analysed by the period in which the lease expires, are as follows:

	31 October 2013	31 October 2012
	£000	£000
Land & buildings – in the 1st to 5th years inclusive	91	91
Plant & machinery – in the 1st to 5th years inclusive	123	82
	214	173

26. RELATED PARTY TRANSACTIONS

The related party transactions noted below are not strictly disclosable but are set out in the interests of transparency. Martin Clarke, a Trustee, holds a minority (less than 1%) equity stake holding in Digital Theatre Ltd, a company with whom the Globe has a non-material commercial relationship. Danny Witter is a Trustee and employee of Deutsche Bank; he chairs the Deutsche Bank UK Corporate Citizenship Committee which oversees the funding support provided to the Globe's annual 'Playing Shakespeare' education project. Philip Kirkpatrick is a Trustee and partner with Bates Wells Braithwaite, one of the Globe's legal advisers who provide advice on a commercial and pro bono basis. Total fees paid to Bates Wells & Braithwaite during the financial year amounted to £NIL (2012: £3,682).

27. LIMITED BY GUARANTEE

The Globe does not have a paid up share capital and is limited by guarantee to an amount not exceeding £10 for each member.

There were 16 members at the end of the year (2012: 16)

28. REDEEMABLE PREFERENCE SHARES

	31 October 2013	31 October 2012
Issued:	£000	£000
At beginning of the year	2,957	3,019
Redeemed in the year	–	(62)
At the end of the year	2,957	2,957

The redeemable preference shares issued by the Globe's subsidiary undertaking have a nominal value of £1. Holders of these redeemable preference shares are entitled to receive an annual dividend of 0.01 pence per share. Otherwise, they are not entitled to any profits available for distribution. The preference shares are redeemable at par, subject to the Companies Act 2006, out of annual trading surpluses of the Globe's subsidiary undertaking, up to a maximum of 5% of the annual trading surplus. A matching transfer is made to capital redemption reserve in accordance with the provisions of the Companies Act 2006.

The Globe owns 100% of these shares and has waived its right to its annual dividend and capital redemption for the year ending 31 October 2013. All of these shares have been donated to the Globe during prior periods; on consolidation therefore the group has a net liability of £NIL.

29. TAXATION

No provision for corporation tax arises on group trading activities in the year (2012: £NIL).

No liability for deferred tax arises in the year (2012: £NIL) due to permanent differences and other timing differences not expected to reverse in the foreseeable future on adjustment of the subsidiary company's taxable surplus.

30. RECONCILIATION OF TAX CHARGE

	31 October 2013	31 October 2012
	£000	£000
Tax on surplus for the year before deed of covenant payment at 19% (2012:19%)	328	232
Permanent and timing differences	5	6
Tax liability extinguished by deed of covenant payment	(333)	(238)
Tax charge for the year	-	-

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