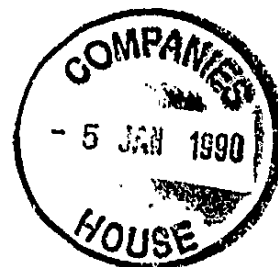


997433

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST MARCH, 1989



PEAT MARWICK McLINTOCK  
1 Puddle Dock, Blackfriars, London EC4V 3PD

---

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

DIRECTORS' REPORT

The Board of Directors present their report and the audited accounts for the year ended 31st March, 1989.

BOARD OF DIRECTORS

The directors of the company at 31st March, 1989 were:

Lord Birkett  
D.M. Devlin  
S.R. Green  
A. Gurr  
R. Parry  
M. Perry  
S. Perry  
K. Richards  
D.S. Tallon  
S. Wanamaker  
A. Ward

In addition, R. Neill served as director until his resignation on 24th November, 1988. G. Wright was appointed a director on 24th November, 1988.

DIRECTORS' INTERESTS

No directors held any interest in the share capital of the company during the financial year.

ACTIVITIES

The principal activity of the company is the development of a site in Bankside, Southwark for the Shakespeare Globe Project.

BUSINESS REVIEW

The company continued during the year to pursue the development of the Bankside site. A series of fund raising events were organised and every effort made to increase public awareness of the project. An application to obtain government assistance proved successful.

Progress of the Globe Project was continued by the construction of a diaphragm wall which was completed during December, 1988.

Subsequent to 31st March, 1989 a contract for the excavation of the basement area, described as Phase 1A, was placed with work commencing on 14th June, 1989 and a Management Contractor to supervise the construction of the complete contract was also appointed on 14th June, 1989.

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

DIRECTORS' REPORT

BUSINESS REVIEW (continued)

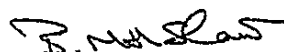
To finance the construction of Phase 1A, a syndicate loan agreement of £2 million with ten banks was arranged through N.M. Rothschild & Sons Limited acting as Agent, and signed on 10th September, 1989.

The company receives donations from The Shakespeare Globe Trust to fund its activities.

AUDITORS

At the company's last Annual General Meeting, Peat Marwick McLintock were re-appointed as auditors of the company. A resolution concerning their re-appointment as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the board



Secretary

AUDITORS' REPORT TO THE MEMBERS OF  
THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards.

The financial statements have been prepared on a going concern basis as explained in notes 2 and 11. The validity of the going concern basis is dependent on the continuing financial support of the holding company. The holding company, a charitable trust, derives the majority of its income from donations which are by their nature, uncertain. Note 2 also describes the adjustments to the financial statements which would be necessary if the going concern basis is inappropriate.

Subject to the company being able to continue its operations, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March, 1989 and of its results and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

16th November 1989

London

Pent Mawrle Mchibod

Chartered Accountants

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR  
THE YEAR ENDED 31ST MARCH, 1989

	<u>Note</u>	<u>1989</u>	<u>1988</u>
		£	£
INCOME			
Donations from holding company		73,624	202,982
Museum receipts		<u>84,645</u>	<u>100,496</u>
		158,269	303,478
EXPENDITURE			
Administrative expenses		85,687	101,455
Museum expenses		66,600	195,633
Interest payable and similar charges		<u>5,982</u>	<u>6,390</u>
		(158,269)	(303,478)
INCOME LESS EXPENDITURE		<u>-</u>	<u>-</u>

The notes on pages 7 to 9 form part of these accounts.

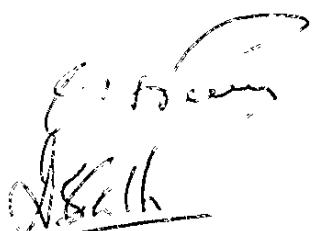
THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

BALANCE SHEET AT 31ST MARCH, 1989

	<u>Note</u>	<u>1989</u>	<u>1988</u>
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	5	-	376,295
Tangible assets	6	1,519,441	-
		<u>1,519,441</u>	<u>376,295</u>
<b>CURRENT ASSETS</b>			
Stocks	7	3,424	2,925
Other debtors		18,798	20,895
Prepayments and accrued income		-	1,287
Cash at bank and in hand		11,520	4
		<u>33,742</u>	<u>25,111</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	8	<u>(1,553,133)</u>	<u>(401,356)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,519,391)</u>	<u>(376,245)</u>
<b>NET ASSETS</b>		<u>50</u>	<u>50</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	<u>50</u>	<u>50</u>

The notes on pages 7 to 9 form part of these accounts.

These accounts were approved by the members of the Board of Directors on 16<sup>th</sup> November, 1989


 )  
 ) Directors  
 )

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH, 1989

	<u>1989</u> £	<u>1988</u> £
APPLICATION OF FUNDS		
Additions to tangible fixed assets	(1,143,146)	(336,295)
	<hr/>	<hr/>
DECREASE IN WORKING CAPITAL	(1,143,146)	(336,295)
	<hr/>	<hr/>
COMPONENTS OF DECREASE IN WORKING CAPITAL		
Debtors	(3,384)	(43,188)
Stocks	499	2,700
Creditors	(1,236,673)	(290,332)
	<hr/>	<hr/>
	(1,239,558)	(330,820)
	<hr/>	<hr/>
MOVEMENT IN NET LIQUID FUNDS		
Cash at bank and in hand	11,516	(551)
Bank loans and overdrafts	84,896	(4,924)
	<hr/>	<hr/>
	(1,143,146)	(336,295)
	<hr/>	<hr/>

The notes on pages 7 to 9 form part of these accounts.

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historical cost convention.
- (b) Stocks are stated at the lower of cost and net realisable value.
- (c) Tangible fixed assets consist of assets in course of construction and pre construction costs transferred from intangible fixed assets on commencement of the building work. On completion of the project depreciation will be charged so as to write off the cost over the expected life of the project.

2. BASIS OF ACCOUNTING

These financial statements have been prepared on a going concern basis which assumes that the company will continue in its current operations. The validity of the going concern basis is dependent upon the continuing financial support of the holding company. If the company were unable to continue operations, adjustments would have to be made to reduce the value of the assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets (see note 11).

3. DIRECTORS EMOLUMENTS

No directors received any emoluments in respect of their services provided during the year (1988: £nil).

4. STAFF NUMBERS AND COSTS

The average number of people employed by the company was 5 (1988: 5).

The aggregate payroll costs were as follows:

	<u>1989</u>	<u>1988</u>
	£	£
Wages and salaries	62,041	66,052
Social security costs	6,384	6,749
Other pension costs	4,202	780
	<u>72,627</u>	<u>73,581</u>



THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

NOTES TO THE ACCOUNTS

5. INTANGIBLE FIXED ASSETS

	<u>Pre construction costs</u> £
Cost:	
At 31st March, 1988	376,295
Transfer to tangible fixed assets	(376,295)
At 31st March, 1989	<u>-</u>

6. TANGIBLE FIXED ASSETS

	<u>Assets in course of construction</u> £
Cost:	
At 31st March, 1988	-
Additions	1,143,146
Transfer from intangible fixed assets	376,295
At 31st March, 1989	<u>1,519,441</u>

7. STOCK

	<u>1989</u> £	<u>1988</u> £
Finished goods and goods for resale	3,424	2,925

8. CREDITORS

	<u>1989</u> £	<u>1988</u> £
Bank loans and overdrafts	-	84,896
Amounts owed to group companies	1,192,164	226,780
Other creditors, including taxation and social security	352,855	57,935
Accruals and deferred income	8,114	31,745
	<u>1,553,133</u>	<u>401,356</u>
Other creditors including taxation and social security comprise:		
Social security	3,486	2,697
Other creditors	349,369	55,238
	<u>352,855</u>	<u>57,935</u>

THE INTERNATIONAL SHAKESPEARE  
GLOBE CENTRE LIMITED

NOTES TO THE ACCOUNTS

9. SHARE CAPITAL

	<u>1989</u>	<u>1988</u>
	£	£
Authorised:		
1,000 shares of 5p per share	50	50
49,950 ordinary shares of £1 per share	49,950	49,950
	<u>50,000</u>	<u>50,000</u>
Share capital allotted, called up and fully paid:		
1,000 shares of 5p per share	<u>50</u>	<u>50</u>

10. TAXATION

No corporation tax liability arises in respect of the year ended 31st March, 1989.

11. POST BALANCE SHEET EVENTS

Subsequent to the year end the company has entered into a syndicated loan facility of £2 million with a number of banks in order to provide finance for the company to complete the current phase of construction. The loan bears interest at 1% above the bank rate. The loan has been guaranteed by the holding company and is repayable out of donations received by the holding company after deduction of administration costs. Any amount still outstanding at 31st December, 1991 falls due for repayment and if sufficient funds are not available construction will cease.

12. HOLDING COMPANY

The holding company is The Shakespeare Globe Trust, a company limited by guarantee in the UK and registered as a charity.