

Shakespeare Globe Trading Limited
Report and Accounts for the year ending
31 October 2011

Registered company no 997433



Contents

Directors' Report	1
Report of the Independent Auditor	6
Income and Expenditure Account	7
Balance sheet	8
Cash flow statement	9
Notes to the Financial Statements	11
Advisers and officers	16

Shakespeare Globe Trading Limited
Directors' Report for the year ended 31 October 2011

The directors present their report and the audited financial statements for the year ended 31 October 2011. Comparative amounts relate to the year ended 31 October 2010.

Principal activity

The principal activity of the Company is the carrying on of trading activities in support of the charitable aims of the Company's parent undertaking, The Shakespeare Globe Trust ("the Trust").

Business review

The Company's trading income is largely dependant on visitors to the Shakespeare Globe Centre ("the Centre") from where the Trust's primary charitable activities in theatre, education, exhibitions and guided tours of the Globe Theatre are run.

Paying visitors to the permanent exhibition and guided tour were 312,000, compared to 307,000 in the previous year.

The Globe theatre season comprised 258 performances compared to 255 in the previous year, attracted over 340,000 theatre attendees, and played, overall, to 88.5% capacity.

Turnover from the Company's trading activities in support of the Trust's charitable mission increased by 12% on the previous year, from £2,419 million to £2,719 million. The surplus of £1,107,966 (2010: £873,767) showed a 27% growth on the previous year, due to the higher turnover.

Income from the Company's catering facilities grew by 15% and retail activities achieved a growth of 3% on the previous year, pleasing results in the current challenging economic environment.

After net interest receivable of £41,858 (2010: £38,035), the surplus for the year to 31 October 2011 was £1,107,966 (2010: £873,767).

The results are stated in accordance with the provisions of FRS 25 'Financial Instruments: presentation and disclosure' as it affects the treatment of transactions in respect of redeemable preference shares issued in a previous accounting period. (Note 1 to the financial statements gives further details.)

Annual payment of taxable surplus

An amount equivalent to the annual taxable surplus of the Company is paid over under a deed of covenant to the Trust. A covenant payment of £1,175,000 has been provided for 2011 (2010: £900,000).

Taxation

The directors are of the view that no liability to corporation tax arises in the year (2010: none). A reconciliation of the tax charge is set out at note 21.

Reserves

After the annual covenant payment of £1,175,000 (2010: £900,000) to the Trust, the deficit for the year was £67,034 (2010: deficit of £26,233).

A transfer of £55,400 (2010: £43,690) from income and expenditure account to a capital redemption reserve has been provided for in accordance with the terms attaching to the redeemable preference shares (see notes 12 and 13) to leave a balance carried forward on general reserves of £345,577 (2010: £468,011).

Post balance sheet events

There are no events arising since the balance sheet date that, in the opinion of the directors, would require adjustment to the provisions or estimates included in the financial statements (2010: none).

Directors

The directors who held office during the year, or who were appointed subsequent to the year end, were as follows

Roger Parry (Chairman)

Lord Bichard

Lord Blair of Boughton

Robert Brooke (Deputy Chairman) (re-appointed 21 March 2011)

Bruce Carnegie-Brown

Martin Clarke (Honorary Treasurer)

Neil Constable (Chief Executive)

Dr Diana Devlin (re-appointed 21 March 2011)

Stephen Dingle (re-appointed 21 March 2011)

Andrew Fraser

Iraj Ispahani

Philip Kirkpatrick (appointed 18 July 2011)

Professor Laurie Maguire (appointed 16 May 2011)

Valerie Mitchell (re-appointed 21 March 2011)

Sir Michael Perry

David Pickard (re-appointed 21 March 2011)

Dame Mary Richardson

Spencer Wigley (Honorary Secretary)

Lord Bichard and Mr Bruce Carnegie Brown retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual Retirements Board Meeting on 26 March 2012

Mr Robert Brooke, Dr Diana Devlin, Mr Stephen Dingle and Mr Spencer Wigley have indicated their intention to retire from the board at the end of the Annual Retirements Meeting on 26 March 2012

No director held any beneficial interest in the share capital of the Company during the year

Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' 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 director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Corporate governance and compliance

The directors are committed to compliance with best practice in corporate governance as outlined in the Combined Code published by the London Stock Exchange in 1998 and in subsequent codes of practice in so far as these apply to Charities and their trading subsidiaries.

• Term of Office

Directors usually serve for three year periods of three years, extendable only in exceptional circumstances. The articles of association require that one third of the board retires by rotation at each AGM or annual re-appointment meeting.

• Conflicts of Interest

No director was materially interested in any contract or matter of significance relating to the Company's business. Directors declare any actual or potential conflicts of interest and such declarations are recorded.

• Structure

The directors, as a board, recognise that they are responsible for the good standing of the Company, the strategy for its future development and the safe management of its assets. In carrying out this

Shakespeare Globe Trading Limited
Directors' Report for the year ended 31 October 2011

responsibility during the year to 31 October 2011 they received assistance from, and delegated authority to the executive team, led by the Chief Executive, which carries responsibility for the day to day management and administration of the Company's affairs in accordance with policies agreed by the board

• **Internal controls and risk management**

The directors have responsibility for ensuring that the organisation has in place an appropriate system of internal controls, financial and otherwise, to provide reasonable assurance that

- ♦ the Company is operating efficiently and effectively, with clear operating procedures and lines of authority,
- ♦ the Company's assets are safeguarded against unauthorised use or disposition,
- ♦ the Company complies with all relevant laws and regulations, and
- ♦ threats to, or risks inherent in, the business are analysed and considered

It is the opinion of the Board that effective and satisfactory internal controls have been in place for the entire period under review

The Company has introduced procedures which have become part of its normal business processes, whereby risks and opportunities are analysed annually. Plans to eliminate or manage risks, having regard to the balance of risk, cost and opportunity, are drawn up with responsibility allocated to an individual

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

Staff consultation

The Company recognises the benefits of good communication between management and staff in promoting the effective pursuit of its charitable aims. Active staff involvement is facilitated through periodic meetings with and 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

Employment of disabled persons and disability awareness policy

The Company 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 Company continues. The Company's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees

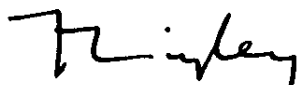
The Company seeks to achieve the objectives set down in the Disability Discrimination Act 2000 and has established operational procedures and policies to ensure that equality of access to the Company's facilities and services is offered to all persons in accordance with the requirements of disability legislation and in furtherance of the charitable aims of its parent undertaking to be accessible, open and welcoming to persons from all sections of society

Shakespeare Globe Trading Limited
Directors' Report for the year ended 31 October 2011

Auditors

The auditors BDO LLP, have expressed their willingness to continue in office and a resolution to re-appoint BDO LLP as the Company's auditors will be proposed at the Annual General Meeting

By order of the Board



Spencer Wigley
Secretary

21 New Globe Walk
Bankside
London SE1 9DT

30 January 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAKESPEARE GLOBE TRADING LIMITED

We have audited the financial statements of Shakespeare Globe Trading Limited for the year ended 31 October 2011 which comprise the profit and loss account, the balance sheet, the cashflow 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 company'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 company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its result 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Shakespeare Globe Trading Limited
Independent Auditor's Report for the year ended 31 October 2011

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

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

DB

Don Bawtree

Senior statutory auditor

For and on behalf of BDO LLP, statutory auditor

Epsom

Date 30 Aug 2012

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

Shakespeare Globe Trading Limited
Financial Statements for the year ended 31 October 2011

Income and Expenditure Account	Note	Year ended 31 October 2011		Year ended 31 October 2010	
		£	£	£	£
Income					
Trading activities in support of parent company	3	2,718,504		2,418,896	
		<u>2,718,504</u>		<u>2,418,896</u>	
Expenditure					
Cost of sales		797,564		719,162	
Administrative expenses		854,832		864,002	
		<u>1,652,396</u>		<u>1,583,164</u>	
Profit before interest and deed of covenant payment		<u>1,066,108</u>		<u>835,732</u>	
Interest receivable	4	42,166		38,347	
Interest payable	6	(308)		(312)	
Profit after interest and before deed of covenant payment		<u>1,107,966</u>		<u>873,767</u>	
Payment under deed of covenant to parent company		(1,175,000)		(900,000)	
Loss for the year before taxation		<u>(67,034)</u>		<u>(26,233)</u>	
Taxation	20 21	-		-	
Retained loss for the year after taxation		<u>(67,034)</u>		<u>(26,233)</u>	
 Income and expenditure account brought forward		 468,011		 537,934	
Transfer to capital redemption reserve	13	(55,400)		(43,690)	
Income and expenditure account carried forward		<u><u>345,577</u></u>		<u><u>468,011</u></u>	

There have been no acquisitions or discontinued operations in the year

There is no difference between the result on a historical cost basis and that shown in the Income and Expenditure Account

There are no recognised gains and losses other than those recognised in the Income and Expenditure Account

The notes on pages 11 to 16 form part of these financial statements

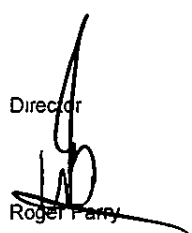
Shakespeare Globe Trading Limited
Financial Statements for the year ended 31 October 2011


Registered company number 997433

Balance Sheet

	Note	As at 31 October 2011		As at 31 October 2010	
		£	£	£	£
Current assets					
Stocks	8	229,231		217,821	
Debtors	9	3,784,899		3,838,082	
Cash at bank and in hand	16	455,150		705,633	
		<u>4,469,280</u>		<u>4,759,536</u>	
Creditors amounts falling due within one year	10	<u>(813,233)</u>		<u>(981,055)</u>	
Total assets less current liabilities			3,656,047		3,778,481
Creditors amounts falling due after one year	11		(3,019,295)		(3,074,695)
Net assets			<u>636,752</u>		<u>703,786</u>
Capital and reserves					
Called up share capital	12		50		50
Income and expenditure account			345,577		468,011
Capital redemption reserve	13		291,125		235,725
Shareholders' funds			<u>636,752</u>		<u>703,786</u>

These financial statements were approved by the board of directors on 30 January 2012 and signed on its behalf by

Director

 Roger Parry

Director

 Martin Clarke

The notes on pages 11 to 16 form part of these financial statements

Shakespeare Globe Trading Limited
Financial Statements for the year ended 31 October 2011

Cash flow statement for the year ended 31 October 2011	Note	Year ended 31 October 2011		Year ended 31 October 2010	
		£	£	£	£
Net cash inflow from operating activities	15		551,349		920,129
Return on investments and servicing of finance					
Interest received	4	42,166		38,347	
Interest paid	6	(308)		(312)	
Net cash inflow from returns on investments and servicing of finance			41,858		38,035
Cash inflow before financing			593,207		958,164
Appropriations					
- Payments under deed of covenant to parent company			(800,000)		(800,000)
- Redemption of preference shares	12		(43,690)		(39,598)
Increase/ (Decrease) in cash	16		(250,483)		118,566

The cash flow statement treats appropriations relating to deed of covenant and preference share redemption payments on a cash basis

The notes on pages 11 to 16 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 company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

These financial statements cover the year ended 31 October 2011, with comparative amounts for the previous year ended 31 October 2010, in conformity with the accounts of the parent undertaking, The Shakespeare Globe Trust

Income

Income represents amounts received through the provision of goods and services, net of value added tax

Stocks

Stocks of goods for resale in the Shakespeare Globe Shop and through distance selling channels are stated at the lower of cost and net realisable value

Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the life of the lease

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2 Redeemable preference shares

Under the provisions of FRS 25, the redeemable preference shares (see notes 10 and 11) are shown as a financial liability and are included, at cost, in creditors with the cost of unredeemed shares in issue at the balance sheet date being treated as creditors falling due after more than one year

A fixed annual amount of 0.01 pence per share payable in respect of the remaining redeemable preference shares is charged against income for the year (see note 6)

Notes to the financial statements

3 Income	2011	2010
	£	£
Trading activities in support of parent company		
Shop turnover (including distance sales)	1,428,759	1,364,630
Facilities hire	136,402	140,317
Front of house merchandise sales	-	15,457
Catering royalty	680,776	592,099
Corporate hospitality and sponsorships	73,838	52,733
Other trading income	398,729	253,660
	<u>2,718,504</u>	<u>2,418,896</u>

Having regard to the special nature of the company's business, the analysis of income and expenditure as prescribed by the Companies Act 1985 is not meaningful. In the circumstances, therefore, as required by Paragraph 3(3) of Schedule 4 of the Companies Act 1985, the directors have adapted the prescribed format to the requirements of the company's business.

4 Interest receivable	2011	2010
	£	£
Bank interest	9,634	6,183
Inter-company loan interest	32,532	32,164
	<u>42,166</u>	<u>38,347</u>

Inter-company loan interest arises as a result of the group re-organisation which took practical effect on 1 May 2005.

5 Staff costs

All staff contracts were transferred to the parent undertaking, The Shakespeare Globe Trust, as part of the group re-organisation carried out in 2005. A charge is made by the parent undertaking for staff costs relating to the trading activities of the company on a monthly basis throughout the year. This amounts to £253,401 (2010: £250,791) in the year in respect of 12 (2010: 10) employees.

No director received any remuneration for their services as a director, or in any other capacity, during the year.

6 Interest payable	2011	2010
	£	£
Finance costs on redeemable preference shares classified as liabilities (see note 2)	308	312
	<u>308</u>	<u>312</u>

Notes to the financial statements

7 Operating result	2011	2010
	£	£
<i>This is stated after charging</i>		
Auditor's remuneration - audit fee	3,000	3,000

A charge for the use of assets held by The Shakespeare Globe Trust and employed in the trading activities of the company is made on a monthly basis. These charges amounted to £63,658 (2010: £51,696) in the year.

8 Stocks	2011	2010
	£	£
Goods for resale	229,231	217,821

9 Debtors - amounts falling due within one year	2011	2010
	£	£
Trade debtors	301,168	251,376
Other debtors	2,428	268,403
	<u>303,596</u>	<u>519,779</u>

Debtors - amounts falling due after one year

Amount owed by parent company	3,481,303	3,316,303
	<u>3,784,899</u>	<u>3,836,082</u>

10 Creditors - amounts falling due within one year	2011	2010
	£	£
Trade creditors	66,498	124,562
Taxes and social security	110,312	96,030
Amount owed to parent company	229,053	447,666
Other creditors	38,064	237,134
Accruals and deferred income	315,908	-
Redeemable preference shares classified as liabilities (see note 2)	55,400	75,663
	<u>813,233</u>	<u>981,055</u>

11 Creditors - amounts falling due after one year	2011	2010
	£	£
Redeemable preference shares classified as liabilities (see note 2)	<u>3,019,295</u>	<u>3,074,695</u>

The redeemable preference shares carry a fixed annual dividend of 0.01 pence per share (see note 2). Otherwise they are not entitled to any profits available for distribution. They are redeemable at par, subject to the Companies Act 1985, from financial year 2005 onwards, from which year amounts representing 5% of trading surpluses must be used for redemption, unless all the shareholders agree to a lower amount.

Notes to the financial statements

12 Share capital	2011	2010
	£	£
<i>Authorised</i>		
1,000 ordinary shares of 5p each - equity	50	50
49,950 ordinary shares of £1 each - equity	49,950	49,950
3,500,000 redeemable preference shares of £1 each - non-equity	3,500,000	3,500,000
	<u>3,550,000</u>	<u>3,550,000</u>
<i>Allotted, called up and fully paid</i>	No	No
1,000 ordinary shares of 5p each	50	50
3,074,695 redeemable preference shares of £1 each - non-equity (see note 2)	3,074,695	3,118,385
<u>Less:</u> Preference shares redeemed in the period (see note 14)	(55,400)	(43,690)
	<u>3,019,345</u>	<u>3,074,745</u>
13 Capital redemption reserve	2011	2010
	£	£
Balance brought forward at start of the year	235,725	192,035
Transfer from general reserves (income and expenditure account) for redemption of non-equity £1 redeemable preference shares	55,400	43,690
	<u>291,125</u>	<u>235,725</u>
14 Reconciliation of movement in shareholders' funds	2011	2010
	£	£
Opening shareholders' funds at start of the year	703,788	730,019
Income and expenditure account (deficit) for the year	(67,034)	(26,233)
Redeemable preference share redemption payment (see note 11)	(55,400)	(43,690)
	<u>581,352</u>	<u>660,096</u>
Capital redemption reserve transfer in the year (see note 13)	55,400	43,690
	<u>636,752</u>	<u>703,788</u>
15 Reconciliation of operating surplus to net cash inflow from operating activities	2011	2010
	£	£
Operating surplus	1,066,108	835,732
(Increase) in stocks	(11,410)	(13,982)
Decrease/ (Increase) in debtors	51,183	(308,197)
(Decrease) / Increase in creditors	(554,532)	406,576
	<u>551,349</u>	<u>920,129</u>
16 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
(Decrease) / Increase in cash	(250,483)	118,566
Net funds brought forward	705,633	587,067
	<u>455,150</u>	<u>705,633</u>

Notes to the financial statements

17 Analysis of change in net funds	Cash at bank and in hand	Total
At 1 November 2010	705,633	705,633
Cash flows	(250,483)	(250,483)
At 31 October 2011	<u>455,150</u>	<u>455,150</u>

18 Ultimate parent company

The parent company is The Shakespeare Globe Trust, a company limited by guarantee and registered in England and Wales as a charity - number 266916

The only group in which the results of the company are consolidated is that headed by The Shakespeare Globe Trust, incorporated in England

The consolidated accounts of the group are available to the public and may be obtained from 21 New Globe Walk, London SE1 9DT

19 Related parties

There were no related party transactions in the year

20 Taxation

There is no charge to corporation tax in the year (2010 nil)

21 Reconciliation of tax charge	2011	2010
	£	£
Tax on surplus for the year before deed of covenant payment at 19% (2010 19%)	210,514	150,525
Permanent and timing differences	12,736	4,325
Tax liability extinguished by deed of covenant payment	(223,250)	(154,850)
Tax charge for the period	<u>-</u>	<u>-</u>

Auditors and Professional Advisers

Auditors

BDO LLP

Emerald House
East Street
Epsom
Surrey KT17 1HS

Bankers

Royal Bank of Scotland/National Westminster Bank Plc

280 Bishopsgate
London EC2M 4RB

CafBank

Kings Hill
West Malling
Kent ME19 4TA

Legal Advisers

Solomon Taylor and Shaw

3 Coach House Yard
Hampstead High Street
London NW3 1QD

Bates Wells & Braithwaite

Scandinavian House
2-6 Cannon Street
London EC4M 6YH

Tax Advisers

PricewaterhouseCoopers

1 Embankment Place
London WC2N 6RH

Insurance advisers

Walton & Parkinson Limited

20 St Dunstan's Hill
London EC3R 8PP