

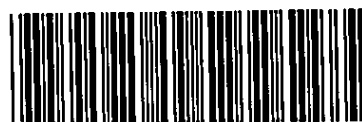
**Shakespeare Globe Trading Limited**

Report and Accounts for the year ending

31 October 2012

Registered company no 997433

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**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

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**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

The directors present their report and the audited financial statements for the year ended 31 October 2012  
Comparative amounts relate to the year ended 31 October 2011

**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 301,000, compared to 312,000 in the previous year

The Globe theatre season comprised 295 performances compared to 258 in the previous year, (of which 84 related to its Globe to Globe Festival) The main theatre season attracted just over 387,000 paid theatre attendees and played to 96% capacity, 76,000 attended the Globe to Globe Festival at 66% occupancy

Turnover from the Company's trading activities in support of the Trust's charitable mission increased by just under 3% on the previous year, from £2 719 million to £2 792 million The surplus of £1,228,000 (2011 £1,108,000) showed 11% growth on the previous year, due to the higher turnover and a reduction to the cost of sales, due partly to improved margins in the shop and lower publishing costs than the previous year

Income from the Company's catering facilities grew by 23%, whilst retail activities declined slightly by 3%, pleasing results in the current challenging economic environment

After net interest receivable of £43,000 (2011 £42,000), the surplus for the year to 31 October 2012 was £1,228,000 (2011 £1,108,000)

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 gift aid to the Trust A gift aid payment of £1,250,000 has been provided for 2012 (2011 £1,175,000)

**Taxation**

The directors are of the view that no liability to corporation tax arises in the year (2011 none) A reconciliation of the tax charge is set out at note 17

**Reserves**

After the annual gift aid payment of £1,250,000 (2011 £1,175,000) to the Trust, the deficit for the year was £22,000 (2011 deficit of £67,000)

A transfer of £62,000 (2011 £56,000) 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 £261,000 (2011 £346,000)

**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 (2011 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 Falconer (Chair Designate until Jan 13)
Lord Richard (Deputy Chairman from 26 March 2012)	(re-appointed 26 March 2012)
Lord Blair of Boughton	
Robert Brooke (Deputy Chairman until 26 March 2012)	(retired 26 March 2012)
Bruce Carnegie-Brown	(re-appointed 26 March 2012)
Martin Clarke (Honorary Treasurer & Chair Audit Committee from 26 March 2012)	
Neil Constable (Chief Executive)	
Dr Diana Devlin	(retired 26 March 2012)
Stephen Dingle (Honorary Treasurer and Chair Audit Committee until 26 March 2012)	(retired 26 March 2012)
Andrew Fraser	
Iraj Ispahani	
Philip Kirkpatrick (Honorary Secretary from 26 March 2012)	
Professor Laurie Maguire	
Valerie Mitchell	
Sir Michael Perry	
David Pickard	
Dame Mary Richardson	
Emma Stenning	(appointment confirmed 26 March 2012)
Jenny Topper	(appointment confirmed 26 March 2012)
Spencer Wigley (Honorary Secretary until 26 March 2012)	(retired 26 March 2012)

Mr Roger Parry and Sir Michael Perry have indicated their intention to retire from the board at the end of the Annual Retirements Meeting on 25 March 2013

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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 responsibility during the year to 31 October 2012 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**

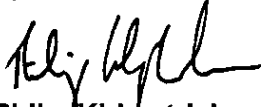
The Company considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Company continues. The Company's policy is to provide training, 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.

**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 forthcoming Board Meeting on 28<sup>th</sup> January 2013 in accordance with section 485 of the Companies Act 2006

By order of the Board



**Philip Kirkpatrick**  
*Secretary*

21 New Globe Walk  
Bankside  
London SE1 9DT

28 January 2013

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**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 2012 which comprise the income and expenditure account, the balance sheet, 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](http://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 2012 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.



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**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



Don Bawtree  
Senior statutory auditor  
For and on behalf of BDO LLP, statutory auditor  
2 City Place  
Beehive Ring Road  
Gatwick  
RH6 0PA

Date 8 Feb 2013

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

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

Income and Expenditure Account	Note	Year ended 31 October 2012		Year ended 31 October 2011	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Trading activities in support of parent company	3		2,792		2,719
			<u>2,792</u>		<u>2,719</u>
<b>Expenditure</b>					
Cost of sales		899		798	
Administrative expenses		<u>708</u>		<u>855</u>	
			1,607		1,653
<b>Profit before interest and gift aid payment</b>			<u>1,185</u>		<u>1,066</u>
Interest receivable	4		43		42
<b>Profit after interest and before gift aid payment</b>			<u>1,228</u>		<u>1,108</u>
Payment under gift aid to parent company			(1,250)		(1,175)
<b>Loss for the year after taxation</b>			<u>(22)</u>		<u>(67)</u>
Taxation	16,17		-		-
<b>Retained loss for the year after taxation</b>			<u>(22)</u>		<u>(67)</u>
Income and expenditure account brought forward			345		486
Transfer to capital redemption reserve	12		(62)		(56)
<b>Income and expenditure account carried forward</b>			<u>261</u>		<u>345</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

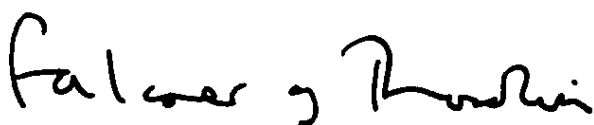
The notes on pages 11 to 16 form part of these financial statements

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

Registered company number 997433

Balance Sheet	Note	Year ended 31 October 2012		Year ended 31 October 2011	
		£'000	£'000	£'000	£'000
<b>Current assets</b>					
Stocks	7	183		229	
Debtors	8	3,810		3,784	
Cash at bank and in hand		408		455	
		<u>4,401</u>		<u>4,468</u>	
<b>Creditors, amounts falling due within one year</b>	9	(829)		(813)	
<b>Total assets less current liabilities</b>			<u>3,572</u>		<u>3,655</u>
<b>Creditors' amounts falling due after one year</b>	10		(2,958)		(3,019)
<b>Net assets</b>			<u>614</u>		<u>636</u>
<b>Capital and reserves</b>					
Called up share capital	11		-		-
Income and expenditure account			261		345
Capital redemption reserve	12		353		291
<b>Shareholder's funds</b>			<u>614</u>		<u>636</u>

These financial statements were approved by the board of directors on 28 January 2013 and signed on its behalf by



Charles Falconer  
Director



Martin Clarke  
Director

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 2012, with comparative amounts for the previous year ended 31 October 2011, 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 9 and 10) 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 0.01pence per share payable in respect of the remaining redeemable preference shares is charged against income for the year

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

**Notes to the financial statements**

<b>3 Income</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>(re-stated) £'000</b>
Trading activities in support of parent company		
Shop turnover (including distance sales)	1,388	1,429
Facilities hire and access fees, including associated catering commission	340	357
Catering royalties	566	460
Corporate hospitality	152	60
Corporate sponsorships	243	227
Other trading income	103	186
	<b>2,792</b>	<b>2,719</b>

Having regard to the special nature of the company's business, the analysis of income and expenditure as prescribed by the Companies Act 2006 is not meaningful. In the circumstances, therefore, as required by Paragraph 3(3) of Schedule 4 of the Companies Act 2006, the directors have adapted the prescribed format to the requirements of the company's business.

<b>4 Interest receivable</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Bank interest	8	10
Inter-company loan interest	35	32
	<b>43</b>	<b>42</b>

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 £244,370 (2011: £253,401) in the year in respect of 11 (2011: 12) employees.

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

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

**Notes to the financial statements**

<b>6 Operating result</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<i>This is stated after charging</i>		
Auditor's remuneration		
- audit fee	<b>3</b>	<b>3</b>

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 £45,605 (2011: £63,658) in the year.

<b>7 Stocks</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Goods for resale	<b>183</b>	<b>229</b>

<b>8 Debtors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	<b>328</b>	<b>301</b>
Other debtors	<b>1</b>	<b>2</b>
	<b>329</b>	<b>303</b>
<b>Debtors: amounts falling due after one year</b>		
Amount owed by parent company	<b>3,481</b>	<b>3,481</b>
	<b>3,810</b>	<b>3,784</b>

<b>9 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	<b>65</b>	<b>67</b>
Taxes and social security	<b>232</b>	<b>110</b>
Amount owed to parent company (excluding preference share redemption)	<b>336</b>	<b>229</b>
Other creditors	<b>123</b>	<b>36</b>
Accruals and deferred income	<b>11</b>	<b>316</b>
Redeemable preference shares classified as liabilities (see note 2)	<b>62</b>	<b>55</b>
	<b>829</b>	<b>813</b>

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

**Notes to the financial statements**

10 Creditors: amounts falling due after one year	2012	2011
	£'000	£'000
Redeemable preference shares classified as liabilities (see note 2)	<u>2,958</u>	<u>3,019</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 2006, 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.

11 Share capital	2012	2011
	£	£
<b>Authorised</b>		
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>
<b>Allotted, called up and fully paid</b>	No	No
1,000 ordinary shares of 5p each	50	50
3,019,295 redeemable preference shares of £1 each - non-equity (see note 2)	3,019,295	3,074,695
<b>Less:</b> Preference shares redeemed in the period (see note 12)	(61,340)	(55,400)
	<u>2,958,005</u>	<u>3,019,345</u>

12 Capital redemption reserve	2012	2011
	£'000	£'000
Balance brought forward at start of the year	291	236
Transfer from general reserves (income and expenditure account) for redemption of non-equity £1 redeemable preference shares	62	55
Balance carried forward at end of the year	<u>353</u>	<u>291</u>

**Shakespeare Globe Trading Limited**  
**Report for the year ended 31 October 2012**

**Notes to the financial statements**

<b>13 Reconciliation of movement in shareholders' funds</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Opening shareholders' funds at start of the year	636	703
Income and expenditure account (deficit) for the year	(22)	(67)
Redeemable preference share redemption payment (see note 9)	(62)	(55)
	<b>552</b>	<b>581</b>
Capital redemption reserve transfer in the year (see note 12)	62	55
Closing shareholder's funds at end of the year	<b>614</b>	<b>636</b>

**14 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

**15 Related parties**

There were no related party transactions in the year

**16 Taxation**

There is no charge to corporation tax in the year (2011 nil)

<b>17 Reconciliation of tax charge</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Tax on surplus for the year before gift aid payment at 19% (2011 19%)	233	211
Permanent and timing differences	5	12
Tax liability extinguished by gift aid payment	(238)	(223)
Tax charge for the period	<b>-</b>	<b>-</b>



**Auditors and Professional Advisers**

***Auditors***

**BDO LLP**  
2 City Place  
Beehive Ring Road  
Gatwick  
RH6 0PA

***Bankers***

**RBS/Natwest Plc**  
280 Bishopsgate  
London  
EC2M 4RB

**CAF Bank**  
Kings Hill  
West Malling  
Kent  
ME19 4TA

***Legal Advisers***

**Soloman 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 Ltd**  
20 St Dunstan's Hill  
London  
EC3R 8PP