

Shakespeare Globe Trading Limited
Annual Report and Financial Statements
for the year ended
31 October 2019

Registered company no. 997433



Shakespeare Globe Trading Limited
Annual Report and Financial Statements for the year ended 31 October 2019

Company Information

Company registration number	997433
Directors	David Butter Martin Clarke (resigned October 2019) Neil Constable Philip Kirkpatrick (resigned April 2020) Mark Sullivan (resigned February 2020)
Company Secretary	Ian Dixon
Registered Office	21 New Globe Walk Bankside London SE1 9DT
Chartered Accountants and Statutory Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

Directors' Report

The Directors present the annual report and the audited financial statements for the year ended 31 October 2019.

Principal activities

During the financial year, the company continued its main activity as the trading subsidiary of The Shakespeare Globe Trust (the 'Globe'). Its business comprises providing catering, hosting functions, the sale of books, publications and merchandise and the provision of public tours of the Globe buildings. In addition to these activities, Shakespeare Globe Trading Limited (the 'Company') receives commercial promotion (sponsorship) income.

The principal activities of the Company ended permanently at the end of the financial year following the transfer of all of the trade, assets and liabilities to a newly-incorporated subsidiary of the Globe, SGT Trading Limited, at a fair value of the business determined by a third party specified in the transfer agreement with SGT Trading Limited. All contracts and agreements with group companies and external suppliers were novated to SGT Trading Limited and the resource sharing agreement with the Globe was dissolved and replaced by one between SGT Trading Limited and the parent.

The transfer agreement set an estimate for the third party value at £670k, and this was the provisional consideration paid. However, the transfer agreement permitted a clawback of the difference between the consideration paid and final value as determined by independent valuation (£446k), and this difference (£224k) is included in the financial statements as owing by the Company to SGT Trading Limited at the year end.

Business review

The Company's profit before gift aid for the financial year was £1,429,000 (2018: £1,419,000) of which £1,300,000 (2018: £1,419,000) was paid to the Globe before the end of the financial year under a Gift Aid arrangement as a result of the deed of covenant between the Globe and the Company.

Principal risks and uncertainties

As it is the intention of the Directors to shortly wind up the Company, the Directors do not consider there to be any significant risks or uncertainties that would affect the entity.

Reserves

After the gift aid payment of £1,300,000 (2018: £1,419,000) to the Globe, the profit for the year before taxation was £129,000 (2018: nil), and the result for the year after taxation was £97,000 (2018: nil) which has been transferred to reserves.

During the year the company's preference shares and capital redemption reserve were, by resolution, cancelled and transferred to the distributable income and expenditure account reserve. A distribution was then made of the amounts transferred. This leaves a balance carried forward on the accumulated income and expenditure account of £414,000 (2018: £317,000).

Proposed dividend

The Directors will propose, in due course, a final distribution (by means of a Gift Aid donation of all remaining reserves) is made to the Globe, as parent entity, prior to the wind up of the Company.

Going concern

For the whole of the financial year under review the Company's main activity was the provision of catering and commercial (functions, retail, and tours) activities on behalf of the Globe.

As noted above, effective 31 October 2019, the trade, assets and liabilities of the Company were transferred to a newly-incorporated entity. The Company has remained dormant since 31 October 2019 and it is the intention of the Directors to wind up the Company in due course. As a result of the decision of the Directors to wind up the Company in due course, the going concern basis of accounting is no longer appropriate and the Directors have adopted a basis of accounting other than going concern. No adjustments were necessary to the financial statements as a result of the change in the basis of accounting.

Directors and Directors' interests

The Directors who held office during the financial year and up to the date of approval of this report are disclosed on page 2.

No Director held any interests in the share capital of the Company during the financial year.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The Directors 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.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Appointment of the auditors

PricewaterhouseCoopers LLP has indicated its willingness to continue in office as the Company's auditors and it is the intention of the Directors that they should do so.

Information to the auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approval

In preparing this report the Directors have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

Approved and authorised by the Board of Directors and signed on its behalf by:



Neil Constable
Director

Date: 28 October 2020
Company registration number: 997433

Independent auditors' report to the members of Shakespeare Globe Trading Limited

Report on the audit of the financial statements

Opinion

In our opinion, Shakespeare Globe Trading Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 October 2019; the income and expenditure account, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3a to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 October 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Andrew Lowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 29 October 2020

Shakespeare Globe Trading Limited
Annual Report and Financial Statements for the year ended 31 October 2019

Income and Expenditure Account
For the year ended 31 October 2019

	Note	2019 £000	2018 £000
Turnover	4	3,962	3,532
Cost of sales		(1,061)	(900)
Gross profit		2,901	2,632
Administrative expenses		(1,520)	(1,252)
Operating profit	6	1,381	1,380
Interest receivable	7	48	39
Profit before gift aid payment and taxation		1,429	1,419
Payment under gift aid to parent company		(1,300)	(1,419)
Profit for the year before taxation		129	-
Taxation	8,9	(32)	-
Profit for the year		97	-

As explained in Note 1, the trade and certain assets and liabilities of the Company on 31 October 2019. Therefore, all amounts relate to discontinued operations.

The notes on pages 10 to 14 form part of these financial statements.

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Balance Sheet

As at 31 October 2019

	Note	2019 £000	2018 £000
Current assets			
Stocks		-	227
Debtors (including no amounts (2018: £3,481k) falling due after more than one year)	10	-	3,889
Cash at bank and in hand		1,095	3,600
		1,095	7,716
Creditors: amounts falling due within one year	11	(681)	(4,088)
Net current assets		414	3,628
Creditors: amounts falling due after one year	13	-	(2,958)
Net assets		414	670
Capital and reserves			
Called up share capital		-	-
Income and expenditure account		414	317
Capital redemption reserve		-	353
Total shareholders' funds		414	670

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small Companies and in accordance with provisions of FRS 102 Section 1A (small entities).

The notes on pages 10 to 14 form part of these financial statements.

These financial statements on pages 7 to 14 were approved by the Board of Directors and signed on its behalf by:



Neil Constable
Director

Date: 28 October 2020

Registered number: 997433

Statement of Changes in Equity

For the year ended 31 October 2019

	Called up share capital £'000	Income and expenditure account £'000	Capital redemption reserve £'000	Total shareholders' funds £'000
Balance as at 1 November 2017	-	317	353	670
Total comprehensive income for the year	-	-	-	-
Balance as at 31 October 2018	-	317	353	670
Total comprehensive income for the year	-	97	-	97
Cancellation of preference shares	-	-	2,958	2,958
Transfer of capital redemption reserve to distributable reserves	-	3,311	(3,311)	-
Dividend (Gift Aid donation) from distributable reserves	-	(3,311)	-	(3,311)
Shareholders' funds as at 31 October 2019	-	414	-	414

On 30 October 2019, a special resolution was passed by the Company's members to reduce the Company's share capital and the outstanding preference shares (£2,958k) were cancelled, and an amount to the same value (£2,958k) was credited to the capital redemption reserve. The resolution also cancelled the capital redemption reserve (£3,311k), transferring the balance to the distributable income and expenditure account. Subsequently, and on the same date, a further resolution was passed by the Directors of the Company to distribute £3,311k as a dividend (by way of gift aid donation) to the parent company, The Shakespeare Globe Trust. This has been presented as a distribution from capital as it arose, in substance, from the reduction in share capital.

The notes on pages 10 to 14 form part of these financial statements.

Notes

1. General information

Shakespeare Globe Trading Limited (the 'Company') is a private company limited by share capital (incorporated in the UK and registered in England and Wales), wholly owned by The Shakespeare Globe Trust (the 'Globe'). The address of the Company's registered office is set out on page 2.

The Company's main activity was the provision of catering and commercial (functions, retail, and tours) activities on behalf of the Globe. Effective 31 October 2019, the trade and certain assets and liabilities of the Company were transferred to a newly-incorporated subsidiary of the Globe, SGT Trading Limited at a fair value determined by a third party, as specified in the transfer agreement. Similarly all contracts and agreements with group companies and with external suppliers and ongoing customers were novated to SGT Trading Limited, and the resource sharing agreement between the Company and its parent was dissolved, replaced by one between SGT Trading and the Globe. The Company has remained dormant since 31 October 2019 and it is the intention of the Directors to wind up the Company in due course.

The Company qualifies as a small company and as such as opted to apply the small companies regime.

2. Statement of compliance

The financial statements for the year ended 31 October 2018 have been prepared in compliance with applicable United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102, "The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" ("FRS 102 section 1A (small entities)") and the Companies Act 2006.

3. Accounting policies and basis of preparation

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

a) Basis of preparation

As a result of the decision of the directors to wind up the Company in due course, which is explained in Note 1 above, the going concern basis of accounting is no longer appropriate and the directors have adopted a basis of accounting other than going concern. No adjustments to the financial statements were necessary as a result of the change in the basis of accounting.

b) Income

All income is recognised in the period that the goods or services are provided.

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

c) 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.

d) Stocks

Stocks of goods for resale (such as books, publications and merchandise) are stated at the lower of cost and fair value less costs to sell.

e) Redeemable preference shares

The redeemable preference shares (note 13) are shown as a financial liability (before redemption) in the comparative financial statements.

f) Cash at bank and in hand

Cash at bank and in hand includes cash in hand and short term deposits held at banks each with original maturities of three months or less.

Notes

4 Turnover

	2019 £000	2018 £000
Retail	2,180	2,015
Venue hire	270	391
Catering and hospitality	763	767
Corporate membership	277	206
Corporate sponsorships	408	75
Other trading income	64	78
	3,962	3,532

5 Staff costs

The Company has no employees and the Globe provides administrative services to the Company. The Globe charges the Company for the cost of staff who support the trading activities of the Company on a monthly basis throughout the year. This amounted to £342,000 (2018: £311,000) in the year in respect of 11 (2018:10) employees.

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

6 Operating profit

Operating profit is stated after charging:

	2019 £000	2018 £000
Auditors' remuneration:		
Audit fee	13	5
Tax compliance services	8	4

The Globe also charges the Company for the use of assets which are employed in the trading activities of the Company on a monthly basis. These charges amounted to £38k (2018: £38k) in the year.

7 Interest receivable

	2019 £000	2018 £000
Inter-company loan interest	35	35
Bank interest	13	4
	48	39

8 Taxation

There is a charge to corporation tax in the year of £32k (2018: nil).

Notes

9 Reconciliation of tax charge

	2019 £000	2018 £000
Profit before gift aid payment and taxation	1,429	1,419
Tax on surplus for the year before deed of covenant payment at 19% (2018: 19%)	272	270
Effects of:		
Expenditure not deductible for tax purposes	7	-
Tax liability extinguished by deed of covenant payment	(247)	(270)
Total tax charge for the year	32	-

10 Debtors

	2019 £000	2018 £000
Debtors: amounts falling due within one year		
Trade debtors	-	372
Other debtors	-	36
	-	408
Debtors: amounts falling due after one year		
Amounts owed by group undertakings	-	3,481
	-	3,889

Amounts owed by group undertakings are unsecured, non-interest bearing and has no fixed date for repayment.

11 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	-	42
Corporation tax	32	-
Taxes and social security	-	47
Amount owed to group undertakings	649	3,927
Accruals and deferred income (note 12)	-	72
	681	4,088

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

12 Deferred income

	2019 £000	2018 £000
At 1 November	68	67
Deferred in the year	-	68
Released in the year	(68)	(67)
At 31 October	-	68

Notes

13 Creditors: amounts falling due after one year

	2019 £000	2018 £000
Nil (2018: 2,957,955) redeemable preference shares of £1 each. The shares were cancelled in the year	-	2,958

The redeemable preference shares carried a fixed annual dividend of 0.01 pence per share. Otherwise they were not entitled to any profits available for distribution. On 30 October 2019, a special resolution was passed by the members of the Company to reduce the Company's capital and the outstanding preference shares were cancelled. The resolution credited the value of the outstanding preference shares (£2,958k) to the capital redemption reserve.

14 Share capital

	2019 £000	2018 £000
Authorised		
1,000 (2018: 1,000) equity ordinary shares of 5p each	-	-
49,950 (2018: 49,950) equity ordinary shares of £1 each	50	50
3,500,000 (2018: 3,500,000) non-equity redeemable preference shares of £1 each	3,500	3,500
	3,550	3,550
Allotted, called up and fully paid		
1,000 (2018: 1,000) ordinary shares of 5p each	-	-
Nil (2018: 2,957,955) non-equity redeemable preference shares of £1 each	-	2,958
	-	2,958

The redeemable preference shares carried a fixed annual dividend of 0.01 pence per share. Otherwise they were not entitled to any profits available for distribution. On 30 October 2019 the preference shares were cancelled by a special resolution passed by the members of the Company.

15 Ultimate controlling party

The Company is a wholly owned subsidiary undertaking of The Shakespeare Globe Trust which is incorporated in Great Britain and registered in England and Wales (registered number: 1152238). The Shakespeare Globe Trust is the only entity which prepares consolidated financial statements of which the Company is a member. The Globe's registered address is 21 New Globe Walk, London, SE1 9DT and copies of the consolidated financial statements can be obtained from this address.

16 Related parties

As the Company is a wholly owned subsidiary of the Globe, it has taken advantage of the exemption from disclosing transactions with the Globe and other wholly owned subsidiaries of the Globe. There are no other related party transactions.

17 Transfer of assets and liabilities

On 31 October 2019, the Company agreed to transfer the trade, certain assets and liabilities to a newly-incorporated subsidiary of the Globe, SGT Trading Limited at a fair value determined by a third party, as specified in the transfer agreement. Similarly all contracts and agreements with group companies and with external suppliers and ongoing customers were novated by the Company to SGT Trading Limited, and the resource sharing agreement between the Company and the Globe was dissolved, replaced by one between SGT Trading Limited and its parent.

Notes

The transfer agreement set an estimate for the third party valuation at £670k, and this was the provisional consideration paid. However, the transfer agreement permitted a clawback of the difference between the consideration paid and the final value as determined by independent valuation (£446k), and this difference (£224k) is shown as owing by the Company to SGT Trading Limited at year end.

The table below sets out the carrying amount of assets and liabilities transferred to SGT Trading Limited on 31 October 2019:

	£000
Current assets	
Stocks	296
Trade debtors	332
Other debtors	18
Prepayments and accrued income	69
Cash at bank and in hand*	425
	1,140
Current liabilities	
Trade creditors	(35)
Other creditors	(1)
Taxes and social security	(219)
Amounts owed to group undertakings	(270)
Accruals and deferred income	(169)
	(694)
Net assets	446

*Cash at bank and in hand was not transferred to SGT Trading Limited on 31 October 2019 and was held in the Company's bank accounts at year end. Therefore, this amount is shown within cash at bank and in hand and an equivalent liability recognised within creditors - amounts owed to group undertakings on the Company's balance sheet at 31 October 2019.