

Shakespeare Globe Trading Limited
Annual Report and Financial Statements
for the year ended
31 October 2017

Registered company no. 997433



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Annual Report and Financial Statements for the year ended 31 October 2017

Company Information

Company registration number	997433
Directors	David Butter Martin Clark Neil Constable Philip Kirkpatrick Mark Sullivan
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
Bankers	RBS/NatWest Plc 280 Bishopsgate London EC2M 4RB

Directors' Report

The Directors present the annual report and the audited financial statements for the final year ended 31 October 2017.

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.

Business review

The Company's profit before gift aid for the financial year was £1,275,000 (2016: £1,706,000) of which £1,275,000 (2016: £1,686,000) will be paid to the Globe under a Gift Aid arrangement as a result of the deed of covenant between the Globe and the Company.

Principal risks and uncertainties

The Directors consider the following risks to be significant to the Company:

Audience numbers - there is a strong correlation between audience and income receivable. As such, the company's profitability is, to an extent, dependent on the ongoing ability of the productions to attract audiences and thereby participate in the principal activity noted above.

Further details of how the Globe manages this risk, including information about repertoire and audiences, can be found in the *Structure, Governance and Management* section of the Globe's annual report. Other risks that relate to the Globe as a whole are covered in that report.

Reserves

After the gift aid payment of £1,275,000 (2016: £1,686,000) to the Globe, the surplus for the year was £nil (2016: surplus of £20,000).

The Globe waived its right to capital redemption in both the current year and previous year. Therefore, no transfer from the profit and loss account to a capital redemption reserve has been provided for in accordance with the terms attaching to the redeemable preference shares (see note 14). This leaves a balance carried forward on the accumulated income and expenditure account of £317,000 (2016: £317,000).

Proposed dividend

The Directors do not recommend the payment of a dividend.

Going concern

The Company's activities are set out in the Directors' report. The Company's forecast and projections, taking into account reasonably foreseeable changes in income and expenditure, indicate that the Company can and will continue to operate on this basis.

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

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

The Board of Trustees of the Globe appointed PricewaterhouseCoopers LLP as its auditors at their meeting on 11 September 2017. This followed a decision by the Trustees to review the external audit services and a tender process managed by the Audit Committee. That decision was also ratified by the Directors of the Company. Under the Companies Act 2006, outgoing auditors are required to provide a Statement of Reasons explaining why they cease to hold office and any matters which should be brought to the notice of the Directors or the Company's creditors. BDO LLP's resignation letter confirmed that there were no such matters. PricewaterhouseCoopers LLP has indicated its willingness to continue in office as the Company's auditors and it is the intention 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. Signed on 1 February 2018.



Ian Dixon
Company Secretary

Registered 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 2017 and of its results 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 for the year ended 31 October 2017 (the "Annual Report"), which comprise: the balance sheet as at 31 October 2017; the income and expenditure account 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a 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 2017 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 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
1 February 2018

Income and Expenditure Account
For the year ended 31 October

	Note	2017 £000	2016 £000
Turnover	4	3,549	3,713
Cost of sales		(930)	(987)
Gross profit		2,619	2,726
Administrative expenses		(1,380)	(1,057)
Operating profit	6	1,239	1,669
Interest receivable	7	36	37
Profit before gift aid payment and taxation		1,275	1,706
Payment under gift aid to parent company		(1,275)	(1,686)
Results for the year before taxation		-	20
Taxation	8,9	-	-
Results for the year		-	20

All amounts relate to continuing operations.

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

The notes on pages 9 to 12 form part of these financial statements.

Balance Sheet

As at 31 October 2017

	Note	2017 £000	2016 £000
Current assets			
Stocks		228	229
Debtors (including £3,481k (2016: £3,481k) falling due after more than one year)	10	4,030	3,697
Cash at bank and in hand		3,637	2,749
		7,895	6,675
Creditors: amounts falling due within one year	11	(4,267)	(3,047)
Net current assets		3,628	3,628
Creditors: amounts falling due after one year	13	(2,958)	(2,958)
Net assets		670	670
Capital and reserves			
Called up share capital	14	-	-
Income and expenditure account		317	317
Capital redemption reserve	15	353	353
Shareholders' funds	16	670	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 9 to 12 form part of these financial statements.

These financial statements were approved by the Board of Directors and signed on its behalf on 1 February 2018 by:



Neil Constable
Director

Registered number: 997433

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 is the provision of catering and commercial (functions, retail, and tours) activities on behalf of the Globe.

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 2017 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

The financial statements for the year ended 31 October 2017 have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards and the Companies Act 2006; and on a going concern basis. The Company's functional and presentational currency is pounds sterling.

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 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.

f) 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

	2017 £000	2016 £000
Retail	1,976	2,184
Venue hire	485	442
Catering and hospitality	782	732
Corporate membership	149	192
Corporate sponsorships	68	86
Other trading income	89	77
	3,549	3,713

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 £333k (2016: £301k) in the year in respect of 12 (2016: 12) 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:

	2017 £000	2016 £000
Audit fee	5	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 (2016: £38k) in the year.

7 Interest receivable

	2017 £000	2016 £000
Inter-company loan interest	35	35
Bank interest	1	2
	36	37

8 Taxation

There is no charge to corporation tax in the year (2016: nil).

9 Reconciliation of tax charge

	2017 £000	2016 £000
Profit before gift aid payment and taxation	1,275	1,706
Tax on surplus for the year before deed of covenant payment at 19% (2016: 20%)	242	341
Effects of:		
Permanent and timing differences	-	(4)
Tax liability extinguished by deed of covenant payment	(242)	(337)
Total tax charge for the year	-	-

Notes

10 Debtors

	2017 £000	2016 £000
Debtors: amounts falling due within one year		
Trade debtors	480	213
Other debtors	69	3
	549	216
Debtors: amounts falling due after one year		
Amounts owed by group undertakings	3,481	3,481
	4,030	3,697

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

	2017 £000	2016 £000
Trade creditors	55	105
Taxes and social security	181	250
Amount owed to group undertakings	3,907	2,582
Other creditors	36	40
Accruals and deferred income (note 12)	88	70
	4,267	3,047

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

12 Deferred income

	2017 £000	2016 £000
At 1 November	68	57
Deferred in the year	67	68
Released in the year	(68)	(57)
At 31 October	67	68

13 Creditors: amounts falling due after one year

	2017 £000	2016 £000
2,957,955 (2016: 2,957,955) redeemable preference shares of £1 each	2,958	2,958

The redeemable preference shares carry a fixed annual dividend of 0.01 pence per share. Otherwise they are not entitled to any profits available for distribution. They are redeemable at par, subject to the Companies Act, 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. For the year ended 31 October 2017, the Globe, which is the holder of 100% of these preference shares, has agreed to waive its right to capital redemption for this period.

Notes

14 Share capital

	2017 £000	2016 £000
Authorised		
1,000 (2016: 1,000) equity ordinary shares of 5p each	-	-
49,950 (2016: 49,950) equity ordinary shares of £1 each	50	50
3,500,000 (2016: 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 (2016: 1,000) ordinary shares of 5p each	-	-
2,957,955 (2016: 2,957,955) non-equity redeemable preference shares of £1 each	2,958	2,958
	2,958	2,958

15 Capital redemption reserve

	2017 £000	2016 £000
Balance brought forward at the start of the year	353	353
Balance carried forward at the end of the year	353	353

For the year ended 31 October 2017, the Globe, which is the holder of 100% of these preference shares, has agreed to waive its right to capital redemption for this financial year.

16 Reconciliation of movement in shareholders' funds

	2017 £000	2016 £000
Opening shareholders' funds at start of the year	670	650
Profit for the year	-	20
Closing shareholders' funds at end of the year	670	670

17 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.

18 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.