

Shakespeare Birthplace Trust

Trustees' report and consolidated financial statements

For the year ended 31 December 2018

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Trustees

Chairman	Peter Kyle OBE
Vice Chairman	John Russell
	Nick Abell
	Colin Bennett
	Ralph Bernard CBE
	Penelope, Viscountess Cobham CBE
	Rebecca Dobbs
	Kathy Gee MBE
	Ros Haigh
	AJ Leon
	Professor Lena Cowen Orlin
	Professor Carol Chillington Rutter

Leadership Team

Chief Executive	Tim Cooke
Deputy CEO and Director of Operations & Marketing	Philippa Rawlinson
Director of Cultural Engagement	Delia Garratt
Director of Finance & Planning	Heather Lees (to 21 December 2018)
Director of HR & Administration	Becky Cund (to 30 September 2018)
Honorary President	Professir Sir Stanley Wells CBE
Secretary to Trustees	Julia Howells

Principal Advisors

Architects	Osbornes The Balconies Hanley Swan Worcestershire WR8 0DN	Auditors	Crowe UK LLP Rounds Green Road Oldbury West Midlands B69 2DG
	Rodney Melville and Partners 10 Euston Place Leamington Spa Warwickshire CV32 4JL	Solicitors	Robert Lunn and Lowth 2 Sheep Street Stratford-upon-Avon CV37 6EJ
Bankers	HSBC Bank plc 13 Chapel Street Stratford-upon-Avon CV37 6EP	Chartered Surveyors	Sheldon Bosley Knight 58 Ely Street Stratford-upon-Avon CV37 6LN

Address of principal office

The Shakespeare Centre, Henley Street, Stratford-upon-Avon, Warwickshire CV37 6QW.

Trustees' report

The Trustees present their annual report and audited financial statements for the year ended 31 December 2018.

Highlights of 2018

Caring for the world's richest Shakespearian heritage in Stratford-upon-Avon, the Shakespeare Birthplace Trust creates memorable and meaningful connections with the playwright's work, life and times for people everywhere.

In 2018 the five Shakespeare family homes and gardens opened the doors to Shakespeare's world for 835,000 visitors from around the globe – the second highest level of visits this decade.

Over 1.8 million children in more than 12,000 schools across the UK explored storytelling and poetry through our annual Shakespeare Week celebration. More than 2,000 schools introduced Shakespeare to their curriculum for the first time. A further 3,500 children from areas of cultural and economic deprivation in the West Midlands enjoyed a unique educational experience as part of our Museums in Schools programme which is funded by the Department for Education and administered through Arts Council England. Our Stratford-based courses were filled to capacity by more than 19,000 students of all ages.

With more than three million users visiting our website and social media platforms, our role as the 'go-to' digital destination for information about Shakespeare continued to grow. Access to our website shakespeare.org.uk grew by 21% and our social media following increased by 11%.

In April we formally became a National Portfolio Organisation (NPO) with funding from Arts Council England (ACE) for ambitious new creative programmes across four years. The first fruits of joining the NPO family included Carrie Reichardt's *Shakespeare's Anne* exhibition, the *Fierce Sisters* performances at New Place and Thor McIntyre's *Threads of the Unsaid* installation. This funding has also enabled us to establish our first six regional primary school hubs to extend our creative outreach to children and communities across the country.

Celebrations to mark the International Year of Women featured two special loans from our Collections. The 'Ventilator Sketch', a rare watercolour depicting the reality of women's exclusion from political life 200 years ago, was displayed for the first time in *Voice and Vote: "Women's Place in Parliament"* an exhibition in the Palace of Westminster. A 17th-century bodice was one of four Collections items presented in the Jamestown Museum exhibition *Tenacity: Women in Jamestown and Early Virginia*, which tells the story of the first women to arrive in the English colony over 400 years ago.

The significance to world culture of the 'Shakespeare Documents' – the key archival sources for William Shakespeare's biography – was formally recognised by the UNESCO International Memory of the World programme. The Trust led the successful bid by a consortium of organisations.

We struck two new partnership agreements that will enable the Trust to develop and share our unique heritage properties, collections and knowledge. We are working with partners in Fuzhou, China, to recreate Shakespeare's Birthplace and Shakespeare's New Place at San Weng, a new international heritage and cultural centre. The project will support investment in our work in the UK to conserve, sustain and share the Shakespeare legacy in our care, and give millions of people who might never have the opportunity to visit his home town the chance to enrich their connection with Shakespeare in China. Closer to home, we are delighted to be working with the Coventry & Warwickshire Local Enterprise Partnership and Stratford-upon-Avon District Council on improvements for Henley Street as the gateway to one of the world's great cultural destinations. We look forward to enhancing the setting for Shakespeare's Birthplace and expanding the experiences and services we offer to meet the changing needs of visitors.

We congratulate our former Chief Executive Dr Diana Owen on her richly deserved OBE in the Queen's Birthday Honours, an award which Diana herself described as a great tribute to the whole Trust.

Our sincere thanks go to our Trustees, Council members and everyone who has supported our charity in providing so many opportunities for people of all ages and backgrounds around the globe to enjoy Shakespeare's works, life and times.

A Welcome for All

Our people, places and programmes welcome nearly 1m visitors a year from all walks of life, from all around the world.

In 2018, 835,000 ticket holders explored different aspects of Shakespeare's world and creative legacy at his five family homes and gardens.

Our rich calendar of events and activities was refreshed, and the successful launch of a new "Winter" programme boosted low season attendance by 23%. The International Year of Women inspired a new Shakespeare & Women season, including a chance to meet the young 'Anne Hathaway' at her Cottage and hear about her romance and marriage to William. At New Place, another colourful character was brought to life in the shape of Francis Gastrell, facing a mock trial for his demolition of Shakespeare's New Place (popular verdict: guilty).

Our 65th Stratford-upon-Avon Poetry presented a poignant and diverse programme commemorating the centenary of the end of the First World War and the ongoing need for peace and reconciliation. Inspired by the final words in the First Folio of Shakespeare's works (*Cymbeline*), "Washed with such a Peace", it featured recitals by actors Christopher Eccleston and Niamh Cusack.

In our first year as an NPO, contemporary artists brought fresh drama and spectacle. Thor McIntyre's *Threads of the Unsaid* wove intrigue through the orchards at Anne Hathaway's Cottage and online with his crowd-scripted installation inspired by *Romeo & Juliet*. Over 6 weeks, 1,500 social media posts were shared on 5 million timelines. Carrie Reichardt's *#ShakespeareAnne* exhibition in the Shakespeare Centre gave a radical perspective on Anne Hathaway and how consumerism, popular culture and social media are changing the way we view and interpret history. Mimbres's provocative take on Shakespeare's female characters in the visually arresting *Fierce Sisters* at New Place invited audiences to consider the portrayal and interpretation of women, then and now. These commissions have provided new insights into the Shakespeare story and have attracted new audiences. The challenging nature of some of this work prompted polarised opinions from our audiences and in turn has helped us to develop our approach to commissioning and working with artists.

Improvements to our group bookings process and guiding arrangements at Shakespeare's Birthplace greatly improved the visitor experience at peak times and helped to alleviate the physical impact on the historic properties.

As an independent charity we depend on visitor admissions (and associated catering and retail sales) for the majority of our income. However, the passage of millions of visitors also takes its toll on the fabric of our historic homes and collections. In 2018 our Estates team carried out nearly 300 conservation repairs and serviced over 2,500 maintenance calls. Working with leading experts we developed a 5 year conservation plan for the Shakespeare family homes.

In line with the garden conservation plan, 800m² of our borders underwent restoration to make them better reflect the stories of the sites, including the reinstatement of Ellen Willmott's original design for the beds in front of Anne Hathaway's Cottage. Shakespeare's New Place was a finalist in Horticulture Week's 2018 conservation project awards.

The passion and expertise of our teams are key to making our diverse audience feel at home with Shakespeare. In 2018 a new Welcome for All training programme for customer-facing teams was developed and delivered in-house by staff and volunteers. Reflecting our commitment to Equality, Diversity and Inclusion, ongoing improvements to accessibility included investment in audio description supported by DCMS Wolfson Fund. Staff completed a

Diversity Champion Training Course with the West Midlands Museum Development Group. We worked with local councils and partners to develop a cohesive offer for AccessAble, which provides facts, figures and photographs to help people decide whether places are accessible to them.

Volunteers bring a wealth of skills and experience and play a crucial role in enabling the Trust to deliver its mission. We are grateful for their support. In 2018 we welcomed 36 new volunteers, and total volunteer hours increased by 6% from 24,100 to 25,500 hours. Additionally our Trustees gave 1,600 hours. We hosted 17 work experience students.

Roger Howells was posthumously honoured as Museum Champion at the West Midlands Museum Development Volunteer Awards. Roger was the lynch-pin of the Trust's support to theatre studies for 22 years, giving an estimated 13,000 hours to the Trust. Several generations of researchers have benefitted from his work on theatre production records and his encyclopaedic knowledge of the Royal Shakespeare Company from the 1960s to the 1990s.

We were delighted to be recognised at number 75 in the "Sunday Times 100 Best Not For-Profit Organisations to Work For" list.

Learning and Participation

Pathways to Shakespeare enables people at every age and stage of interest, from primary school pupils to PhD students, leisure learners to academic and teaching professionals, to access Shakespeare. Here we highlight just some of the ways we inspired millions of people to engage with Shakespeare in the classroom and beyond.

Will's Wonderful Words rang out across the nation as 1.8 million primary school children took part in Shakespeare Week. The Big Shakespeare Poetry Performance was broadcast online to 45,000 children: patrons Baroness Floella Benjamin OBE, poet Ian McMillan and Sonnet Man Devon Glover led the celebration of poetry and storytelling with the children of Mapledene Primary School. The Big Shakespeare Book Hunt, in partnership with the Story Museum and Walker Books, sent 154 Shakespeare books 'into the wild' to be discovered and shared by 26,000 children: #Shpassiton reached more than 2 million on Twitter. More than 1,300 libraries received our Story Sacks to facilitate free storytelling sessions.

Delivered in partnership with some of Britain's best-loved cultural institutions, Shakespeare Week has so far given 6.5 million children a great first encounter with the world's best known writer, across a range of subjects in the curriculum. Teachers report that as well as having fun with Shakespeare, children gain improved communication, creative and critical thinking skills, greater confidence, and wider horizons.

We established a network of Shakespeare Hub Schools to enrich the arts experiences of children and communities. Six hubs of six to eight schools are working with creative practitioners from a wide range of disciplines. Supported by Arts Council England and delivered free to schools, our hubs programme also provides platforms for children to share their experiences with their peers, Continuing Professional Development (CPD) sessions for teachers including specialist training led by artists and support in working with arts organisations and the delivery of Arts Awards. Forty primary schools in the North East, Merseyside, Nottingham, Birmingham, Oxfordshire and London are among the first to participate.

Our first Museums and Schools project, Sharing Shakespeare's Story, was shortlisted for the Museums and Heritage Education Initiative of the year. We were delighted to be awarded Museums & Schools funding for a further two years to facilitate our work with schools in areas of economic and cultural deprivation that had not previously visited the Trust. In 2018, 1,200 children from schools in Birmingham and Solihull, North Warwickshire and Worcestershire rose to the challenge of taking on the role of guide for the day at the Shakespeare family homes and sharing their new-found knowledge and skills with their classmates and with visitors from all over the world.

Our formal learning courses in Stratford were again filled to capacity with more than 19,000 people of all ages. Teacher and student satisfaction was consistently rated at 98%. Bookings for our EFL (English as a foreign or second language) courses grew by 50%. In addition to school and student groups we welcomed special interest groups and individuals keen to nurture and share with others their passion for Shakespeare.

Sharing Shakespeare with the world

Digital developments enhanced access to the enjoyment and understanding of Shakespeare for more than 3 million users visiting our website and social media platforms globally. Enriched content and improved searchability boosted access to our main website Shakespeare.org.uk by 21% to 3 million page views. A quarter of our online visitors tapped into our growing Shakespedia section, launched in 2017 to answer the most popular questions about Shakespeare's life and works.

Experiments to test and learn more about audiences' digital preferences included taking part in Culture 24's 'Let's Get Real 6' action research programme which investigated the social purpose of digital technologies for heritage and arts organisations.

A funding award from The Space (an Arts Council England / BBC collaboration) enabled teams across the organisation to be trained in the creation of high quality video content. Within 2 months more than 46,000 people had viewed the first set of videos produced in-house.

In support of the global academic network, we took part in the Shakespeare Association of America Conference, The British Shakespeare Association Conference, and the International Shakespeare Conference. The Trust took up the Chair of the Partner Advisory Group of the UK's leading Doctoral Training Partnership, Midlands 4 Cities. We worked with nine universities to deliver Shakespeare Connected, 14 online exhibitions which showcase our Collections and disseminate academic research to a wide and general audience. In partnership with University College London, we welcomed another collaborative PhD studentship, working on the papers of the Stratford-upon-Avon Antiquarians.

Closer to home more than 3,000 local people took advantage of our free Community Pass to Shakespeare's New Place. In collaboration with Warwickshire Libraries we launched monthly Shakespeare For All open-access readings of Shakespeare's works. Around 500 people attended our monthly Research Conversations. Our fourth Fun Palaces day brought 350 people of all ages together in playful exploration of science and the arts with a Shakespearian twist.

Looking ahead

Charged by Act of Parliament to preserve the Shakespearian heritage of Stratford-upon-Avon for the benefit of the nation, the Shakespeare Birthplace Trust is uniquely placed to present the playwright's personal story and works through its Shakespeare houses, powerful learning programmes, internationally-important Shakespearian and local history collections, research projects and publications, and digital dialogue.

In 2019 our commitment is to work even more effectively as an organisation and with others to deliver a coherent and compelling offer which builds on our inheritance and allows our audiences to encounter Shakespeare in a meaningful way.

Internally, we have introduced a business planning process to strengthen our focus on future planning, sustainability and growth. Our new plan outlines the actions we will take during 2019 to increase access to Shakespeare while taking a fresh strategic look at how we will develop in the future. It sets out the key work streams which will enable us to enhance:

- the reach and impact of our public engagement
- the interpretation and protection of the five Shakespeare family homes

- the care of our Collections and access to them
- the deployment and dissemination of our knowledge and expertise
- our development as a dynamic organisation with high levels of capability and financial resilience
- diversification of our income streams to support reinvestment in our charitable work

We are committed to making best use of our estate in pursuit of our charitable objectives and are developing proposals for a master-planning process to ensure we maximise the potential of our cultural assets and properties in years ahead.

We are also working with Stratford-on-Avon District Council and the Coventry and Warwickshire Local Enterprise Partnership on a jointly-funded, integrated plan for a visitor-friendly facelift to Henley Street to enhance the setting of Shakespeare's Birthplace. The Trust will develop Will's Kitchen, a distinctive new culinary and cultural destination, while improvements to the streetscape and amenities will ensure a safe and welcoming social space for residents and visitors from around the world to enjoy.

A programme of creative work 'Inspired by Shakespeare', supported by ACE, will underpin events, exhibitions and artistic commissions. We will celebrate the 250th anniversary of the first Shakespeare Jubilee, organised by prominent actor and impresario David Garrick in 1769, which brought greater prominence to Stratford-upon-Avon as Shakespeare's home town. In partnership with the Royal Shakespeare Company, with additional funding coming from Creative Producers International, we will jointly commission a public art project, "I See The Future". Built by Anagram in collaboration with the people of Stratford-upon-Avon it will create large interactive and playful sculptures.

Our learning and outreach programmes remain of central importance. With support from ACE, we will establish three further Shakespeare Hub Schools to join the existing network of six hubs which has already benefitted 40 primary schools. By 2021 there will be 12 hubs across the country, providing opportunities for over 20,000 children to develop their own creative work inspired by Shakespeare. Our Museums & Schools programme, funded by the Department for Education and supported by ACE, will enable work with 3,500 children from 40 schools in areas of economic and cultural deprivation in the Midlands. 2 million school children will explore Art and Design through our award-winning annual Shakespeare Week celebration.

Our international work in 2019 will welcome hundreds of thousands of visitors and students from around the globe. We will also support the academic network served by International Shakespeare Association, develop cultural links with China through our project with the Municipal Government in Fuzhou and host diplomats from around the world at the annual Shakespeare Birthday Celebrations.

Looking beyond 2019 we will continue to develop our organisation and public offerings in ways which resonate with the growing appetite for meaningful content, great experience and discovery. In so doing we will reflect the ambitions of Shakespeare himself, shining light on individual human experience and enabling those who encounter us to be better equipped to find and negotiate their own place in the world.

Accounts

The Trustees confirm that the Trustees' report and financial statements comply with statutory requirements, the Shakespeare Birthplace Trust Act 1961, The Charities (Shakespeare Birthplace Trust) Order 2017 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and that the Trust's assets are sufficient to fulfil the obligations of the Trust.

Legal status

The Shakespeare Birthplace Trust (SBT) came into existence as a result of the purchase for preservation as a national memorial of Shakespeare's Birthplace in 1847 and of Shakespeare's New Place estate in 1862. The Trustees were first incorporated by Act of Parliament in 1891 and now carry out their responsibilities under the terms of the Shakespeare Birthplace Trust Act 1961 and The Charities (Shakespeare Birthplace Trust) Order 2017. The Trust is a Registered Charity, number 209302.

Objectives and activities for the public benefit

The objectives of the SBT, as defined by the Trust's Act, are:

- to promote in every part of the world the appreciation and study of the plays and other works of William Shakespeare and the general advancement of Shakespearian knowledge;
- to maintain and preserve the Shakespeare Birthplace properties for the benefit of the nation;
- to provide and maintain, for the benefit of the nation, a museum and a library of books, manuscripts, records of historic interest, pictures, photographs and objects of antiquity, with particular, but not exclusive, reference to William Shakespeare, his life, works and times.

In setting the Trust's objectives and planning our activities, the Trustees have given due consideration to the Charity Commission's guidance on public benefit and also its supplementary public benefit guidance on fee charging and advancing education. They consider the information which is contained in this report, about the Trust's objectives, activities and achievements, demonstrates the benefit to the public that arise from these objectives.

Structure, governance and management

Board of Trustees

2018 was the first full year of new governance arrangements following the SBT's review to modernise its administrative operations in line with Charity Commission guidelines and current best practice. Changes were brought into effect on 1 September 2017 by The Charities (Shakespeare Birthplace Trust) Order 2017 and Scheme.

The Board of Trustees has independent control over, and legal responsibility for the charity's management and administration. They are directors for the purpose of company law and Trustees for the purpose of charity law. Trustees who served during the year and up to the date of this report are listed on page 2. Trustees are appointed on their own merits by the Board, following recommendation by the Nominations & Remuneration Committee. In accordance with the Charity Scheme, appointments are for three years with a maximum service of nine years (ten years in exceptional circumstances). Trustees retire in rotation. Appointments will be considered by the Trustees prior to the end of each respective term. When filling vacancies the Board will review its existing skills with a view to ensuring it can draw on a range of relevant knowledge and experience to undertake its responsibilities. The Board is committed to the SBT's Equality, Diversity and Inclusion policy and recruits using external recruitment campaigns. There were no changes to the Board's membership during 2018.

Prior to appointment Trustees complete declarations of eligibility and statements of interest/loyalty which are subject to regular review. In accordance with the SBT's policy declarations of interests/loyalty feature on each meeting agenda and Trustees are expected to withdraw from any decisions where a conflict of interest arises. New Trustees are provided with a full induction at the start of their tenure.

During 2018, outside of meetings, the Board immersed itself in the organisation with strategy discussion sessions led by the new CEO and deep dives and presentations by SBT team members into specific areas of work. There were

additional development opportunities offered throughout the year and a number of Trustees attended externally run training sessions and conferences. Going forward, Board effectiveness and development will continue to be a focus.

Throughout 2018 the Board met seven times (six meetings and one away day) with members of the Leadership Team and external advisers attending as required. A new Board meeting programme has been developed for 2019, along with protocols for reporting to ACE.

The Board's decision-making process is informed by charity law and is set out in the SBT governing document, the Charities (Shakespeare Birthplace Trust) Order 2017. Elements are also reiterated in the Trustees' Code of Conduct.

The Board is mindful of requirements set out in the Charity Governance Code. 2018 focuses have included: review of the Board's annual meeting calendar; adoption of a new Governance Handbook (which includes SBT's governing documents, role profiles, a code of conduct, Committee terms of reference and a number of core policies); review of the Committee structure; appointment of new external auditors; and the establishment of a consultative Council. 2019 activities will include the introduction of Board/Trustee effectiveness reviews; and recruitment of a new Trustee (using an external campaign).

Committees

The Board is supported in its work by its Committees. A new committee structure, terms of reference and appointments were agreed as part of the governance review. During 2018 the Finance Committee met six times, the Audit Committee met four times (two additional meetings to manage the appointment of the new auditor), the Heritage Assets & Property Committee met three times and the Nominations & Remuneration Committee and the Development Board both met twice. The Chair of each Committee is a Trustee who reports to the Board on the Committee's activities.

SBT Trading Ltd

The SBT has a wholly owned non-charitable subsidiary, SBT Trading Ltd (SBTT). Any profit made by this subsidiary is donated to the charity by way of a Gift Aid donation. The subsidiary's activities and trading performance are monitored and overseen by the SBTT Ltd Board and are detailed in the Financial Review section. As part of the SBT's wider governance review, SBTT's governing document and Board structure were subject to a full review supported by professional advisers Shakespeare Martineau LLP. The SBTT Board of Directors met three times during 2018.

SBT Council

The SBT's Charity Scheme made provision for the establishment of a new consultative, honorary Council which will contribute to the long-term vision of the Trust. A group of 55, which includes the 12 Board members, has been convened and an initial, induction meeting took place on 23 June. The Council is chaired by the Honorary President.

Arts Council England NPO status

In April 2018 the SBT became an Arts Council England National Portfolio Organisation (ACE NPO). Board papers are shared and ACE's Relationship Manager can attend Board meetings as an observer.

Leadership Team

The Leadership Team comprises the CEO and Directors. The CEO leads the team and is responsible to the Board for the management of the SBT and the delivery of the strategy agreed by the Board. Following Diana Owen's announcement that she would stand down as CEO in December 2017, Tim Cooke was appointed as her successor and took up post on 1 March 2018. Following a period of induction he began a full review of strategy, supported by the Leadership Team, commencing with the development of a detailed business plan for 2019. Approved by the Board in September 2018, the delivery of the plan will be managed by an executive group. Going forward reports to the Board will comprise updates against the business plan. A longer-term, five year, strategic plan will be developed in parallel.

In the second half of 2018, two Directors Becky Cund, Director of HR & Administration, and Heather Lees, Director of Finance & Planning, moved on from the organisation after making a significant contribution to its work.

Fundraising

As an independent charity, we rely on our many supporters to generate the funds that we need to share Shakespeare with the world. Our income includes money from public funding grants, trusts and foundations, corporate supporters, major donors and many individuals who give donations or support us through the Friends membership programme.

In 2018, we were delighted to join Arts Council England's National Portfolio of regularly funded organisations. The significant impact of this support is highlighted elsewhere in this report. The majority of grants and donations given to the Trust are for restricted purposes. These have been used in accordance with the intentions of the donors and have helped to conserve the historic houses and collection items in our care, to acquire new treasures that illuminate Shakespeare's life and times, and to increase our ability to engage people with Shakespeare's legacy in ways that enrich their lives.

The SBT does not use any professional fundraisers to generate any funds. We adhere to the Code of Fundraising Practice as prescribed by the Fundraising Regulator. In 2018 we did not receive any complaints about our fundraising activities.

Risk Management

Risk management processes help us to identify and manage the most significant risks to delivering the Trust's organisational strategy or which could have a significant detrimental impact on the organisation. Our risk management process considers a range of realistic risk areas including financial and operational risks while also assessing how we will ensure we can create new value in delivering for the future.

The Board is ultimately responsible for risk management. The Audit and Risk Committee supports the Board in forming its view by regularly receiving updates from the CEO and Leadership Team on the risk register, any changes during the period and how risks are being identified, considered and managed.

Our most recent risk analysis indicates that we should continually focus on ensuring our future planning is well-aligned to strategic priorities in order to maximise our coherence, integration, and effectiveness. We support this focus through systematic business planning and monitoring, and clear prioritisation.

We also aim to ensure that our organisational structure and skills base are well-targeted and developed to support planning and delivery to avoid and minimise any issues related to capacity, communication, coordination and decision-making. We work to achieve this by reviewing and improving our organisational structure and skills base, prioritising individual and team focus and regularly appraising business and governance processes.

The Trust further wants to ensure focus on planning effective and accurate medium and longer-term financial scenarios in order to be able to address key challenges in terms of conservation, collections care and management, learning and research, site and product development, maximising our property and investment portfolios and delivering our full programming and public engagement potential. We work to achieve these objectives by ensuring value for money in all that we do, by developing longer-term plans supported by longer-term budgets and delivery plans, and by developing a five-year financial plan related to goals and projects.

The Trust recognises that regional, national and global political and economic conditions might impact our business and programming models including visit numbers, income and partnerships. We mitigate these risks by diversifying income streams and partnerships, via political and economic monitoring, through advocacy and stakeholder engagement, through business continuity and security planning, and through targeted staff and volunteer training.

Financial Review

The financial statements of the SBT for the year under review and the financial position at the Balance Sheet date are set out in the Accounts. In particular the Statement of Financial Activities (SOFA), which includes both unrestricted and restricted funds, shows the performance of the SBT and its trading subsidiary SBT Trading Limited, during the year.

Despite visit numbers reducing by approximately 4%, incoming resources increased by 3% to £11,112,000 (2017: £10,798,000). Of this £5,900,000 (2017: £5,808,000) relates directly to admissions to the historic houses, reflecting the continued benefit from the pricing review undertaken in 2017. Income generated from trading activities within the subsidiary company was lower than anticipated at £2,602,000 (2017: £2,701,000) due to lower visit numbers. Total investment income increased to £1,018,000 (2017: £890,000) following further investments made with Charles Stanley and rent reviews undertaken on rental properties. Provision of academic and cultural services generated income of £626,000 (2017: £790,000), reflecting the bi-annual, cyclical nature of the business.

Expenditure decreased by 5% to £10,406,000 (2017: £10,906,000). 2017 expenditure included a number of one-off exceptional items which were not repeated in 2018. The largest area of expenditure for the SBT is staffing, £4,914,000 (2017: £4,886,000). In total the SBT employs 279 people (2017: 275).

At the end of 2018 the FTSE fell by over 12%, its worst performance since the financial crisis 10 years ago. This coupled with BREXIT uncertainty, Trump's trade war with China and the US interest rates increase, resulted in the SBT's investment portfolio suffering a year end fall in valuation of £371,000 (2017: £316,000 gain).

Overall the SBT generated net income of £335,000 (2017: £208,000). Surpluses generated are reinvested into the charity to ensure that it is able to continue to fulfil its charitable objectives.

Total funds as at 31 December 2018 amounted to £25,890,000 (2017: £25,966,000). Unrestricted funds amounted to £23,287,000 (2017: £22,869,000) and restricted funds to £2,603,000 (2017: £3,097,000). Following a prior year adjustment to include the capital element of the New Place Project, the restricted funds have been restated from £286,000 to £3,097,000 in 2017.

Trading company

The SBT's wholly owned subsidiary made a surplus of £254,000 (2017: £310,000) on a turnover of £2,636,000 (2017: £2,735,000). Turnover comprises sales from our shops and catering outlets operated on behalf of the Trust. All profits are paid to the Trust via Gift Aid. In 2018 the board approved a payment of £250,000 to the Trust. The remaining profit will be paid via Gift Aid in 2019. The expenditure for the trading company is included in the expenditure on raising funds.

Reserves statement

The SBT maintains reserves to ensure that it is able to continue to fulfil its charitable purpose by providing for business continuity, the ongoing conservation needs of its heritage assets, and to support future capital and revenue expenditure requirements which may not be covered by incoming resources. While the SBT had net assets of £25,890,000 at 31 December 2018, this included fixed assets and investment properties with a value of £25,765,000. Approximately £18,000,000 of these are properties of strategic importance to the SBT which are held for the long term in order to protect and conserve the historic setting of the Shakespeare family homes.

A programme of capital improvements has been identified by Trustees including £5,000,000 for conservation work across a number of historic properties over the next ten years. This designated fund relates only to known conservation needs of the SBT's historic properties, and does not include the conservation or storage needs of the library, archive and museums collections.

The Trustees have agreed that the appropriate target for the SBT's general, unrestricted reserves should be equivalent to six months' operating costs. Currently this figure equates to approximately £5,000,000. The unrestricted reserves were £23,287,000, after removing the pension deficit, tangible fixed assets, designated funds and strategic properties, the Trust has free reserves of £1,441,000. as at December 2018. The Trustees seek to ensure that the Trust builds its unrestricted reserves to a sufficient level to meet this target. This policy will be reviewed during 2019.

Investment powers and policy

The Trustees have the power to invest funds not immediately required for operational purposes in such investments, securities or property as they think fit. The emphasis of the SBT's portfolio is on income generation and it returned a yield of 5.0% in 2018 against the benchmark of 4.6%

The underlying investment strategy continues to be to accept only a medium level of risk applied to the portfolio as a whole, rather than to individual investments. The funds are split between Government stocks, units in a major fund for charity investment, equities and short-term deposits on the money markets. The Trustees are aware of prevailing market rates and monitor these and assess rates of return against risk factors.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the SBT's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the SBT's auditors are aware of that information.

Auditor

A resolution for the re-appointment of Crowe U.K. LLP as auditor of the Trust is to be proposed at the forthcoming annual meeting.

Approved by the Board of Trustees on 14 May 2019 and signed on its behalf by:



Peter Kyle OBE Chairman of the Trustees

Statement of Trustees' responsibilities in respect of the Trustees' report and the financial statements

Under the trust deed of the charity and charity law, the Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year.

The group and charity's financial statements are required by law to give a true and fair view of the state of affairs of the group and the charity and of the group's excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under Section 132 (1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Trustees of the Shakespeare Birthplace Trust

Opinion

We have audited the financial statements of the Shakespeare Birthplace Trust for the year ended 31 December 2018 which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity'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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 13, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the group's and the parent charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: *30/5/19*

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Consolidated statement of financial activities
For the year ended 31 December 2018

	Note	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000 Restated
Income					
Donations	3	15	59	74	83
Activities for generating funds					
Other Trading activities	5	2,602	-	2,602	2,701
Investment income					
Income from investments	6	176	-	176	116
Rental income from the let estate		842	-	842	774
Incoming resources from charitable activities					
Admissions to historic houses		5,900	-	5,900	5,808
Provision of academic and cultural services		626	-	626	790
Grants receivable	4	165	228	393	480
Other incoming resources		499	-	499	46
Total income		10,825	287	11,112	10,798
Expenditure					
Expenditure on raising funds		3,019	-	3,019	3,095
Expenditure on charitable activities		6,724	663	7,387	7,811
Total expenditure	7	9,743	663	10,406	10,906
Net (losses)/gains on investments	13	(371)	-	(371)	316
Net income/(expenditure)		711	(376)	335	208
Transfer between funds		118	(118)	-	-
Other recognised gains and losses					
Gains/(losses) on revaluation of fixed assets and property investments		-	-	-	2,968
Actuarial (losses)/gains on defined benefit pension scheme	22	(411)	-	(411)	496
Net movement in funds		418	(494)	(76)	3,672
Reconciliation of funds					
Total funds brought forward as originally stated		22,869	3,097	25,966	19,131
Prior year adjustment	24	-	-	-	3,163
Funds brought forward as restated		22,869	3,097	25,966	22,294
Funds carried forward at end of year	19	23,287	2,603	25,890	25,966

Restricted funds comprise both income and capital funds.

The income and expenditure and the resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

Consolidated balance sheet
As at 31 December 2018

		2018		2017	
	Note	Group £000	Charity £000	Group £000	Charity £000
				Restated	
Fixed assets					
Intangible assets	10	58	58	153	153
Tangible assets	11	1,666	1,666	1,653	1,653
Heritage assets	12	2,459	2,459	2,811	2,811
Investments	13	21,582	21,582	20,970	20,970
		<u>25,765</u>	<u>25,765</u>	<u>25,587</u>	<u>25,587</u>
Current assets					
Stocks	14	307	-	336	-
Debtors	15	637	1,572	348	917
Cash at bank and in hand		<u>2,991</u>	<u>2,321</u>	<u>3,484</u>	<u>3,099</u>
		<u>3,935</u>	<u>3,893</u>	<u>4,168</u>	<u>4,016</u>
Liabilities					
Creditors: amounts falling due within one year	16	<u>(769)</u>	<u>(730)</u>	<u>(1,128)</u>	<u>(1,086)</u>
Net current assets		<u>3,166</u>	<u>3,163</u>	<u>3,040</u>	<u>2,930</u>
Total assets less current liabilities		<u>28,931</u>	<u>28,928</u>	<u>28,627</u>	<u>28,517</u>
Creditors: Amounts falling due after more than one year	17	<u>(163)</u>	<u>(163)</u>	<u>-</u>	<u>-</u>
Net assets excluding pension liability		<u>28,768</u>	<u>28,765</u>	<u>28,627</u>	<u>28,517</u>
Defined benefit pension scheme liability	22	<u>(2,878)</u>	<u>(2,878)</u>	<u>(2,661)</u>	<u>(2,661)</u>
Net assets including pension liability		<u>25,890</u>	<u>25,887</u>	<u>25,966</u>	<u>25,856</u>
Funds					
Restricted funds	19	2,603	2,603	3,097	3,097
Unrestricted funds					
Other charitable funds	19	6,268	6,265	5,633	5,523
Pension reserve	19	<u>(2,878)</u>	<u>(2,878)</u>	<u>(2,661)</u>	<u>(2,661)</u>
Net other charitable funds		<u>3,390</u>	<u>3,387</u>	<u>2,972</u>	<u>2,862</u>
Designated funds	19	5,000	5,000	5,000	5,000
Revaluation reserve	19	<u>14,897</u>	<u>14,897</u>	<u>14,897</u>	<u>14,897</u>
Total unrestricted funds		<u>23,287</u>	<u>23,284</u>	<u>22,869</u>	<u>22,759</u>
Total funds		<u>25,890</u>	<u>25,887</u>	<u>25,966</u>	<u>25,856</u>

These financial statements were approved and authorised for issue by the Board of Trustees on 14th May 2019 and were signed on its behalf by:


Peter Kyle OBE *Chairman of the Trustees*

Consolidated statement of cash flows
For the year ended 31 December 2018

	Note	2018 £000	2017 £000 Restated
Net income/(expenditure) for the operating period (as per the statement of financial activities)		335	208
Adjustments for:			
Depreciation charge		682	663
Losses/(gains) in investments		371	(316)
Income from investments		(1,018)	(890)
Decrease/(increase) in stocks		29	(54)
(Increase)/decrease in debtors		(289)	309
(Decrease)/increase in creditors		(196)	414
Other pension movements	22	(194)	(163)
Net cash inflow from operating activities		<u>(280)</u>	<u>171</u>
Dividends, interest and rents from investments		1,018	890
Purchase of property, plant and equipment		(248)	(493)
Proceeds from sale of property, plant and equipment		-	590
Proceeds from sale of investments		461	566
Purchase of investments		<u>(1,495)</u>	<u>(755)</u>
Net cash provided by/(used in) investing activities		(264)	798
Cash flows from financing activities			
Decrease/(increase) in cash deposits		<u>51</u>	<u>(100)</u>
Change in cash and cash equivalents in the operating period		(493)	869
Cash and cash equivalents at the beginning of the reporting period		3,484	2,615
Cash and cash equivalents at the end of the reporting period		<u><u>2,991</u></u>	<u><u>3,484</u></u>

Reconciliation of net cash flow movement in net funds
For the year ended 31 December 2018

	2018 £000	2017 £000
Increase/(decrease) in cash in the year	(493)	869
Opening net funds	3,484	2,615
Closing net funds	<u><u>2,991</u></u>	<u><u>3,484</u></u>

Notes

(Forming part of the financial statements)

Shakespeare Birthplace Trust is a registered charity no. 209302. The Trustees of the charity are named on page 2. The charity's principal office is The Shakespeare Centre, Henley Street, Stratford-upon-Avon, Warwickshire, CV37 6QW.

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared under the Charities Act 2011 on a going concern basis and on the historical cost rules as modified for the revaluation of freehold properties and by the inclusion of investments at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) date of transition 1 January 2014. The SBT meets the definition of a public benefit entity under FRS 102.

Use of estimates and judgements

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The estimates that have the most significant effect relate to valuations of investments assets and pension scheme. Management have used professional valuers in respect of investment assets as disclosed in note 12 and professional actuaries in respect of the pension scheme liability as disclosed in note 22.

Preparation of the accounts on a going concern basis

The Trustees are of a view that there are sufficient reserves to secure the immediate future of the Trust for the next 12 to 18 months and on that basis the charity is a going concern.

Basis of consolidation

The consolidated financial statements of the SBT include the financial statements of the charity and its subsidiary trading company, SBT Trading Limited. The results of the trading subsidiary as disclosed in note 4 are consolidated on a line by line basis within the consolidated statement of financial activities. In the charity's financial statements, the investment in its subsidiary trading company is stated at cost.

Incoming resources

All incoming resources are recognised once the SBT has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Donations

Such voluntary income is accounted for on the date when it becomes received. Tax recoverable under the Gift Aid scheme is accrued for on donations received, where there is an entitlement.

Grants receivable

Grants are recognised in the consolidated statement of financial activities when the conditions for receipt have been complied with.

Trading income

Turnover from the gift and book shops and catering outlets of the SBT operated by its subsidiary trading company represents the value of goods sold net of VAT.

Income from investments

Income from fixed interest securities is accounted for on the date when it becomes receivable.

Other investment income is accounted for on an accruals basis. Dividends and interest are shown as gross amounts prior to any tax deduction which is recoverable.

Income from admissions to historic houses, provision of academic and cultural services and rental income from the let estate is recognised on a receivable basis.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the SBT to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds

These costs are incurred in relation to the Trading Company, the management of the let estate plus staff members and consultants who are engaged directly in fundraising. It also includes the costs of specific publicity campaigns for the raising of donations.

Management of the let estate

This represents the cost of administering, running and maintaining the SBT's rental properties.

Expenditure on charitable activities

This includes the costs of maintenance and management of historic houses and the provision of academic and cultural services.

Governance costs

Governance costs comprise direct costs involving the strategic planning for future development of the Trust and its compliance with constitutional and statutory requirements. These costs include costs related to statutory audit and legal fees.

Basis of allocation of costs

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Costs relating to management of the Trust and support departments have been allocated to other functions based on the time they consume in pursuing the objectives of the SBT.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

Pension

Defined contribution pension scheme

The SBT operates a defined contribution pension scheme. The pension charge for the period is recognised in the period in which it falls due.

Defined benefit pension scheme

The SBT operates a defined benefit pension scheme, Shakespeare's Birthplace Retirement Benefits Scheme, for full-time employees and part-time employees who meet certain eligibility criteria. The assets of the scheme are held in separate Trustee administered funds.

The scheme was formally valued by qualified independent actuaries for funding purposes as at 31 March 2017 using the projected unit method of valuation and was updated by the actuary on an FRS102 basis as at 31 December 2018. The scheme was closed to new members in May 2004 and subsequently closed to future accrual on February 2009.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between resources expended and actuarial gains and losses.

Taxation

The SBT is exempt from taxation on its income and gains where they are applied for charitable purposes.

In the subsidiary's financial statements, the policy is to pass all taxable profits to the SBT by way of Gift Aid.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Fixed assets

Properties

As noted below, inalienable properties have not been capitalised. They are held within Heritage Assets. Other properties are stated at valuation, less provisions for permanent diminution in value and are used for administrative and trading purposes. The valuation is at market value on an existing use basis.

No depreciation is provided on these properties and all expenditure, other than significant improvements, is charged in the consolidated statement of financial activities. The depreciation charge and related accumulated depreciation balance are not material due to the high residual value. Freehold properties are independently valued every five years on the basis of open market value for existing use. A full valuation was performed on all Freehold properties as at 31 December 2017.

Intangible assets

Intangible assets are stated at cost less amortisation. Amortisation is charged so as to allocate the cost of intangible assets less their residual values over their estimated useful lives, using the straight line method, as follows:

Computer software	-	3 years
Website	-	3 years

Tangible assets

Tangible assets are stated at cost less depreciation.

Depreciation is provided on a straight-line basis using rates calculated to write down the cost of each asset to its estimated residual value over its anticipated useful economic life, as follows:

Fixtures, fittings and equipment	-	4 years
Attractions and exhibitions	-	4-25 years
Motor vehicles	-	4 years
Computer Equipment	-	3 years

Assets in the course of construction are not depreciated until completion whereupon they are transferred to the appropriate fixed asset category and depreciated as above.

Heritage assets

The Trust holds heritage assets relating to buildings, the works and times of Shakespeare and Stratford and the wider county, which includes collections of paintings, books and manuscripts, furniture and other household and business items. In addition, the SBT houses exhibits donated by other museums or organisations.

Inalienable properties have not been capitalised since, in the opinion of the Trustees, the relevant cost information is not available and the cost of obtaining a valuation would be onerous.

The Trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of items held in the collections. This is because of the diverse nature of the assets held, the number of assets held and the lack of comparable market values. The SBT does not therefore recognise these assets on its balance sheet.

Cost in relation to the reimagining of New Place, which are considered capital by nature, have been included within Heritage assets and are being depreciated in line with anticipated useful economic life, 10 years.

Preservation costs

Expenditure which in the Trustees' view is required to repair, preserve or clearly prevent further deterioration of individual collection items is recognised in the statement of financial activities when incurred.

Investments

Listed and other investments are valued at bid value at the balance sheet date

Freehold properties are independently valued every five years on the basis of open market value for existing use. A full valuation was performed on all Freehold properties as at 31 December 2017.

Stocks

Stocks, being goods for resale, are stated at the lower of cost and net realisable value.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Fund accounting

The SBT has various funds for which it is responsible, which require separate disclosure. These are as follows:

Restricted income funds

Donations or legacies received which are earmarked by the donor for specific purposes within the overall aims of the organisation. From these funds, the donation and income deriving there from will be used in accordance with the specific purposes.

Restricted capital funds

Funds given to the SBT for the purpose of the acquisition of fixed assets for use by the SBT.

Unrestricted funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the SBT. In addition to expenditure to fulfil the objects of the SBT, such funds may be held in order to finance capital investment and working capital.

Designated funds

The Trustees may, at their discretion, set aside unrestricted funds for specific purposes. Specifically, the SBT has set aside funds for the conservation, development and maintenance of its properties.

2 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, SBT Trading Limited, which operates a number of shops and catering outlets. The summary financial performance of the charity alone is:

	2018	2017
	£000	£000
		Restated
Income	8,522	8,116
Gift aid from subsidiary	360	200
	<u>8,882</u>	<u>8,316</u>
Expenditure on raising funds	(653)	(684)
Expenditure on charitable activities	(7,827)	(7,354)
Net (losses)/gains on investment assets	(371)	316
	<u>31</u>	<u>594</u>
Net incoming/(outgoing) resources		

3 Voluntary income

	Unrestricted		Restricted	
	2018	2017	2018	2017
	£000	£000	£000	£000
Donations	15	23	59	60
	<u>15</u>	<u>23</u>	<u>59</u>	<u>60</u>

4 Grants receivable

	Unrestricted		Restricted	
	2018	2017	2018	2017
	£000	£000	£000	£000
National Heritage Lottery Fund	-	-	161	319
Arts Council England – National Portfolio Organisation	165	-	-	-
Arts Council England – Museums and Schools	-	-	59	75
Arts Council England – Strategic Funds project	-	-	-	74
Erasmus – CUSHA	-	-	8	-
DCMS	-	-	-	12
	<u>165</u>	<u>-</u>	<u>228</u>	<u>480</u>

5 Trading activities of subsidiary

The charity has a wholly owned trading subsidiary, SBT Trading Limited (registered in England and Wales, number 03281799), which is incorporated in the UK. It prepares its financial statements in accordance with the Companies Act 2006. SBT Trading Limited carries out trading activities of the SBT by operating a number of shops which sell books and souvenirs related to Shakespeare, his works and Stratford. SBT Trading limited also operates a number of catering outlets at the various historic sites. It pays its taxable profits to the Shakespeare Birthplace Trust by way of Gift Aid.

	2018	2017
	£000	£000
Turnover	2,636	2,735
Cost of sales	(1,102)	(1,158)
Gross profit	1,534	1,577
Administrative expenses (including recharges from the charity)	(1,283)	(1,267)
Operating profit	251	310
Other interest receivable and similar income	3	-
Profit for the financial year	254	310
Distribution to Shakespeare Birthplace Trust	(360)	(200)
Retained in subsidiary for the year	(106)	110

At the end of the year, the company had aggregate assets of £1,047,357 (2017: £771,272), and liabilities of £1,043,531 (2017: £661,364), which includes net amounts due to the Shakespeare Birthplace Trust of £1,004,684 (2017: £629,366) and net shareholders' funds of £3,826 (2017: £110,000).

Income from SBT Trading Limited to the charity of £37,599 (2017: £33,970) was eliminated upon consolidation.

Profits retained within SBT Trading Limited will be transferred via Gift Aid to the charity within 9 months of the year end.

6 Investment income

	2018	2017
	£000	£000
Listed on a recognised stock exchange	168	115
Bank interest	8	1
	176	116

7 Analysis of total resources expended

	Staff Costs £000	Depreciation £000	Management and Support Costs £000	Other £000	2018 Total £000	2017 Total £000 Restated
Expenditure on raising funds	1,041	-	185	1,793	3,019	3,095
Expenditure on charitable activities	3,873	682	1,863	969	7,387	7,811
Total	4,914	682	2,048	2,762	10,406	10,906

Total resources expended include:

	2018 £000	2017 £000 Restated
Depreciation	682	663
Governance costs	5	14
Auditor's remuneration:		
Audit of these financial statements	11	11
Audit of financial statements of subsidiary pursuant to legislation	7	6
Other services relating to taxation	1	2
Operating lease charges:		
Other than land and buildings	117	201

Management and support costs included in the table above are analysed below. Support costs are allocated on a basis consistent with the use of resources.

	Expenditure on raising funds £000	Expenditure on Charitable activities £000	Total £000
General office	2	19	21
Finance office	110	524	634
HR Department	33	154	187
Information Technology	19	90	109
Marketing	11	528	539
Facilities	10	548	558
Total	185	1,863	2,048

8 Staff numbers and costs

The average number of employees during the year was:

	Number of employees	
	2018	2017
Historic houses	100	100
Shops and trading	65	64
Academic and cultural services	47	44
Management and support	67	67
	279	275
Number of part time employees included above	165	157
Full time equivalent of part time employees	60	63

The aggregate emoluments of these employees were as follows:

	2018	2017
	£000	£000
Wages and salaries	4,313	4,274
Social security costs	305	313
Pension costs	296	299
	4,914	4,886

The number of employees whose emoluments, excluding pension contributions, fell within the following bands are:

	2018	2017
	Number	Number
£100,000 - £109,999	1	-
£80,000 - £89,999	-	1
£70,000 - £79,999	1	1
£60,000 - £69,999	1	2
	3	4

Emoluments for this purpose include gross salary and benefits in kind and are stated before taking account of charges made to third parties. Retirement benefit contributions of £19,677 (2017: £21,910) under a defined contribution scheme were made in respect of the three employees above (2017: four).

In 2018 Shakespeare Birthplace Trust paid redundancy costs of £3,972; included in the total were ex-gratia payments of £0 (2017: £17,456).

The total emoluments paid to key management personnel in 2018, including pension contributions was £414,184 (2017: £387,516).

9 Trustees

During the year, no Trustee received remuneration for lecture fees (2017: £1,445). Where claimed, expenses for travel and subsistence are reimbursed. The amount claimed in the year was £5,432 (2017: £5,825). Of the 12 Trustees who served during the year, the number receiving reimbursements of expenses was 8 (2017: 9).

The Shakespeare Birthplace Trust maintained insurance for the Trustees/Directors throughout the financial year ended 31 December 2018 and such indemnity insurance was in place at the date of approval of these financial statements. For the financial year under review the total group cost of the indemnity insurance for the Trustees/Directors was £1,625 (2017: £1,595) and the cover £2,000,000 (2017: £2,000,000).

10 Intangible fixed assets

Consolidated and charity

	Software £000	Websites £000	Total £000
Cost or valuation			
At 1 January 2018	326	128	454
Additions	5	-	5
At 31 December 2018	<u>331</u>	<u>128</u>	<u>459</u>
Depreciation			
At 1 January 2018	236	65	301
Charge for the year	58	42	100
At 31 December 2018	<u>294</u>	<u>107</u>	<u>401</u>
Net book value			
At 31 December 2018	<u>37</u>	<u>21</u>	<u>58</u>
At 31 December 2017	<u>90</u>	<u>63</u>	<u>153</u>

11 Tangible fixed assets

Consolidated and charity

	Freehold land and buildings £000	Assets under construction £000	Fixtures, fittings and equipment £000	Attractions and exhibitions £000	Motor vehicles £000	Total £000
Cost or valuation						
At 1 January 2018	1,085	-	3,105	1,009	25	5,224
Additions	-	20	158	65	-	243
At 31 December 2018	1,085	20	3,263	1,074	25	5,467
Depreciation						
At 1 January 2018	-	-	2,811	735	25	3,571
Charge for the year	-	-	156	74	-	230
At 31 December 2018	-	-	2,967	809	25	3,801
Net book value						
At 31 December 2018	1,085	20	296	265	-	1,666
At 31 December 2017	1,085	-	294	274	-	1,653

Freehold land and properties are independently revalued every five years. The valuation was undertaken by Sheldon Bosley Knight, Chartered Surveyors, in 2017 on an existing use basis. The historic costs of freehold land and buildings is £600,610.

12 Heritage assets

Consolidated and charity

	New Place £000 Restated
Cost or valuation	
At 1 January 2018	3,513
Additions	-
At 31 December 2018	3,513
Depreciation	
At 1 January 2018	702
Charge for the year	352
At 31 December 2018	1,054
Net book value	
At 31 December 2018	2,459
At 31 December 2017	2,811

12 Heritage assets *continued*

	2018 £000	2017 £000 Restated	2016 £000 Restated	Total £000 Restated
Purchases and additions				
New Place	-	-	3,513	3,513
	-	-	3,513	3,513

	2018 £000	2017 £000 Restated	2016 £000 Restated	Total £000 Restated
Depreciation				
New Place	352	351	351	1,054
	352	351	351	1,054

In accordance with the SORP, inalienable assets have been excluded from the financial statements as reliable cost information is not available and the Trust considers the cost of obtaining a valuation to be onerous compared with the benefit that could be derived by users of the financial statements in assessing the Trustees' stewardship of the assets.

The Heritage assets comprise the Trust's land and buildings and the museum, library and archive collections it holds.

The assets include:

- Shakespeare's Birthplace
- Shakespeare's New Place and Nash's House
- Hall's Croft
- Anne Hathaway's Cottage
- Mary Arden's House and Palmer's Farm
- The Shakespeare Centre
- Hornby Cottage
- Over 1 million archive documents relating to the history of Stratford-upon-Avon, the Royal Shakespeare Company, and the history of the Shakespeare Birthplace Trust itself. These include 31 of the 102 known Shakespeare documents - material from Shakespeare's lifetime that has handwritten mention of his name.
- Over 50,000 books relating to Shakespeare, his works, life, times and legacy, Stratford-upon-Avon and Shakespearian performance. This includes copies of the first folio of Shakespeare's plays, source material for the plays and books showing the breadth of printed knowledge available in the early modern period.
- Over 7,000 museum items mainly relating to the lived experience of Tudor and Stuart people but also including a range of souvenir and artistic material relating to Shakespeare's legacy. The SBT also holds

12 Heritage assets *continued*

archaeological collections dating back to the Roman and Anglo-Saxon periods which reflect the earlier history of Stratford-upon-Avon.

Whilst it seems unlikely the SBT will add any further historic building assets, the main focus of the Trust's work has been on preserving its existing buildings. The Trust has long-term maintenance plans for each of its buildings and annual work programmes of maintenance and repair.

The SBT continues to add material to its museum, library and archive collections. In addition to some of the most recent publications relating to its collections themes, in the year the SBT purchased a series of 26 artworks by Emma Kay titled Shakespeare and Memory, 5 views of Stratford-upon-Avon by William Wells Quatremain and another by Florence Wilmot, 8 paintings of the Dig for Shakespeare by Adrian Spaak, and two paintings by John Hutton. The SBT also acquired a plan of the Cross O'The Hill Farm near Stratford-upon-Avon, an early twentieth century visitors' book for Shakespeare's Birthplace and a 1700 edition of Henry IV, part one.

All of the SBT's assets are catalogued in order that they can be properly managed and all collections are stored in designated storage areas and kept physically secure. The Trust's buildings are open to the public and the collections are accessible through on-site display and to researchers through the SBT's publically accessible Reading Room.

Disposals of heritage assets only take place in line with the SBT's stated policies and procedures and with the final approval of the Board.

13 Investments

Consolidated and charity

	2018 £000	2017 £000
<i>Analysis of investments</i>		
Freehold investment properties	18,039	18,039
Listed and other investments	3,485	2,821
Cash deposits	58	110
	21,582	20,970

All investments are held in the UK.

	Freehold investment properties £000	Listed and other investments £000	Cash deposits £000	Total £000
<i>Movements in investments</i>				
Market value at beginning of year	18,039	2,817	114	20,970
Transfer of cash	-	-	1,000	1,000
Investment income	-	-	168	168
Acquisitions	-	1,495	(1,495)	-
Disposals & withdrawals	-	(456)	291	(165)
Management fees	-	-	(20)	(20)
Gains/(losses)	-	(371)	-	(371)
Market value at end of year	18,039	3,485	58	21,582

13 Investments *continued*

Freehold land and properties are independently valued every five years. The valuation was undertaken by Sheldon Bosley Knight, Chartered Surveyors, in 2017 on an existing use basis, resulting in a £3,084,000 uplift in the value of the portfolio.

Details of investments comprising more than 5% of the market value of the total investment portfolio are as follows:

	2018		2017	
	£000	%	£000	%
Investment property – "The Hill"	1,600	7.4	1,600	7.6

Charity

The Trusts owns the entire £1 ordinary share capital of SBT Trading Limited (see note 5).

14 Stocks

	Consolidated		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Finished goods and goods for resale	307	336	-	-

15 Debtors

	Consolidated		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	189	140	143	104
Amounts due from subsidiary undertakings	-	-	1,005	629
Other debtors	93	67	76	56
Prepayments	230	99	223	86
Accrued income	125	42	125	42
	637	348	1,572	917

16 Creditors: amounts falling due within one year

	Consolidated		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade creditors	303	362	275	345
Taxes and social security	152	110	152	100
Other creditors	28	193	28	193
Accruals	154	343	143	328
Deferred income	132	120	132	120
	769	1,128	730	1,086

17 Creditors: amounts falling due after more than one year

	Consolidated		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Deferred income	163	-	163	-
	163	-	163	-

Deferred income relates to a lease premium of £170,000 received in 2018, which is being realised over the life of the lease, 99 years.

18 Financial instruments

Consolidated and charity

	2018	2017
	£000	£000
Financial assets that are debt instruments measured at amortised cost	3,398	3,733
Financial liabilities measured at amortised cost	780	1,018

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

19 Funds

The consolidated and charity funds include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

Consolidated and charity	At beginning of year £000 Restated	Incoming resources £000	Expenditure, gains and losses £000	Transfers £000	At end of year £000
Restricted income funds					
Friends of the Shakespeare Birthplace Trust	61	-	-	(61)	-
Countryside Stewardship Scheme	10	-	(5)	-	5
Louis Marder Scholarship	14	-	(1)	-	13
Education Appeal	11	2	-	-	13
AQA – Espresso Shakespeare	4	-	-	-	4
Shakespeare Week	-	1	-	-	1
DCMS	(7)	12	(5)	-	-
Young Interpreters Project	3	-	-	-	3
Collections	10	6	(7)	-	9
Online Collections	18	1	(2)	-	17
Rural Agency Fund	5	-	-	-	5
Arts Council England – Museums and Schools	35	59	(65)	-	29
Levi Fox Archive	4	16	(5)	-	15
Erasmus Project – CUSHA	5	8	(3)	-	10
SBA – New Place	19	-	(19)	-	-
SBA - Education	6	1	-	-	7
The Space – Digital Houses	6	3	(6)	-	3
Fun Palaces	-	1	(1)	-	-
Disability Access Day	-	1	-	-	1
Creative Producers International	-	3	-	-	3
RSC Cataloguing Project	-	12	(6)	-	6
National Lottery Heritage Fund	19	161	(180)	-	-
Other short term projects	55	-	(6)	(49)	-
	278	287	(311)	(110)	144
Restricted capital funds					
New Place	2,811	-	(352)	-	2,459
Hall's Croft Restoration	4	-	-	(4)	-
Sculpture programme	4	-	-	(4)	-
	2,819	-	(352)	(8)	2,459
Total restricted funds	3,097	287	(663)	(118)	2,603

19 Funds *continued*

Countryside Stewardship Fund:

Funding to support managing land less intensively to improve biodiversity.

Louis Marder Scholarship Fund:

This fund is for the provision of an annual scholarship working in our library, archive and collections.

Education Appeal/SBA – Education:

Funding raised specifically towards the SBT educational activities.

AQA – Espresso Shakespeare:

Funds received for supporting the development of online resources for the classroom.

Shakespeare Week:

Funding raised specifically towards the provision of Shakespeare Week.

Young Interpreters Project:

Funding received to operate a young people centred interpretation project.

Collections/Online Collections:

Funding raised to support the enhancement and development of the collections including accessibility and digital.

Rural Agency Fund:

Funding to support nature conservation.

Arts Council England – Museums & Schools:

Funding from the Department of Education to deliver the specific museums and schools project which increases children's engagement with museums.

Levi Fox Archive:

Money gifted to the Trust by the family of Levi Fox (Director of SBT, 1945 – 1989) to pay for ongoing work on his archive. It includes cataloguing, digitisation and public access activities.

Erasmus Project – CUSHA:

European funds received to run an intercultural and multilingual learning project.

The Space – Digital Houses:

Funding received to develop organisational digital capability.

Disability Access Day:

Funding received towards the costs of running Disability Access day in 2019.

Creative Producers International:

Funding received from Watershed for professional development and project investment programme.

19 Funds *continued*

RSC Cataloguing Project:

Funding for the cataloguing of the archives relating to John Barton, Guy Wolfenden and Cicely Berry. This money is allocated for a Cataloguing Archivist for 18 months and for packaging materials for the long term storage of the archive.

National Lottery Heritage Fund – New Place:

Funds received specifically towards the revenue costs of New Place. This funding will be completed in 2019.

Unrestricted funds

Consolidated	At beginning of year	Net income/ (expenditure) in the year	Transfer from/(to) other charitable funds	At end of year
	£000	£000	£000	£000
	Restated			
<i>Designated funds:</i>				
Major property, conservation, development and redevelopment projects	5,000	-	-	5,000
Total designated funds	5,000	-	-	5,000
Revaluation reserve	14,897	-	-	14,897
Other charitable funds	5,633	517	118	6,268
Pension reserve	(2,661)	(217)	-	(2,878)
Total unrestricted funds	22,869	300	118	23,287

The Charity unrestricted funds are stated above with the exception of Other charitable funds which amount to £6,265,000 (2017: £5,523,000). The Trading company funds amount to £3,000 (2017: £110,000).

Designated funds

The property, conservation and development fund was set up by the Trustees for the purpose of conserving the Shakespeare Houses and maintaining all of its properties. The Trustees have reviewed the amount set aside and believe it represents the amount of anticipated expenditure over the next five years.

Transfers between funds

The transfer of £118,000 corrects restricted fund balances brought forward which have been expended through unrestricted funds in previous years.

20 Analysis of consolidated net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fund balances at 31 December 2018 are represented by:			
Tangible fixed assets	1,666	-	1,666
Intangible fixed assets	58	-	58
Heritage assets	-	2,459	2,459
Investments	21,582	-	21,582
Current assets	3,791	144	3,935
Current liabilities	(932)	-	(932)
Pension liability	(2,878)	-	(2,878)
Total net assets	23,287	2,603	25,890

21 Commitments

The Trust has commitments in respect of operating leases:

	2018 £000	2017 £000
<i>Land and buildings:</i>		
Within one year	33	9
Between two and five years	65	-
More than five years	-	-
	<u>98</u>	<u>9</u>
<i>Other:</i>		
Within one year	61	132
Between two and five years	41	49
More than five years	-	-
	<u>102</u>	<u>181</u>
Total	<u><u>200</u></u>	<u><u>190</u></u>

The Trustees lease Harvard House at a peppercorn rent.

The SBT has capital commitments of £52,263 (2017: £nil) in respect of software.

The Trust has the following commitments in relation to freehold investment properties:

	2018 £000	2017 £000
<i>Land and buildings:</i>		
Within one year	250	258
Between two and five years	297	293
More than five years	2,717	-
	<u>3,264</u>	<u>551</u>

22 Pensions

Defined contribution pension scheme

The SBT operates a defined benefit pension scheme. The pension charge for the period represents contributions payable by the Trust to the scheme and amounted to £234,992 (2017: £215,073).

Defined benefit pension scheme

The SBT operates a defined pension scheme, Shakespeare's Birthplace Trust Retirement Benefits Scheme, for full-time employees who meet certain eligibility criteria. The assets of the scheme are held in separate Trustee administered funds.

The scheme was formally valued by qualified independent actuaries for funding purposes as at 31 March 2017 using the projected unit method of valuation and was updated by the actuary on an FRS102 basis as at 31 December 2018. The scheme was closed to new members in May 2004 and subsequently closed to future accrual in February 2009.

	2018 £000	2017 £000
Present value of funded defined benefit obligations	(8,963)	(9,152)
Fair value of plan assets	6,085	6,491
Deficit in pension scheme – Pension liability	<u>(2,878)</u>	<u>(2,661)</u>

Movements in present value of defined benefit obligation

	2018 £000	2017 £000
At 1 January 2018	9,152	9,389
Interest cost	214	240
Actuarial losses/(gains)	22	(138)
Benefits paid	(425)	(339)
At 31 December 2018	<u>8,963</u>	<u>9,152</u>

Movements in fair value of plan assets

	2018 £000	2017 £000
At 1 January 2018	6,491	6,068
Expected return on plan assets	153	156
Actuarial gains/(losses)	(389)	358
Contributions by employer	255	248
Benefits paid	(425)	(339)
At 31 December 2018	<u>6,085</u>	<u>6,491</u>

22 Pensions *continued*

Income/ (expense) recognised in the consolidated statement of financial activities

	2018 £000	2017 £000
Interest on defined benefit pension plan obligation	(214)	(240)
Expected return on defined benefit pension plan assets	153	156
Total	61	84

The amount recognised in other recognised gains and losses in the consolidated statement of financial activities in respect of actuarial gains and losses is a loss of £411,000 (2017: a gain of £496,000).

The fair value of the plan assets and the return on those assets were as follows:

	2018 £000	2017 £000
Equities	859	962
Emerging market equities	278	302
Diversified growth assets	2,248	2,380
Property	706	678
Emerging markets debt & high yield bonds	-	-
Absolute return	550	605
Cash	23	82
Liability driven investments	1,421	1,482
	6,085	6,491
Actual (deficit)/return on plan assets	(411)	496

The expected return on scheme assets is based on market expectation at the beginning of the financial period for returns over the life of the related obligation. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2018 %	2017 %
Discount rate	2.8	2.4
Expected return on plan assets:		
Rate of increase in pensions payments	3.3	3.1
Rate of increase in deferred pensions	2.3	2.1
Inflation assumption	2.1	3.0
Mortality tables – imply life expectancy:		
Male retiring in 2018	26.3	26.5
Female retiring in 2018	28.3	28.4
Male retiring in 2038	27.5	27.7
Female retiring in 2038	29.6	29.7

22 Pensions *continued*

History of plans

The history of plans for the current and prior periods is as follows:

<i>Balance sheet</i>	2018 £000	2017 £000	2016 £000	2015 £000	2014 £000
Present value of scheme liabilities	(8,963)	(9,152)	(9,389)	(7,841)	(8,378)
Fair value of scheme assets	6,085	6,491	6,068	5,351	5,309
Deficit	(2,878)	(2,661)	(3,321)	(2,490)	(3,069)

<i>Experience adjustments</i>	2018 £000/%	2017 £000/%	2016 £000/%	2015 £000/%	2014 £000/%
Experience adjustments on scheme liabilities	(66)	98	114	82	6
As a percentage of scheme liabilities	(0.73%)	1.07%	1.21%	0.10%	(0.07%)
Experience adjustments on scheme assets	(389)	358	503	(151)	182
As a percentage of scheme assets	(6.39%)	5.52%	8.29%	(0.20%)	2.18%

The SBT expects to contribute approximately £262,810 to its defined benefit plans in the next financial year.

23 Related party transactions

During the year the following transactions took place with related parties:

- The SBT paid Wright Hassall LLP £29,218 (2017: £1,000) in respect of legal advice. A creditor balance of £7,238 (2017: £nil) was outstanding at 31 December 2018. The trading company invoiced £nil (2017: £580) in respect of hospitality costs. There is no debtor balance at 31st December 2018 (2017: £nil). One of the Trustees, Nick Abell, is the Chairman of Wright Hassall LLP.
- The SBT paid Studio Misfit £8,879 (2017: £15,421) in respect of website hosting and maintenance. There is no creditor balance at 31 December 2018 (2017: £nil). One of the Trustees, AJ Leon, is the CEO of Studio Misfit.
- The trading company paid Mayavision International Ltd £225 (2017: £280) in respect of retail stock and £nil in respect of filming charges (2017: £78). There is no creditor balance at 31 December 2018 (2017: £nil). One of the Trustees, Rebecca Dobbs, is Managing Director of Mayavision International Ltd.
- One of the Trustees, AJ Leon, rents a residential property which is owned by the Trust. AJ Leon paid rent of £6,540 (2017: £6,540). There is no debtor balance at 31 December 2018 (2017: £545).

24 Prior year adjustment

The prior year adjustment relates to the capitalisation of costs incurred during the "Re-imagining of New Place" project undertaken during 2015 – 2016. Previously these costs had been written off as conservation expenditure.

Costs of a capital nature totalling £3,513,372 have now been capitalised and included within Heritage assets and are being depreciated over the anticipated useful economic life which is considered to be 10 years.

	2017	2016
	£000	£000
Balance Sheet	Restated	Restated
Heritage assets – Cost	3,513	3,513
Opening deprecation	(351)	-
Depreciation charge in year	(351)	(351)
Net book value	<u>2,811</u>	<u>3,162</u>
	2017	2016
	£000	£000
Statement of Financial Activities	Restated	Restated
Expenditure on charitable activities – as originally stated	7,459	10,444
Capitalisation of Heritage assets	-	(3,513)
Depreciation charge	351	351
	<u>7,811</u>	<u>7,282</u>

25 Prior year results

Consolidated statement of financial activities For the year ended 31 December 2017

	Note	Unrestricted funds £000 Restated	Restricted funds £000 Restated	Total 2017 £000 Restated
Income				
Donations	3	23	60	83
Activities for generating funds				
Other Trading activities	4	2,701	-	2,701
Investment income				
Income from investments	6	116	-	116
Rental income from the let estate		774	-	774
Incoming resources from charitable activities				
Admissions to historic houses		5,808	-	5,808
Provision of academic and cultural services		790	-	790
Grants receivable		-	480	480
Other incoming resources		46	-	46
Total income		10,258	540	10,798
Expenditure				
Expenditure on raising funds		3,095	-	3,095
Expenditure on charitable activities		6,929	882	7,811
Total expenditure	7	10,024	882	10,906
Net (losses)/gains on investments		316	-	316
Net income/(expenditure)		550	(342)	208
Other recognised gains and losses				
Gains/(losses) on revaluation of fixed assets and property investments		2,968	-	2,968
Actuarial (losses)/gains on defined benefit pension scheme	20	496	-	496
Net movement in funds		4,014	(342)	3,672
Reconciliation of funds				
Total funds brought forward as originally stated		19,032	5,696	24,728
Prior year adjustment 2017		(177)	(5,420)	(5,597)
Prior year adjustment 2018		-	3,163	3,163
Funds brought forward as restated		18,855	3,439	22,294
Funds carried forward at end of year	17,18	22,869	3,097	25,966

Restricted funds comprise both income and capital funds.

The income and expenditure and the resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the year.

25 Prior year results continued

Restricted funds

Year ended 31st December 2017

Consolidated and charity

	At beginning of year £000 Restated	Incoming resources £000	Expenditure, gains and losses £000 Restated	Transfers £000	At end of year £000
Restricted income funds					
Friends of the Shakespeare Birthplace Trust	63	-	(2)	-	61
Countryside Stewardship Scheme	7	3	-	-	10
Henley Street Project Management	30	-	-	(30)	-
Louis Marder Scholarship	14	-	-	-	14
Education Appeal	4	7	-	-	11
AQA – Espresso Shakespeare	4	-	-	-	4
Shakespeare Week	5	-	(5)	-	-
DCMS	-	12	(19)	-	(7)
Young Interpreters Project	3	-	-	-	3
Collections	-	14	(4)	-	10
Online Collections	19	-	(1)	-	18
Rural Agency Fund	5	-	-	-	5
Arts Council England – Museums and Schools	42	75	(82)	-	35
Arts Council England – Strategic Funds Project	-	74	(96)	22	-
Levi Fox Archive	20	-	(16)	-	4
Erasmus Project – CUSHA	-	-	(2)	7	5
SBA – New Place	-	19	-	-	19
SBA - Education	-	6	-	-	6
The Space – Digital Houses	-	6	-	-	6
National Heritage Lottery Fund	-	318	(299)	-	19
Other short term projects	53	6	(5)	1	55
	269	540	(531)	-	278
Restricted capital funds					
New Place	3,162	-	(351)	-	2,811
Hall's Croft Restoration	4	-	-	-	4
Sculpture programme	4	-	-	-	4
	3,170	-	(351)	-	2,819
Total restricted funds	3,439	540	(882)	-	3,097

25 Prior year results continued

Unrestricted funds

Year ended 31st December 2017

	At beginning of year	Net income/ (expenditure) in the year	Transfer from/(to) other charitable funds	At end of year
	£000	£000	£000	£000
Consolidated	Restated	Restated	Restated	Restated
Designated funds:				
Major property, conservation, development and redevelopment projects	4,734	-	266	5,000
Total designated funds	4,734	-	266	5,000
Revaluation reserve	12,361	2,968	(432)	14,897
Other charitable funds	5,081	386	166	5,633
Pension reserve	(3,321)	660	-	(2,661)
Total unrestricted funds	18,855	4,014	-	22,869

Analysis of consolidated net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
		Restated	Restated
Fund balances at 31 December 2017 are represented by:			
Tangible fixed assets	1,653	-	1,653
Intangible fixed assets	153	-	153
Heritage assets	-	2,811	2,811
Investments	20,970	-	20,970
Current assets	3,882	286	4,168
Current liabilities	(1,128)	-	(1,128)
Pension liability	(2,661)	-	(2,661)
Total net assets	22,869	3,097	25,966

