

Shakespeare Birthplace Trust

Trustees' report and consolidated financial statements

For the year ended 31 December 2019

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Trustees

Chairman
Vice Chairman

Peter Kyle OBE
John Russell
Nick Abell – *Chair of Heritage Assets & Property Committee*
Colin Bennett (to 5 November 2019)
Ralph Bernard CBE – *Chair of Nominations & Remuneration Committee*
Penelope, Viscountess Cobham CBE
Rebecca Dobbs
Kathy Gee MBE
Ros Haigh (to 30 July 2019) – *Chair of Finance and Audit & Risk Committees*
Mike Huggins (from 31 July 2019) – *Chair of Finance and Audit & Risk Committees*
AJ Leon
Professor Lena Cowen Orlin
Professor Carol Chillington Rutter

Honorary President

Professor Sir Stanley Wells CBE

Secretary to Trustees

Julia Howells

Key Management Personnel

Chief Executive
Director of Strategic Projects
Deputy CEO and Director of Operations & Marketing
Acting Director of Operations & Marketing

Tim Cooke
Tim Aucott (from 2 December 2019)
Philippa Rawlinson (to 9 August 2019)
Debbie Beardall (from 16 August 2019 to 17 April 2020)

Director of Cultural Engagement
Acting Director of Cultural Engagement
Director of Visitor Experience & Business Development
Director of Finance & Resources

Delia Garratt (to 12 October 2019)
Paul Taylor (from 7 October 2019)
Rachael Boyd (from 17 February 2020)

Melanie Crooks (from 11 May 2020)

Principal Advisors

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Auditors
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West Midlands B69 2DG

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55 Calthorpe Road
Birmingham, B15 1TH

Solicitors
Robert Lunn and Lowth
2 Sheep Street
Stratford-upon-Avon CV37 6EJ

Bankers
HSBC Bank plc
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Property Agent
Sheldon Bosley Knight
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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 2019. The financial statements comply with current statutory requirements, The Shakespeare Birthplace Act 1961, The Charities (Shakespeare Birthplace Trust) Order 2017 and the Statement of Recommended Practice for Charities (FRS102).

Strategic purpose and objectives

“Caring for Shakespeare’s family homes and sharing the love of his work and life from his home town “

The objectives of the Trust 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.

A Year in Review

Overview from our Chairman and Chief Executive

As we review 2019, we must be mindful that the impact of Coronavirus and the events of 2020 does not distract us from our achievements – 2019 was the Trust’s first full year as an Arts Council England National Portfolio Organisation, and during the year, the Shakespeare Birthplace Trust hosted nearly 1 million people including 858,000 ticket holders from around the globe at the five Shakespeare family homes and gardens and at the Shakespeare Centre in Stratford-upon-Avon.

The importance of museums collecting for public benefit was underlined with the 250th anniversary of David Garrick’s 1769 Shakespeare Jubilee, an event which brought Shakespeare and his home town to international prominence, and an important anniversary in the story of Shakespeare in Stratford-upon-Avon. To mark this occasion, we drew upon our own collections, displaying items from the original Jubilee at the annual Shakespeare Birthday Celebrations in April, in our Famous Beyond Words exhibition and online. We also invited local people and visitors to imagine the Stratford-upon-Avon of the future with a playful immersive public art commission from creative studio Anagram. This was produced in partnership with the Royal Shakespeare Company and Watershed, with additional funding from Creative Producers International.

Learning is core to our charitable objectives, and it is thrilling to see how enthusiastically primary schools and partners across the UK continue to embrace our annual Shakespeare Week celebration. From the Minack Theatre near Land’s End to the Playhouse, Whitley Bay, which hosted the Big Shakespeare Debate, with acclaimed children’s author, Michael Rosen, more than 2 million primary school children had memorable experiences with Shakespeare in 2019 thanks to our work. The inspirational work of our Learning and Participation team was recognised at the 2019 School Travel Awards with the inaugural Education/Learning Team of the Year accolade.

Our research focus developed, with three collaborative PhD students from Birmingham City University, UCL, and the University of Warwick working on different aspects of our collections.

Our approach to programming has been enhanced by our National Portfolio status, and new creative programming inspired by our collections included artist-in-residence Lee Laphorne's intricate textile and ceramic works, Compass Presents' House Party on Henley Street for Museums at Night, and Talking Birds' participatory Festival of Lost and Found at Shakespeare's New Place. We hosted our first Artists' Lab, introducing a group of artists to the Trust, its people, buildings and collections with a view to creating exciting new work.

We continued to add to our internationally significant collections. Acquisition highlights included a hand-illustrated fan showing scenes from the Garrick Jubilee of 1769, our earliest example of a passport dating from 1610, and an Elizabethan cloak pin.

Our digital outreach continues to grow with more than 2 million users viewing almost 6 million pages on our websites in 2019. Digital initiatives included an extended reality (XR) pilot to virtually recreate Shakespeare's New Place on-site in partnership with Coventry University and AiSolve, and a project with Coventry-based Ludic Rooms to explore the potential use of collections data through creative technology.

We continue in partnership with others to improve the environment of Henley Street and the approach for visitors and residents to Shakespeare's Birthplace and the Shakespeare Centre. In October we opened a new café, Will's Kitchen after refurbishing a building directly opposite the Birthplace. We worked with Stratford on Avon District Council, Coventry and Warwickshire Local Enterprise Partnership and Midlands Engine to finalise extensive streetscape improvements.

In China we continue to liaise with partners in Fuzhou over their plans to recreate Shakespeare's Birthplace and New Place at San Weng, a new international cultural destination.

At organisational level we are in a process of reviewing our strategic focus and our senior leadership structure in order to address future challenges and opportunities. We commissioned a first-stage, high-level Master planning review for our sites and neighbourhoods.

We also increased our emphasis on Board effectiveness, applying the guidance from the Charity Governance Code and setting in place a regular process of review. During the year two Trustees stood down, Ros Haigh who had chaired our Finance and Audit & Risk Committees and Colin Bennett. We thank both Ros and Colin for their commitment and insight during their tenure. A new Trustee, Mike Huggins, was appointed after an open recruitment process. Mike is already chairing our Finance and Audit & Risk Committees.

Our sincere thanks go to all of our dedicated volunteers, staff, Trustees, Council members, Patrons, Friends and other partners and supporters who have displayed such passionate commitment to our great cause of inspiring millions of people every year with our houses, collections and education and cultural programmes. Together, we share the privilege of protecting and sharing Shakespeare's heritage and legacy, in his home town and around the world.

Although we said at the beginning of our review of the year that coronavirus should not distract us, we do need to also give special thanks this year, to all our staff and volunteers for their resilience during the pandemic in adapting to change and adopting new practices at an unprecedented pace.

With all our thanks

Peter Kyle (Chairman) and Tim Cooke (Chief Executive)

At home with Shakespeare

In 2019 we welcomed 858,000 ticket holders across the five Shakespeare family homes and gardens. Two thirds of our visitors opted for the Full Story ticket which offers exceptional value with unlimited repeat visits to all of the properties for 12 months. Most begin their Shakespeare journey at his Birthplace in Henley Street, where our

museum and *Famous Beyond Words* exhibition tell the extraordinary story of William Shakespeare and the enduring influence of his creative legacy on our lives today.

To celebrate the 250th anniversary of the Garrick Jubilee that launched Shakespeare's home town to international fame, a special *Shakespeare and Me* exhibition showcased a changing array of rarely seen items from our collections and first-hand testimonies of how Shakespeare has inspired other actors, artists and writers all over the world.

Highlights of a full calendar of seasonal events included Francesca Millican-Slater's summer art installation *The Visited Orchard*, an intriguing treasure hunt for clues to unlock the stories of visitors past and present at Anne Hathaway's Cottage. In our winter arts commission *Talking Bird's* time-travelling performers charmed audiences with an intimate promenade performance of Shakespeare's history at New Place. The popular After Hours events series ranged from Dame Harriet Walter's exploration of Shakespeare's Language of Gender, to herbal tincture preparations at Hall's Croft and *All Hail the Ale* at the Birthplace. Mary Arden's Farm, ran a special programme of Tudor celebrations - Lammas Day and Harvest Home, with storytelling, traditional crafts and hands-on activities marking the harvest calendar.

Our annual Stratford-upon-Avon Poetry Festival featured new writing from Ted Hughes Award winner Raymond Antrobus, Julia Copus, new music by Nancy Kerr and Will Pound, and workshops led by specially-commissioned poet-in-residence, Romalyn Ante, and Young Warwickshire Poet Laureate, Hannah Owens. Michael Rosen gave us a special reading for children which packed the Shakespeare Centre out.

We continued to find new ways of reaching broader audiences with Shakespeare. In 2019 we collaborated with games company Winning Moves to launch an exclusive Shakespeare edition of Trivial Pursuit, developed by our award-winning education team featuring over 600 questions not only about Shakespeare's works and life, but also linking him to popular culture. Shakespeare Trivial Pursuit is on the most popular retail ranges, selling over 2,800 around the world.

Substantial renovation and restoration of the gardens continued, with the replanting of the famous Ellen Willmott-designed borders at Anne Hathaway's Cottage, the historic long border in the Great Garden at New Place and the Shakespeare borders at the Birthplace. These enhancements will increase the gardens' historic authenticity, and our visitors' enjoyment through the seasons.

The passion and expertise of our teams is key to making our diverse audiences feel at home with Shakespeare. In 2019 we enhanced our welcome for non-English speaking visitors by recruiting front-of-house staff with language skills in Mandarin, German, French, Spanish and Hebrew, and supplying information sheets in 15 languages. Our in-house acting company Shakespeare Aloud! also introduced more physical and visual theatre to engage with our international audiences. A new video tour enabled visitors with access needs to experience the rooms upstairs at the Birthplace.

The support of volunteers is crucial in every aspect of our work. In 2019 volunteers including Trustees donated a total of 25,202 hours. We welcomed 38 new volunteers and 16 work experience students and our Cultural Engagement team hosted 17 interns who supported our events and provided fresh perspectives on our collections.

Learning and participation

Millions of people of all ages and stages of interest engaged with Shakespeare through our learning and participation programmes and online resources.

More than 2 million primary school children took part in our sixth annual Shakespeare Week. Language and literacy was the central theme of the 2019 celebrations, addressing the growing word gap in young children's vocabulary. A series of fun activities developed by leading linguist Professor David Crystal challenged children to become Will's Word Warriors and build language skills which are vital to communication, creativity and critical thinking skills. The

Big Shakespeare Book Hunt took place in 154 communities across the country, supported by Walker Books and the National Literacy Trust; teachers reported that 64% of children were inspired to try further Shakespeare books. More than 1000 libraries hosted storytelling sessions and there were craft workshops at selected Waterstones branches.

Our Children's Shakespeare Debate was chaired by acclaimed author Michael Rosen and hosted at the Playhouse, Whitley Bay. Year 6 pupils from Whytrig Community Middle School and Seaton Sluice Middle School, two of our Shakespeare Hub Schools, starred in performances of *Romeo and Juliet*, then hotly debated whether the young couple were good role models and whether their parents were responsible for their deaths. The complete event was captured on video and shared as a teaching resource on the Shakespeare Week website.

The Trust's Shakespeare Schools Hub initiative was extended to Manchester, Bristol and the Isle of Wight. The free scheme, supported by Arts Council England, is now active in 54 schools in nine English regions. Each hub of 6-8 schools works with creative artists from a wide range of disciplines to showcase pupil's creative work inspired by Shakespeare's stories, language and heritage. Children also share their experiences, as experts, teaching their peers. Continuing Professional Development (CPD) sessions for teachers include the delivery of Arts Awards, working with arts organisations and specialist training led by artists.

A social value impact assessment by Moore Kingston Smith demonstrated that both Shakespeare Week and the Shakespeare Hub Schools programme deliver 'exceptional return' for both teachers and pupils. For every £1 invested in these activities, £9.75 is created in social value for identified stakeholders.

Our continuing Museums and Schools-funded project Sharing Shakespeare's Story enabled us to work with 3,500 children from 40 schools in areas of economic and cultural deprivation that had not previously visited the Trust.

Our in-house formal courses in Stratford-upon-Avon were again packed to capacity. We welcomed more than 21,000 students at all levels of academic study. Highlights included over 300 A-level students from 16 schools attending one of our Sixth Form conferences, and a nine-week residential course specially created for high school students from New Hampshire. We introduced a new KS1 workshop on *A Midsummer Night's Dream*, and explored the feasibility of extending our learning provision to still younger students through an Early Years Fun and Information Day at Coventry Library attended by 300 children and their parents. We delivered 145 EFL courses for 3,059 students, including a new workshop for student teachers at Coventry University.

Access to our main websites doubled to almost 6 million page views. There was marked growth in our younger audience (50% aged under 34 compared with 30% in 2018), and in international reach particularly in the Philippines (+1000%) and India (+715%). Our growing Shakespedia section continued to attract more users seeking answers to the most popular questions about Shakespeare's life and works. More than 36,000 teaching resources were downloaded, and there were 11,400 page views of online exhibitions.

Coronavirus

As a result of Government advice, the Trust closed its five Shakespeare family homes, learning activities, and hospitality / retail operations on 17 March 2020. With operations effectively halted and a national lockdown in place, the majority of the Trust's staff were furloughed on the Government's Coronavirus Job Retention Scheme with a small core staff team remaining. Our immediate priorities were the safety of our people, our properties (including security) and our financial assets. For those colleagues still working, a work-at-home policy was introduced and social-distancing measures adopted where attendance at work was necessary.

At the time of writing, we estimate the impacts of the COVID-19 pandemic coronavirus will result in a loss of consolidated income in the region of £8 million. This is largely the result of no visitor income and the pausing of learning activities. The Trustees and the leadership team are working closely to assess the long term implications for the Trust and our strategic response to safeguard its future. It is however clear that significant savings and a re-

imagination of how the Trust operates and reaches its audiences will continue for the remainder of 2020 and into 2021. Further details of the financial impact of the Covid-19 pandemic is included within our Financial Review section on page 9.

We are happy to say that Shakespeare's Birthplace reopened its door to visitors on Saturday 1 August 2020. The reopening marked an important moment in the economic and cultural recovery of Stratford-upon-Avon, and we are working with partners and stakeholders across the town and the wider region to continue supporting the sustainable future of one of the UK's most important cultural destinations.

Regarding our Collections, Learning and Programming, we have responded to the challenges of the pandemic. As we cannot yet welcome school and other groups on site, we have been busy adapting our sector leading learning offer to a remote learning format. We have also been delivering a programme of digital events to replace our normal live activities, and are committed to develop this further. Feedback shows a huge enthusiasm for this work and a great deal of goodwill from our audiences. Finally, it is very important to the Trust that, despite the serious impact of Covid-19 on our resources and staffing, the care and maintenance of our designated collection and the historic Shakespeare family homes remain a top priority. We have worked towards high standards of ongoing conservation activity whilst taking into account safe working procedures. We are now thinking about ways in which we can reopen access to our collections.

Looking ahead

In 2020 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. We will build upon the work commenced in 2019, to strengthen our focus on future planning, sustainability and growth. We will further key work streams which will enable us to enhance:

- the reach and impact of our public engagement
- the interpretation and preservation 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

The COVID-19 crisis has forced us to take a different approach to our business strategy. Over the next year our focus is to steer the Trust through its recovery and transition. Looking beyond 2020, we will continue to develop our organisation and public offerings in ways which resonate with the growing appetite for meaningful content and greater experiences of Shakespeare. Crucial to this is the sustainability of our operating model. We also want to identify opportunities, priorities and resources for new investment and strategic partnership working to increase our reach, impact and income to invest in our precious Shakespeare heritage. Every step will take us closer to our goals of helping more people get up-close-and-personal with Shakespeare and securing the sustainability we seek.

Partners and Stakeholders

Our work in 2019 was supported and facilitated by numerous partners, and we think it is important to credit our key relationships:

Arts Council England – This was for the Trust the first full year of National Portfolio funding, and we are committed to an ever stronger and deeper working relationship with the Arts Council.

Coventry and Warwickshire Local Enterprise Partnership ("CWLEP") – the CWLEP were a substantial capital funder over the year and have supported us in the re-presentation of Henley Street.

Heritage Lottery Fund – 2019 saw the final year of our New Place project, a highly successful programme that has enabled us to transform a much loved site.

Royal Shakespeare Company – Who continue to work with the Trust on the presentation of our joint Designated Collection. Stratford District Council – Our valued partner in the Henley Street redevelopment project.

Financial Review

While this report treats the effects of the coronavirus pandemic as a non-adjusting post balance sheet event, SBT recognises, given the magnitude of the effect of the viral pandemic on itself and the global economy, the importance of disclosing the impact of the outbreak is having on SBT. This Financial Review includes a closing section setting out these effects.

The financial year in review

The financial statements of the Trust 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 Trust and its trading subsidiary SBT Trading Limited, during the year.

Trading position

The 2019 headline consolidated income figure of £11,120,000 shows a relatively stable position compared to the £11,112,000 of the prior year. Admissions and associated trading (predominately retail and catering) income accounts for over 78% of our total income at £8,673,000 and collectively rose by £171,000 year on year. Provision of cultural engagement and participation services generated income of £742,000 (2018: £626,000), reflecting the bi-annual, cyclical nature of the business. Our grants income benefited by the first full year of Arts Council England National Portfolio Organisation status and our partnership working with Stratford on Avon District Council on enhancing the environment of Henley Street. Returns from our property and stock market investment portfolios were static year on year.

Overall expenditure is £10,693,000 compared to £10,406,000 in 2018. This represents a 2.8% increase in expenditure year on year due to investment in Cultural Engagement connected to the full year of Arts Council England National Portfolio Organisation status activities and property conservation and maintenance. The single largest area of expenditure is staffing with costs of £5,063,000 for 284 employees (2018: £4,914,000 for 279 employees).

On an overall funds basis there is net surplus of £427,000 for the year (2018: £706,000) before considering unrealised gains on the year end revaluation of investments (£401,000) and the actuarial loss on the revaluation of the defined benefit pension liability (£155,000 loss). Surpluses generated are reinvested into the charity to ensure that it is able to continue to fulfil its charitable objectives.

Balance Sheet position

The Trust's balance sheet is dominated by its long term investments in strategic properties, which are discussed separately below.

Our tangible and intangible assets are visitor facilities, operational plant and equipment at our properties and central infrastructure such as IT systems. During the year tangible fixed assets rose by £107,000 reflecting the investment in visitor facility equipment which exceeded depreciation.

Investments rose by £891,000 representing the investment in the site on Henley Street for Will's Kitchen and the recovery in the stock market value of our fiscal investments.

Net current assets of £3,165,000 (2018: £3,166,000) represents our working capital.

The deficit on our defined benefit pension scheme fell slightly to £2,847,000 (2018: £2,878,000). In a closed scheme such as ours, the principal factors affecting the net liability are the discount rate applied to the valuation of future pension payments, investment returns and deficit reduction contributions made by the Trust. The discount rate

which is based on corporate bond rates was reduced from 2.8% to 2%, increasing the value of our pension payment obligations. This is despite the Trust contributing £263,000 in deficit contributions.

Total funds as at 31 December 2019 amounted to £25,563,000 (2018: £25,890,000). Total Unrestricted funds amounted to £24,334,000 (2018: £23,287,000) which comprises £3,314,000 of undesignated funds and £21,020,000 of designated funds – details of which are included in the reserves policy note below. Restricted funds as at 31 December 2019 amounted to £2,229,000 (2018: £2,603,000) predominately comprising of The New Place heritage asset funded by restricted capital grants in prior years (£2,108,000) with the balance of £121,000 in restricted income funds. Neither of these restricted funds are available for the general purposes of the Trust.

Reserves policy

The Trust 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 Trust had net assets of £26,563,000 at 31 December 2019, this included fixed assets and investment properties with a value of £26,405,000. Approximately £13,600,000 of these are properties of strategic importance to the Trust which are held for the long term in order to protect and conserve the historic setting of the Shakespeare family homes.

During the year the Trustees decided to establish a number of new designated reserves to demonstrate why the Trust holds its reserves in the context of its charitable purposes:

Strategic fixed asset investments reserve to match the net book value of the fixed asset investment properties. These properties are strategically important as they are adjacent to the Shakespeare Birthplace Properties (being the Shakespeare family homes and nearby property that is so designated under the Shakespeare Birthplace Act 1961). They have been acquired since 1961 to further maintain the setting and environment of the homes, and which serve to enhance the experience we curate for our visitors.

A functional fixed asset reserve to match the net book value of the functional fixed assets that are used in the day to day operation of the Trust.

A working capital reserve, matched by year end balance of debtors and creditors and unrestricted cash.

The Trustees re-designated the major property, conservation, and development and redevelopment projects reserves to a conservation reserve to support the current conservation plan of the Trust.

The Trustees also decided to work towards a risk-based approach to holding contingency reserves. For the purposes of the 2019 financial statements they set a target of residual free reserves after designations and the pension reserve to match the financial impact of a fall in unrestricted income of 20%. At 31 December 2019 this amounted to £2,144,000, at which date residual free reserves after designations and the pension reserve amounted to £3,314,000.

Investment policy

The Trust maintains a review of its investments through its Finance Committee, which also monitors performance against market benchmarks and considers the adequacy of its investment mix. The overarching investment principles embedded in our Investment Policy are as follows:

- Implement a balanced asset allocation approach to the portfolio with a medium risk profile;
- Portfolio to be diversified to provide appropriate base for income growth and protect the capital base against long term inflation;
- Performance at least inflation (measured by the wages index) plus 5%

The portfolio is managed in the following manner:

- Direct property investments by Sheldon Bosley Knight;
- Marketable investments actively managed by Charles Stanley & Co.

There has been a strong performance on a total return basis over the last 12 months, following challenging markets at the end of 2018. Performance against our key benchmark (MSCI PIMFA Income) was 0.9% higher on a total return basis on a 12 month performance basis at 16.1%. An analysis of our total return performance against other market indices was as shown in the table below:

	Total Return %	Comparison to our Investment Policy
Portfolio	16.1	
Wage Inflation +5%	8.2	Objective met
MSCI PIMFA Income	15.15	Objective met
FSTE All Share	19.17	Objective not met
FTSE All Govt	6.90	Objective met

Investment management advisor performance for both direct property and marketable investments will continue to be robustly monitored in the forthcoming year.

The financial effects of the global coronavirus pandemic on The Shakespeare Birthplace Trust

In line with Government measures to combat the spread of COVID-19, the Trust closed all of the five Shakespeare family homes, cafes and shops on 17 March 2020. While this Trustees' report and accompanying financial statements have been prepared on the basis that the global viral pandemic is a non –adjusting post balance sheet event, the impact of the emergency on the Trust is significant and requires us to disclose, to the extent we are able at the time of writing, the effects that the crisis is having on the Trust's financial position. The magnitude of the crisis has impacted on all of the Trust's operations. This will undoubtedly stall our ability to deliver on *all* our charitable objectives in the short term.

The executive leadership team formed as a crisis management team in early March 2020. Daily team meetings have allowed us to react to risks as they have been identified and adapt Responses accordingly. Our key priorities have been to, maintain as far as possible delivery of our charitable objectives maintain the security of the Trust's workforce, reputation and assets maintain our ability to meet legal and financial obligations and support our staff and volunteers.

The main financial impacts of the outbreak have been:

- Sales of admission tickets to all our houses was halted. Shakespeare's Birthplace reopened on a "test and learn" basis on 1 August 2020, with significantly reduced physical capacity levels due to Government guidance on social distancing;
- Commercial income streams from retail and cafes (via SBTT) completely ceased in mid-March and only the Birthplace retail shop has reopened in conjunction with the Birthplace reopening;
- All of our educational visits and courses were cancelled. We do not envisage onsite activities until April 2021 at the earliest;
- Reductions in the value of our fiscal investment portfolio were significant (£600,000). Valuations have since slightly recovered but remain volatile.
- To protect our people, our family homes and their contents, we have had to invest in the provision of personal protection equipment, security costs and continues to direct charitable funds to meet the costs of mandatory legal and compliance tasks across the estate.

In terms of our initial forward projections for 2020 we were forecasting a significant loss of £ 7 million in response to this we have enacted both pay and non-pay cost savings. We furloughed the majority of our staff under the

Government's Job Retention Scheme and have implemented an organisational change programme to restructure our workforce.

Our financial strategy has been focused on protection of and maximising financial flexibility as follows:

- Controlling expenditure – we have prioritised expenditure to only that essential to the delivery of our charitable objectives and looking at new ways of cost effective working. We have made full use of the Government's Job Retention Scheme and the Job Support Scheme to deal with the seasonal nature of our business model;
- Successful application under the Arts Council for England's Emergency Grant Scheme (£900,000) and under the Cultural Recovery Fund (£3 million)

The outlook remains uncertain, especially in terms of the global economy, a lack of international visitors and further periods of UK lockdown, so the Trust is further developing mitigations by undertaking a strategic review of investment assets for liquidity purposes and continued re-imaging of the Trust's operational priorities and structures as we adapt to any new normal.

Going Concern

The lockdown and closure of the Shakespeare family homes, cafes and shops as a result of the Coronavirus pandemic in the first quarter of 2020 has required the Trustees to consider the question of going concern in significantly more detail than it would have done previously. Revised cash flow forecasts to December 2021 have been prepared to reflect changed circumstances and the mitigation actions and decisions that have been taken in order to manage a significant unplanned cash flow deficit on unrestricted activities for 2020. Draft reforecasts and plans for 2021 have been prepared to reflect lower expectations about income and adjustments to overhead costs have been reduced accordingly. The use of investment assets has been reviewed and plans made.

Based on the above, the Trustees are satisfied that the Trust has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Structure, Governance and Management

Constitution and Governing Documents

The Shakespeare Birthplace Trust (SBT/The Trust) 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.

Board of Trustees

The Board of Trustees has independent control over, and legal responsibility for the charity's management and administration. The Board's decision-making process is informed by charity law and is set out in the Charities (Shakespeare Birthplace Trust) Order 2017. The Board consists of 8-12 Trustees. The Board met six times during the year, including Strategy Review and Development Days.

Trustees who served during the year and up to the date of this report are listed on page 2.

During the year (July) Ros Haigh stood down after five years of service as Trustee and Chair of the Finance and Audit & Risk Committees and following external recruitment was succeeded by Mike Huggins. In November, Trustee Colin Bennett stood down. This vacancy is being considered as part of wider board succession planning.

Appointment terms

Trustees are appointed on their own merits by the Board, following recommendation by the Nominations & Remuneration Committee. In accordance with the Trust's governing documents, 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.

Board diversity

We believe a diverse Board of Trustees, with a blend of backgrounds, knowledge and experience is important to the effectiveness of our governance. The Board is committed to the Trust's Equality, Diversity and Inclusion policy and recruits using external recruitment campaigns with the aim of attracting individuals who will help lead in a way that embraces inspiration, diversity and fresh thinking.

Trustee induction

All Trustees complete an induction programme designed to inform them about the Trust's structure, strategy, finances and delegation framework, which shape the Trust's decision making processes and ensure that they are fully aware of the responsibilities of being a Trustee. The induction takes the form of a combination of meetings, visits and the provision of appropriate reading material.

There were various development opportunities offered throughout the year and a number of Trustees attended externally run training sessions and conferences.

Board effectiveness

2019 saw a focus on Board effectiveness and the development of an action plan informed by individual Trustee review meetings with the Chairman, a review of collective effectiveness, an audit of activity against the Charity Governance Code's seven principles and review of skills and diversity matrices and succession plans. Going forward, Board effectiveness and development will continue to be a focus.

Code of Conduct

All Trustees are required to adhere to our Trustees' Code of Conduct provides clear guidelines on expected standards of behaviour, responsibilities and best practice in fulfilling their obligations.

Prior to appointment Trustees complete declarations of eligibility and statements of interest/loyalty which are subject to regular review. In accordance with the Trust'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.

Committees of the Board of Trustees

The Board is supported in its work by four standing committees. The Chair of each Committee is a Trustee who reports to the Board on the Committee's activities at each Board meeting:

Audit & Risk Committee

The committee is part of the overarching governance arrangements of the Trust. It operates in accordance with an agreed Terms of Reference, which are periodically reviewed to maintain alignment with Charity Commission expectations and guidance. Membership consists of three trustees with the responsibility to:

- oversee the outcomes of external audits and other review work, including financial reporting processes;
- review the Trust's processes of internal control, and risk management;

- consider the Trust's compliance with relevant statutory and finance regulations
- review the Trust's safeguarding and legal compliance ; and
- advise the Board of any relevant matters

The committee met twice during the year.

Finance Committee

The committee supports the Board by reviewing on a regular basis the financial performance, budgetary control, management and strategy of the Trust and its trading subsidiary. Membership consists of three trustees. The committee met three times during the year.

Heritage Assets & Property Committee

The committee supports the Board by providing a strategic oversight of the Trust's heritage assets and properties through the perspectives of physical and knowledge assets and the means of public engagement with them. Membership consists of five trustees .The committee met twice during the year.

Nominations & Remuneration Committee

The committee reviews all people (employed and volunteer) matters which includes determining staff remuneration, senior staff and trustee recruitment; equality, diversity and inclusion. Membership consists of 3 trustees .The committee met twice during the year.

SBT Council

The Trust has established a consultative, honorary Council to support the furtherance of its charitable objectives and contribute to its long-term vision. The Council meets once a year with the Board of Trustees and Leadership Team and is chaired by the Honorary President.

SBT Trading Ltd

SBT Trading Limited is a company wholly owned by The Trust. It is the Trust's general trading arm and is responsible for running its commercial activities such as retail and catering. It gift aids its taxable profits to the Trust.

The Board of SBT Trading Limited is responsible for the company's activities. The Board members include trustee representation with the majority of members being independent of the Trust. The Board performs the same role as any company board, overseeing the running of the company, reviewing major risks facing the company, agreeing and monitoring its budget and approving its annual report and financial statements. The SBTT Board of Directors met three times during 2019.

The performance of SBT Trading Limited during the year ended 31 December 2019 is set out in Note 5 to the financial statements.

Arts Council England NPO status

2019 was the Trust's first full year as an Arts Council England National Portfolio Organisation (ACE NPO). Board papers are shared with ACE and its Relationship Manager can attend Board meetings as an observer.

Leadership Team

The Leadership Team comprises the Chief Executive and senior staff who support him in fulfilling his responsibilities. Some senior staff have job titles incorporating the title "Director" but they are not directors in a legal sense nor are they charity trustees.

The Board of trustees delegates various functions to the Leadership Team and other staff through the leadership of the Chief Executive. These functions are summarised in a Scheme of Delegation. The Leadership Team formulates strategy for Board consideration and approval, ensures it is carried out and oversees the day to day operation of the Trust.

After a period of review and consultation, in 2019 a new senior leadership structure was designed that will enable the Trust to build upon achievements, make the most of opportunities and shape its future in ambitious and imaginative ways. Existing Director roles (Cultural Engagement, Finance & Resources and Visitor Experience & Business Development) have been redefined (and the latter two re-titled) to ensure greater focus and two new Director roles (Strategic Projects and Development & Communications) have been created.

In the second half of 2019 after making a significant contribution to the work of the Trust, Philippa Rawlinson, Director of Operations & Marketing, and Delia Garratt, Director of Cultural Engagement both moved on, to CEO roles in other organisations. In December 2019 Tim Aucott took up the role of Director of Strategic Projects. Rachael Boyd joined as Director of Visitor Experience & Business Development and Melanie Crooks as Director of Finance & Resources in February and May 2020 respectively.

Activities for the public benefit

In setting the Trust's objectives and planning its 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. The Trust identifies the most significant benefits to the public that arise from its objects as:

- providing opportunities for the enjoyable and stimulating learning for the general public (858,000 via admissions) about the life and works of William Shakespeare;
- providing formal learning programmes and resources for over 2 million students, including 21,000 welcomed on site and 35,000 downloads of teaching resources;
- caring for and developing the Shakespeare family homes and over 1 million items in our Collections and making them physically and intellectually accessible to the greatest feasible extent to the general public;
- publishing and widely disseminating to the public information about the life and works of William Shakespeare. Our website had over 6 million hits in 2019;
- making accessible to researchers and students our important collections and archive, and in doing so adding to the collective knowledge, understanding and appreciation of William Shakespeare. There were 1,652 visits to our Reading Room in 2019;
- responding to 1,257 public enquires to our collections service;
- maintaining all year round public access to our facilities;
- providing diverse opportunities for volunteering, student work experience and internships with our Cultural Engagement team;
- and in providing these public benefits, the Trust supports the five widely accepted generic learning outcomes which show the positive impact of the public's interaction with museums on their knowledge and understanding; skills; attitudes and values; enjoyment, inspiration and creativity; and action, behaviour and progression.

Fundraising

The Trust raises the majority of voluntary income from targeted approaches to trusts, foundations and other public funding bodies. We also invite visitors to the Shakespeare Family Homes to support our work or join our Friends or Patrons schemes, either during their visit or by follow-up email. Patrons, Friends and existing donors receive a regular newsletter and occasional letters or emails with an opportunity to donate. We are committed to a transparent and ethical approach to all our fundraising activity.

We are grateful to all those who generously support our work; most especially Arts Council England for their continuing support of our work as a National Portfolio Organisation, CWLEP and the Midlands Engine through Stratford on Avon District Council for enabling the development of Will's Kitchen, Heritage Lottery Fund for the final year of the New Place project and the Department for Education which supports the innovative Museums and Schools work. Additional grants and donations received during this year have helped to engage more young people creatively with Shakespeare, to conserve the historic houses in our care, to support research and to acquire new Collections items which help to bring Shakespeare's story to life for all our audiences.

Fundraising is managed by the Trust's development staff and no third party fundraisers are used. All fundraising activities are reviewed in line with our obligations for responsible fundraising, and the team engages personally with all individual donors to ensure the protection of vulnerable persons. The Trust is registered with the Fundraising Regulator and complies with Code of Fundraising Practice. No complaints were received during the year and we received no requests through the Fundraising Preference Service to opt out of our communications.

Staff pay and recognition

We recognise the importance of being transparent and accountable for all aspects of our work, including how we recognise and reward our staff. We recognise our staff on their individual performance, living our organisational values and contribution to the delivery of the Trust's strategy. We ensure that staff who perform well progress through our pay bands within a reasonable timeframe. We compare our pay scales against those in the museums and wider not for profit sector. General pay increments are reviewed and agreed by the Nominations & Remuneration committee of the Board of Trustees

Key Management Remuneration Policy

Key management personnel pay is considered by the Nominations & Remuneration committee of the Board of Trustees. Each year the committee reviews the remuneration of key management personnel, considering individual performance and benchmarking data to ensure that levels of remuneration remain appropriate.

Gender Pay Gap

The Trust fell under the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 to publish a report showing the organisations gender pay information. Due to the Coronavirus outbreak, the Government Equalities Office and Equality & Human Rights Commission suspended the reporting of gender pay gap data for 2019/20. Based on the designated "snapshot date of 5 April 2018 as published on 5 April 2019, when comparing mean hourly rates, women earn £1.02 for every £1 that men earn. Their median hourly wage is 1.8% higher than men's. However, when comparing mean hourly wages, women's mean hourly wage is 5.2% lower than men's. We publish further details of our gender pay gap on our website in a report showing the balance of men and women at all levels of the organisation and the effect this has on average hourly rates of pay. The Trust is committed to continue to develop our workforce strategy which includes maintain a culture of representation and inclusion to ensure equality of opportunity for all.

Principal risks and uncertainties

The Trustees of the Trust have overall responsibility for ensuring that the Trust has an appropriate system of controls, financial and otherwise. The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- an annual budget approved by the Trustees;
- regular consideration of both financial results and other performance indicators
- delegation of authority and segregation of duties

As part of the responsibility, the trustees are also required to ensure that effective and adequate risk management is in place to manage the major risks to which the Trust is exposed. They have a clear mechanism for obtaining assurance on the management of risks. The trustees agree the approach to risk including overseeing the process to identify and assess key risks and understanding how those risks are managed and mitigated.

To support the identification and evaluation of the Trust's key risk, a risk assessment model has been developed which incorporates strategic and operational day to day activities. Risks are considered and presented as either Strategic or Operational risk within an active risk register. Strategic risks are significant risks that influence the achievement of the Trust's charitable objectives. These may include major internal risks such as financial sustainability or compliance risks. Or they may be external events with high impact which the Trust cannot control and for which the Trust needs to develop response mechanisms. Operational risk are day to day risks and more likely to be internal within the Trust's control and with a higher level of probability of the risk event happening. The Trust's focus of attention on these risks relates to how it can control, manage or transfer risk to a third party.

Individual risks are then assessed using a scoring mechanism, with respect to the inherent likelihood of occurrence, severity of impact on the Trust, the steps in place to mitigate the risk and the resulting impact on residual risk. Residual risk are ranked using a 'traffic light' scheme (red/amber/green). The Audit & Risk Committee oversees the detailed risk management process.

The risks which are currently assessed as scoring highest and the outline mitigating strategies to address them, are shown in the table below:

Risk	Mitigation Strategy
<p><i>Post Coronavirus</i></p> <p>The impact of Coronavirus pandemic results in a significant financial loss for the SBT that it is unable to sustain</p>	<ul style="list-style-type: none"> • New cash flow (and outturn) forecasts based on latest information to identify pinch points • Additional grant funding from Arts Council England, use of Government business support schemes and pursuit of other funding opportunities • Re-evaluation of operating model and prioritisation of resources • Re-evaluation of investment assets held
<p><i>Pre Coronavirus</i></p> <p>Dependency on tourism, particularly international visitors for the funding of the current operating model to deliver charitable objectives</p>	<ul style="list-style-type: none"> • Diversification of income streams • Re-evaluation of operating model including staffing structure and prioritisation of resource • Exploration of digital delivery and income generation opportunities
<p><i>Pre Coronavirus</i></p> <p>Organisational structure hampers medium to long term strategic and financial planning</p>	<ul style="list-style-type: none"> • Implementation of revised organisational structure, roles and responsibilities with recruitment of new leadership team in 2019/2020 • Development & introduction of master strategic and financial planning process
<p><i>Pre Coronavirus</i></p> <p>Major conservation works on heritage assets significantly impacting on level of reserves</p>	<ul style="list-style-type: none"> • Conditional surveys and quinquennial reports with 10 year conservation plan • Phased works planned to conserve and maintain buildings. • Review of strategic assets and investments and other funding opportunities

<i>Pre Coronavirus</i> Cyber Security attack on core Trust systems impacting on the ability to operate or potential loss	<ul style="list-style-type: none">• Improvements in IT infrastructure to improve resilience• Staff awareness training on cyber security issues
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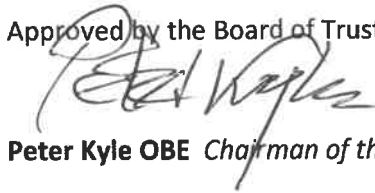
Disclosure of information to auditors

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 Trust'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 3 December 2020 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 governing document 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;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP) in the preparation of Charity accounts in accordance with applicable Accounting Standards in the UK;
- state whether the financial statements comply with the trust deed and applicable accounting standards have been followed 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 governing document 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 2019 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 2019 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 19, 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 U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 16 December 2020

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 2019

	Note	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Income from					
Donations	3	41	38	79	74
Charitable activities:					
Admissions to historic houses		5,982	-	5,982	5,900
Cultural engagement & participation		742	-	742	626
Grants receivable	4	220	364	584	393
Other trading activities	5	2,691	-	2,691	2,602
Investments	6	1,010	-	1,010	1,018
Other income		32	-	32	499
Total income		10,718	402	11,120	11,112
Expenditure on					
Raising funds		2,999	-	2,999	3,019
Charitable activities		7,119	575	7,694	7,387
Total expenditure	7	10,118	575	10,693	10,406
Net gains/ (losses) on investments	13	401	-	401	(371)
Net income/(expenditure)		1,001	(173)	828	335
Transfer between funds	19	201	(201)	-	-
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension scheme	22	(155)	-	(155)	(411)
Net movement in funds		1,047	(374)	673	(76)
Reconciliation of funds					
Total funds brought forward	19	23,287	2,603	25,890	25,966
Total funds carried forward	19	24,334	2,229	26,563	25,890

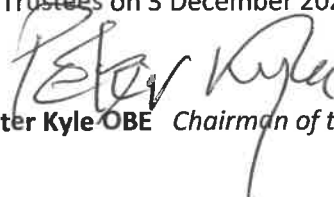
For the analysis of transfers between and composition of funds see note 19. Unrestricted funds comprise both designated and undesignated funds. Restricted funds comprise both income and capital funds.

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 2019

		2019		2018	
	Note	Group £000	Charity £000	Group £000	Charity £000
Fixed assets					
Intangible assets	10	51	51	58	58
Tangible assets	11	2,023	2,023	1,666	1,666
Heritage assets	12	2,108	2,108	2,459	2,459
Investments	13	22,223	22,223	21,582	21,582
		26,405	26,405	25,765	25,765
Current assets					
Stocks	14	368	-	307	-
Debtors	15	721	1,342	637	1,572
Cash at bank and in hand		3,058	2,740	2,991	2,321
		4,147	4,082	3,935	3,893
Liabilities					
Creditors: amounts falling due within one year	16	(982)	(921)	(769)	(730)
Net current assets		3,165	3,161	3,166	3,163
Total assets less current liabilities		29,570	29,566	28,931	28,928
Creditors: Amounts falling due after more than one year	17	(160)	(160)	(163)	(163)
Net assets excluding pension liability		29,410	29,406	28,768	28,765
Defined benefit pension scheme liability	22	(2,847)	(2,847)	(2,878)	(2,878)
Net assets including pension liability		26,563	26,559	25,890	25,887
Funds					
Restricted funds	19	2,229	2,229	2,603	2,603
Unrestricted funds:					
Designated funds	19	21,020	21,020	5,000	5,000
Revaluation reserve	19	-	-	14,897	14,897
Undesignated funds	19	3,314	3,310	3,390	3,387
Total funds		26,563	26,559	25,890	25,887

The Statement of Financial Activities, Income and Expenditure Account, Cash Flow Statement and the Notes form part of these financial statements. These financial statements were approved and authorised for issue by the Board of Trustees on 3 December 2020 and were signed on its behalf by:


Peter Kyle OBE Chairman of the Trustees


Mike Huggins Chair of Finance and Audit & Risk Committees

Consolidated Statement of Cash Flows
For the year ended 31 December 2019

		2019	2018
	Note	£000	£000
Net income/(expenditure) for the operating period (as per the Statement of Financial Activities)		828	335
Adjustments for:			
Depreciation charge		652	682
Change in fair value of investments		(401)	371
Income from investments		(1,010)	(1,018)
(Increase)/decrease in stocks		(62)	29
(Increase) in debtors		(85)	(289)
Increase/(decrease) in creditors		210	(196)
Other pension movements	22	(186)	(194)
Net cash (used in) operating activities		(54)	(280)
 Dividends, interest and rents from investments		 1,010	 1,018
Purchase of property, plant and equipment		(916)	(248)
Proceeds from sale of investments		336	461
Purchase of investments		(247)	(1,495)
Net cash provided by/(used in) investing activities		183	(264)
 Cash flows from financing activities			
(Increase)/decrease in cash deposits		(62)	51
 Change in cash and cash equivalents in the reporting period		67	(493)
 Cash and cash equivalents at the beginning of the reporting period		 2,991	 3,484
 Cash and cash equivalents at the end of the reporting period		 3,058	 2,991

Reconciliation of net cash flow movement in net funds
For the year ended 31 December 2019

	2019	2018
	£000	£000
Increase/(decrease) in cash in the year	67	(493)
Opening net funds	2,991	3,484
 Closing net funds	 3,058	 2,991

Notes

(Forming part of the financial statements)

1 Principal Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Charities Act 2011, applicable accounting standards (FRS102) and Charities SORP (FRS102) and under the historical cost accounting rules except that, operational fixed asset freehold land and buildings, fixed asset investments and investment properties are included at fair valuation.

The Shakespeare Birthplace Trust ("SBT/the Trust") was first incorporated by an Act of Parliament in 1891 and its trustees now carry out their responsibilities under the terms of the Shakespeare Birthplace Act 1961 and The Charities (Shakespeare Birthplace Trust) Order 2017. The provisions of these Acts are also taken into consideration as appropriate when preparing the financial statements.

The SBT meets the definition of a public benefit entity under FRS 102.

Charity status

Shakespeare Birthplace Trust is a registered charity no. 209302. The Trustees of the charity are named on page 3. The charity's principal office is The Shakespeare Centre, Henley Street, Stratford-upon-Avon, and Warwickshire, CV37 6QW.

Going concern

The trustees assess whether the use of the going concern principle is appropriate i.e. whether there are any principal uncertainties, related events or conditions that may cast significant doubt on the ability of SBT to continue as a going concern. The worldwide COVID-19 pandemic has had a significant impact on the work of SBT since the end of the financial year. The Trustees' report on pages 4-18 and note 25 to the financial statements set out the response of SBT to this unexpected and unprecedented change to the activities of the charity and its trading subsidiary, and in particular the unrestricted income of the group. The report briefly sets out the mitigating actions that have been taken and will continue to be taken to ensure that SBT can continue as a going concern. The trustees make this assessment in respect of the period of at least one year from the date of the authorisation for issue of the financial statements, including stress testing forecasts to December 2021 and noting the timetable for the receipt of funds from the Arts Council England's Cultural Recovery Fund and have concluded that SBT has adequate resources to continue in operational existence for the foreseeable future (next 12 months) and there are no material uncertainties about SBT's ability to continue as a going concern thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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. SBT has taken advantage of the exemption available not to present a Statement of Financial Activities for the charity. The turnover and expenditure of the subsidiary are included in the Consolidated Statement of Financial Activities. The assets and liabilities of the subsidiary is included on a line by line basis in the Consolidated Balance Sheet in accordance with FRS102 section 9 – Consolidated and Separate Financial Statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising on intra-group transactions are eliminated in the Consolidated Statement of Financial Activities. The results of the trading subsidiary are disclosed in note 4. In the charity's financial statements, the investment in its subsidiary trading company is stated at cost.

The principal accounting policies and estimation techniques are as follows:

Income

Income is shown within five categories in the Consolidated Statement of Financial Activities:

- Income from donations;
- Income from charitable activities;
- Income from trading activities;
- Income from investments and
- Other income.

Income from donations includes legacies, appeals and gifts. Income from charitable activities includes house admissions income and income related to the provision of cultural engagement and participation services. Income from trading activities includes activities undertaken by SBT Trading Limited, namely retail and catering sales. Income from investments includes dividends from

stock market investments and rental income from investment properties. Other income includes the net gains arising on the disposal of operational fixed assets.

All income is included in the Consolidated Statement of Financial Activities when the group is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Donations and appeals

Such voluntary income is recognised when the cash is received. Any Gift Aid thereon is accounted for a receivable basis and is added to unrestricted or restricted funds as appropriate. Where the use of income has been restricted in accordance with the donor's wishes, donations and appeals income is credited to an appropriate fund until it can be spent for the purpose for which it was given.

Legacies

Legacies are accounted for on a receivable basis. Pecuniary legacies are recognised following formal notification from the estate. Residuary legacies are recognised only when the group's interest can be ensured, which is normally on the grant of probate. Where there are uncertainties surrounding the measurement of the group's entitlement to an estate no income is recognised until the uncertainty is resolved.

Admissions to historic houses

Income from admissions to historic houses is recognised in the period to which it relates.

Cultural engagement & participation income

Income from the provision of cultural engagement & participation services is recognised on a receivable basis in the period to which it relates.

Grant income

Grants are recognised on a receivable basis when the group has probable and measurable entitlement to the income (i.e. the conditions for its award have been satisfied)

Trading income

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

Investment income

Rent and stock market investment income are recognised as income when receivable.

Gains on disposal of fixed assets for group's own use

Gains on disposal of fixed assets for the group's own use (i.e. non-investment assets) are accounted for as other income. Losses on disposal of such assets are accounted for as other expenditure.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the group to pay out resources. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Consolidated Statement of Financial Activities defines costs into two specific categories:

- Raising funds;
- Charitable activities

Raising funds includes staff members and consultants who are engaged directly in fundraising, the costs of specific publicity campaigns for the raising of donations, the management of the investment property estate and stock market investments together with the costs incurred in relating to the trading subsidiary.

Costs of charitable activities relate to the work carried out on the core purposes of the charity including the cost of maintenance and management of historic houses and the provision of cultural engagement and participation activities

Support costs are allocated to expenditure on raising funds and charitable activities on a basis consistent with the use of resources. Costs relating to management of the group and support departments have been allocated to other functions based on the time they consume in pursuing the objectives of the SBT.

Governance costs included within support costs are those incurred in connection with the administration of the group compliance with constitutional and statutory requirements and the costs of executive management and strategic planning for the future developments and governance of the group. These costs include costs related to statutory audit and legal fees.

Operating leases

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the term of the lease.

Redundancy and termination benefits

Redundancy and termination benefits are recognised as soon as there is a legal or constructive obligation committing the group to pay out resource.

Pension costs

Defined benefit pension scheme

The defined benefit pension scheme, which is closed to new entrants (from May 2004) and future accrual (from February 2009) provides benefits based on final pensionable salary. The costs of providing pension benefits under the defined benefit pension scheme have been recognised in accordance with FRS102 Section 34 – Retirement Benefit plans: Financial Statements.

Under FRS102, the assets and liabilities are essentially treated as assets and liabilities of the sponsoring employer – SBT. The operating costs of providing retirement benefits to employees are recognised in the period in which they are earned by employees and finance costs and other changes in the value of pension scheme assets and liabilities are recognised in the period in which they relate

Defined contribution pension scheme

The pension costs for SBT's defined contribution scheme is recognised in the period in which it is incurred.

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.

Intangible fixed assets and amortisation

Computer software and website are stated at historic purchase cost less accumulated amortisation and accumulated impairment losses. 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 over 3 years for both computer software and websites.

Tangible fixed assets and depreciation

Non property tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses.

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	-	4-25years
Motor vehicles	-	4 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.

Freehold land and buildings included in tangible fixed assets are stated at fair value valuation less provisions for permanent diminution in value and are used for administrative and trading purposes. The fair valuation is based on an independently external valuation on an existing use basis every 5 years. The valuation is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the appropriate fund. The freehold land and buildings were last professionally valued as at 31 December 2017, the results of which are included in these financial statements.

Depreciation is not provided on these freehold land and buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially

less than their carrying value. SBT has a policy of regular structural inspection, repair and maintenance and properties are therefore unlikely to deteriorate or suffer obsolescence.

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 (which includes the five Shakespeare family homes) have not been capitalised since, in the opinion of the Trustees, the relevant cost information is not available. With respect to items held in the collections, the Trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of items. 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 heritage assets on its balance sheet.

Expenditure which in the Trustees' view is required to repair, preserve or clearly prevent further deterioration of individual collection items is recognised in the Consolidated Statement of Financial Activities when incurred.

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

Investment Properties

Investment properties in accordance with FRS102 are carried at their fair value and this is considered by the Trustees annually and the aggregate surplus or deficit is recognised in the appropriate fund. Investment properties were last professionally valued as at 31 December 2017, the results of which are included in these financial statements.

The next professional valuation of properties is due as at 31 December 2022. No depreciation is provided on investment properties

Financial Investments

Financial investments are stated at fair value. Realised gains or losses are recognised in the Consolidated Statement of Financial Activities when financial investments are sold. Unrealised gains and losses are accounted for on revaluation of financial investments at the year end.

The investment held in the subsidiary undertaking is held at cost.

Stocks

Stocks, being goods for resale, are stated at the lower of weighted average cost and net realisable value after making due provision for slow moving and obsolete items.

Financial instruments

The group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments" of FRS102 in full to all its financial instruments.

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised costs being the transaction price less any amounts settled and any impairment losses.

Trading balances with the subsidiary undertaking are treated as trade debtors and initially measured at the transaction price with the carrying amount adjusted to reflect the amounts settled and adjusted if necessary for any impairment. They are assessed for objective evidence of impairment at the end of each reporting period.

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less amounts settled.

Funds

These divided into two distinct categories: unrestricted and restricted.

Unrestricted funds

The use of these funds has not been restricted to a particular purpose by donors or their representatives. They are subdivided into the General Fund and designated funds.

General Fund

The General Fund is the working fund of the group and is available for use at the discretion of the Trustees in furtherance of the charity's objectives. 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

Designated funds are those which have been allocated by the Trustees for particular purposes. Further information on the nature and basis of the various designed funds used by SBT is given in note 19 to the financial statements.

Restricted Funds

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.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year.

Accounting estimates

The SBT makes estimates and assumption concerning the future. The resulting accounting estimates and assumption will by definition, seldom equal the related actual results. The estimated and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of investment properties and freehold land and buildings

Investment proprieties and freehold land and buildings are carried at fair value, with changes in fair value being recognised in the Consolidated Statement of Financial Activities. SBT engaged independent valuation specialists to determine fair value as 31 December 2017. Some the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market and values of similar properties, which could be deemed subjective.

Defined benefit pension scheme

SBT has an obligation to pay pension benefits to certain employees. The costs of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet with support from an independent external actuary. The key assumptions are based on the actuary's knowledge and experience. Any changes in these assumptions as given in note 22 could have a significant impact the amounts recognised in the financial statements.

Stock provisioning

The largest component of stock is retail stock. It is necessary to consider the recoverability of the cost of this stock and the associated provisioning required. When calculating stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability.

Areas of judgement

Non depreciation of freehold properties held in tangible fixed assets. Depreciation is not provided on these freehold land and buildings as any provision (annual or cumulative) would not be material, due to the very long expected remaining useful life in each case, and because their expected residual values are not materially less than their carrying value.

All estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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:

	2019	2018
	£000	£000
Income	8,444	8,522
Gift aid from subsidiary	166	360
	8,610	8,882
Expenditure on raising funds	(465)	(653)
Expenditure on charitable activities	(7,873)	(7,827)
Net gains/(losses) on investment assets	401	(371)
Net incoming/(outgoing) resources	673	31

3 Voluntary income

	Unrestricted		Restricted	
	2019	2018	2019	2018
	£000	£000	£000	£000
Donations	41	15	38	59
	41	15	38	59

4 Grants receivable

	Unrestricted		Restricted	
	2019	2018	2019	2018
	£000	£000	£000	£000
National Heritage Lottery Fund	-	-	120	161
Arts Council England – National Portfolio Organisation	220	165	-	-
Arts Council England – Museums and Schools	-	-	43	59
European Union -Erasmus – CUSHA	-	-	-	8
Stratford District Council	-	-	201	-
	220	165	364	228

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 outlet at the various historic sites. It pays its taxable profits to the Shakespeare Birthplace Trust by way of Gift Aid.

	2019	2018
	£000	£000
Turnover	2,719	2,636
Cost of sales	(1,150)	(1,102)
Gross profit	1,569	1,534
Administrative expenses (including recharges from the charity)	(1,409)	(1,283)
Operating profit	160	251
Other interest receivable and similar income	6	3
Profit for the financial year	166	254
Distribution to Shakespeare Birthplace Trust	(166)	(360)
Retained in subsidiary for the year	0	(106)

At the end of the year, the company had aggregate assets of £728,176 (2018: £1,047,357), and liabilities of £724,057 (2018: £1,043,531), which includes net amounts due to the Shakespeare Birthplace Trust of £663,528 (2018: £1,004,684) and net shareholders' funds of £4,119 (2018: £3,826).

Income from SBT Trading Limited to the charity of £28,235 (2018: £37,599) was eliminated upon consolidation.

Profits retained within SBT Trading Limited was transferred via Gift Aid to the charity before the year end.

6 Investment income

	2019	2018
	£000	£000
Dividends and interest	197	176
Rental income	813	842
	1,010	1,018

7 Analysis of total resources expended

	Staff Costs £000	Depreciation £000	Management and Support Costs £000	Other £000	2019 Total £000	2018 Total £000
Restricted funds:						
Expenditure on charitable activities	122	351	-	102	575	663
Unrestricted funds:						
Expenditure on raising funds	1,094	-	190	1,715	2,999	3,019
Expenditure on charitable activities	3,847	301	1,920	1,051	7,119	6,724
	4,941	301	2,110	2,766	10,118	9,743
Total	5,063	652	2,110	2,868	10,693	10,406

	Staff Costs £000	Depreciation £000	Management and Support Costs £000	Other £000	2018 Total £000	2017 Total £000
Restricted funds:						
Expenditure on charitable activities	19	352	-	292	663	530
Unrestricted funds:						
Expenditure on raising funds	1,041	-	185	1,793	3,019	3,095
Expenditure on charitable activities	3,854	330	1,863	677	6,724	7,281
	4,895	330	2,048	2,470	9,743	10,376
Total	4,914	682	2,048	2,762	10,406	10,906

Total resources expended include:

	2019 £000	2018 £000
Depreciation	652	682
Governance costs	2	5
Auditor's remuneration:		
Audit of these financial statements	11	11
Audit of financial statements of subsidiary pursuant to legislation	5	7
Other services relating to taxation	1	1
Operating lease charges:		
Other than land and buildings	91	117

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	2019 Total £000
General management & governance	6	74	80
Finance & administration infrastructure	113	540	653
Human resources	32	151	183
Information technology	16	78	94
Digital, marketing & public relations	11	478	489
Facilities & estates management	12	599	611
Total	190	1,920	2,110

	Expenditure on raising funds £000	Expenditure on Charitable activities £000	2018 Total £000
General management & governance	2	19	21
Finance & administration infrastructure	110	524	634
Human resources	33	154	187
Information technology	19	90	109
Digital, marketing & public relations	11	528	539
Facilities & estates management	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	
	2019	2018
Historic houses	103	100
Trading activities	66	65
Cultural engagement & participation	48	47
Management and support	67	67
	284	279
Number of part time employees included above	175	165
Full time equivalent of part time employees	66	60

The aggregate emoluments of these employees were as follows:

	2019	2018
	£000	£000
Wages and salaries	4,398	4,313
Social security costs	307	305
Pension costs	281	235
FRS102 s28 charge for past service costs	77	61
	5,063	4,914

The number of employees whose emoluments (excluding pension contributions) amounted to more than £60,000 were as follows:

	2019	2018
	Number	Number
£100,000 - £109,999	1	1
£70,000 - £79,999	-	1
£60,000 - £69,999	-	1
	1	3

Emoluments for this purpose include gross salary and benefits in kind. The total amount of employer defined contributions paid on behalf of these employees were £10,420 (2018: £19,677).

In 2019 Shakespeare Birthplace Trust paid redundancy costs of £nil (2018 £3,972). No ex- gratia payments were paid in either year.

Key management (employee) personnel are deemed to be those having, authority and responsibility delegated to them by the trustees, for planning, directing and controlling the activities of the Trust. During 2019 they were:

Chief Executive – Tim Cooke

Director of Strategic Projects – Tim Aucott (from 2 December 2019)

Deputy Chief Executive Officer and Director of Operations & Marketing – Philippa Rawlinson (until 9 August 2019)

Acting Director of Operations & Marketing – Debbie Beardall (from 16 August 2019)

Director of Cultural Engagement – Delia Garratt (to 12 October 2019)

Acting Director of Cultural Engagement – Paul Taylor (from 7 October 2019)

The total emoluments paid to key management personnel in 2019, including pension contributions was £318,814 (2018: £414,184).

9 Trustees

During the year, no Trustee received remuneration as trustee (2018: £0). Six trustees received travelling and out of pocket expenses, totalling £2,260 (2018: £5,432 for 8 trustees)

The Shakespeare Birthplace Trust maintained insurance for the Trustees/Directors throughout the financial year ended 31 December 2019 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 £1,624 (2018: £1,625) and the cover £2,000,000 (2018: £2,000,000).

10 Intangible fixed assets

Consolidated and charity

	Software £000	Websites £000	Total £000
Cost or valuation			
At 1 January 2019	331	128	459
Additions	30	-	30
Transfer from Assets under construction	20	-	20
At 31 December 2019	381	128	509
Depreciation			
At 1 January 2019	294	107	401
Charge for the year	36	21	57
At 31 December 2019	330	128	458
Net book value			
At 31 December 2019	51	-	51
At 31 December 2018	37	21	58

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 2019	1,085	20	3,263	1,074	25	5,467
Additions	-	8	318	45	-	371
Transfers to Intangible assets	-	(20)	-	-	-	(20)
Transfers from Investments	250	-	-	-	-	250
At 31 December 2019	1,335	8	3,581	1,119	25	6,068
Depreciation						
At 1 January 2019	-	-	2,967	809	25	3,801
Charge for the year	-	-	160	84	-	244
At 31 December 2019	-	-	3,127	893	25	4,045
Net book value						
At 31 December 2019	1,335	8	454	226	-	2,023
At 31 December 2018	1,085	20	296	265	-	1,666

Freehold land and properties were valued by Sheldon Bosley Knight (Chartered Surveyors) on an existing use basis as at 31 December 2017. The historic cost of freehold land and buildings is £600,610.

12 Heritage assets

Consolidated and charity

	New Place £000
Cost or valuation	
At 1 January 2019	3,513
At 31 December 2019	3,513
Depreciation	
At 1 January 2019	1,054
Charge for the year	351
At 31 December 2019	1,405
Net book value	
At 31 December 2019	2,108
At 31 December 2018	2,459

Heritage assets are defined as tangible property with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture. SBT considers its inalienable properties and collections held for preservation to fall within this definition. As further explained in our accounting policies (note 1) to the financial statements inalienable assets have been excluded from the financial statements.

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

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 historic 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 line with its stated acquisition policy. SBT collects for four principal reasons:

- To facilitate research into and understanding of Shakespeare's life, work and times;
- To enhance the displays within the Shakespeare family homes;
- To create permanent and temporary exhibitions;
- To complement existing collections

Details of notable acquisitions to the collection alongside our normal range of collecting activity is included with the Trustees' report on pages 4-18.

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, which includes the principle that sound curatorial reasons for disposal must be established and only with the final approval of the Board.

13 Investments

Consolidated and charity

	2019 £000	2018 £000
<i>Analysis of investments</i>		
<i>Designated funds:</i>		
Freehold investment properties	13,614	-
<i>Undesignated funds:</i>		
Freehold investment properties	4,691	18,039
Listed and other investments	3,918	3,543
	22,223	21,582

All investments are held in the UK. The historic cost of listed and other investments as at 31 December 2019 was £3,358,681 (2018:£3,403,690). Properties were valued by Sheldon Bosley Knight, Chartered Surveyors, in 2017 on an open market existing use basis. The SBT's policy is to seek formal professional valuations of its investment properties every 5 years with trustee review in the intervening period.

	Freehold investment properties Designated £000	Freehold investment properties Undesignated £000	Listed and other investments Undesignated £000	Total £000
<i>Movements in investments</i>				
As at 1 January 2019	-	18,039	3,543	21,582
Additions	-	516	179	695
Transfers between funds	13,614	(13,614)	-	-
Transfer to functional fixed assets	-	(250)	-	(250)
Disposals	-	-	(205)	(205)
Change in market value	-	-	401	401
As at 31 December 2019	13,614	4,691	3,918	22,223

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

	2019		2018	
	£000	%	£000	%
Investment property – “The Hill”	1,600	7.1	1,600	7.4
Investment property- 43 Henley Street, Will’s Café	1,466	6.5	-	-

Charity

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

14 Stocks

	Consolidated		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Finished goods and goods for resale	368	307	-	-

15 Debtors

	Consolidated		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	261	189	230	143
Amounts due from subsidiary undertakings	-	-	664	1,005
Other debtors	145	93	145	76
Prepayments	108	230	96	223
Accrued income	207	125	207	125
	721	637	1,342	1,572

16 Creditors: amounts falling due within one year

	Consolidated		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade creditors	283	303	247	275
Taxes and social security	113	152	113	152
Other creditors	31	28	31	28
Accruals	232	154	207	143
Deferred income	323	132	323	132
	982	769	921	730

17 Creditors: amounts falling due after more than one year

	Consolidated		Charity	
	2019	2018	2019	2018
	£000	£000	£000	£000
Deferred income	160	163	160	163
	160	163	160	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

	2019	2018
	£000	£000
Financial assets that are debt instruments measured at amortised cost	3,671	3,398
Financial liabilities measured at amortised cost	1,029	780

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, accruals and deferred income.

19 Movement in Funds

Consolidated and charity	At 1 Jan 2019 £000	Income £000	Expenditure, gains and losses £000	Transfers £000	At 31 Dec 2019 £000
<u>Restricted income funds:</u>					
Countryside Stewardship Scheme fund	5	5	(4)	-	6
Louis Marder Scholarship fund	13	-	(1)	-	12
Education Appeal fund	13	2	(3)	-	12
AQA – Espresso Shakespeare fund	4	-	-	-	4
Shakespeare Week fund	1	-	-	-	1
Young Interpreters Project fund	3	-	(1)	-	2
Collections fund	9	1	(9)	-	1
Online Collections fund	17	-	(8)	-	9
Rural Agency fund	5	-	-	-	5
Arts Council England – Museums and Schools	29	39	(49)	-	19
Levi Fox Archive fund	15	-	-	-	15
Erasmus Project – CUSHA fund	10	-	(1)	-	9
SBA – Education fund	7	-	-	-	7
The Space – Digital Houses fund	3	-	-	-	3
Disability Access Day fund	1	-	-	-	1
Creative Producers International fund	3	25	(27)	-	1
RSC Cataloguing Project fund	6	23	(19)	-	10
National Lottery Heritage Fund	-	102	(102)	-	-
Other short term projects fund	-	4	-	-	4
	144	201	(224)	-	121
<u>Restricted capital funds:</u>					
New Place fund	2,459	-	(351)	-	2,108
Stratford District Council – Will's Kitchen fund	-	201	-	(201)	-
	2,495	201	(351)	(201)	2,108
Total restricted funds	2,603	402	(575)	(201)	2,229

Unrestricted funds

Consolidated	At 1 Jan 2019	Net income/ (expenditure) in the year	Transfers	At 31 Dec 2019
	£000	£000	£000	£000
<u>Designated funds:</u>				
Major property, conservation, development and redevelopment projects fund	5,000	-	(2,550)	2,450
Functional fixed asset fund*	-	-	2,074	2,074
Strategic investment fixed asset fund*	-	-	13,614	13,614
Working capital fund	-	-	2,882	2,882
Total designated funds	5,000	-	16,020	21,020
<u>Undesignated funds:</u>				
Revaluation reserve	14,897	-	(14,897)	-
General fund	6,268	815	(922)	6,161
Pension reserve	(2,878)	31	-	(2,847)
	3,390			3,314
Total undesignated funds	18,287	846	(15,819)	3,314
Total unrestricted funds	23,287	846	201	24,334
Total funds	25,890	673	-	26,563

The funds denoted with * include the following revaluation reserves - £13,614,000 within the Strategic investment fixed asset fund (designated) and £1,283,000 with the Functional fixed asset fund (designated).

The Charity unrestricted funds are stated above with the exception of the general fund which amounts to £6,157,000 (2018: £6,265,000). The Trading company funds amount to £4,118 (2018 £3,825).

Prior year comparatives:

	At 1 Jan 2018 £000 Restated	Income £000	Expenditure, gains and losses £000	Transfers £000	At 31 Dec 2018 £000
Consolidated and charity					
<u>Restricted income funds:</u>					
Friends of the Shakespeare Birthplace Trust	61	-	-	(61)	-
Countryside Stewardship Scheme fund	10	-	(5)	-	5
Louis Marder Scholarship fund	14	-	(1)	-	13
Education Appeal fund	11	2	-	-	13
AQA – Espresso Shakespeare fund	4	-	-	-	4
Shakespeare Week fund	-	1	-	-	1
DCMS fund	(7)	12	(5)	-	-
Young Interpreters Project fund	3	-	-	-	3
Collections fund	10	6	(7)	-	9
Online Collections fund	18	1	(2)	-	17
Rural Agency Fund	5	-	-	-	5
Arts Council England – Museums and Schools	35	59	(65)	-	29
Levi Fox Archive fund	4	16	(5)	-	15
Erasmus Project – CUSHA fund	5	8	(3)	-	10
SBA – New Place fund	19	-	(19)	-	-
SBA – Education fund	6	1	-	-	7
The Space – Digital Houses fund	6	3	(6)	-	3
Fun Palaces fund	-	1	(1)	-	-
Disability Access Day fund	-	1	-	-	1
Creative Producers International fund	-	3	-	-	3
RSC Cataloguing Project fund	-	12	(6)	-	6
National Lottery Heritage Fund	19	161	(180)	-	-
Other short term projects fund	55	-	(6)	(49)	-
	278	287	(311)	(110)	144
<u>Restricted capital funds:</u>					
New Place fund	2,811	-	(352)	-	2,459
Hall's Croft Restoration fund	4	-	-	(4)	-
Sculpture programme fund	4	-	-	(4)	-
	2,819	-	(352)	(8)	2,459
Total restricted funds	3,097	287	(663)	(118)	2,603

Unrestricted funds

Consolidated	At 1 Jan 2018	Net income/ (expenditure) in the year	Transfers	At 31 Dec 2018
	£000	£000	£000	£000
<u>Designated funds:</u>				
Major property, conservation, development and redevelopment projects	5,000	-	-	5,000
Total designated funds	5,000	-	-	5,000
<u>Undesignated funds:</u>				
Revaluation reserve	14,897	-	-	14,897
General fund	5,633	517	118	6,268
Pension reserve	(2,661)	(217)	-	(2,878)
	2,972			3,390
Total undesignated funds	17,869	300	118	18,287
Total unrestricted funds	22,869	300	118	23,287
Total funds	22,966	(76)	-	25,890

The Charity unrestricted funds are stated above with the exception of General fund which amount to £6,265,000 (2017: £5,523,000). The Trading company funds amount to £3,825 (2017: £110,000).

Details of the major funds are as follows:

Restricted funds

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.

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.

Unrestricted funds:

The property, conversation and development fund:

This designated 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.

Functional fixed asset fund:

This represents the net book value of functional fixed assets used by the charity in its day to day operations.

Strategic investment fixed asset fund:

This designated fund represents the net book value of fixed asset investment properties which, in addition to their investment return and capital appreciation potential, are held because they are strategically important by virtue to their proximity to the heritage properties.

Working capital fund:

This designated fund represents the year end debtors and creditors and unrestricted cash for day to day operational purposes.

Pensions reserve:

This represents SBT's possible funding obligations in respect of the defined benefit pension scheme.

General fund:

The general fund is SBT's unrestricted, undesignated fund available for any of the Board's purposes without restriction.

Transfers between funds

Details of inter fund transfers in the year are as follows:

	Unrestricted Undesignated £000	Unrestricted Designated £000	Restricted £000
Revaluation reserve to Strategic investment fixed asset fund(1)	(13,614)	13,614	-
Revaluation reserve to Functional fixed asset fund(2)	(1,283)	1,283	-
Conservation fund to Working capital fund(3)		(2,550)	-
Working capital fund transfer from Conservation fund (3)		2,550	
General fund to Functional fixed asset fund(4)	(791)	791	-
General fund to Working capital fund(5)	(332)	332	-
SDC Will's Kitchen fund to General fund(6)	201	-	201

Total transfers between funds

	(15,819)	16,020	201
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- (1) This represents the transfer of the balance of the revaluation reserve that relates to the strategic investment fixed assets
(2) This represents the transfer of the balance of the revaluation reserve that relates to the functional fixed assets
(3) This represents the transfer from the conservation fund to establish the day to day working capital fund
(4) This represents the transfer from the general fund to establish the functional fixed asset fund
(5) This represents the transfer from the general fund to establish the working capital fund
(6) This represents the transfer of funds from the restricted fund to cover the expenditure on Will's Kitchen that has been expended through the general fund directly.

20 Analysis of consolidated net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fund balances at 31 December 2019 are represented by:			
Tangible fixed assets	2,023	-	2,023
Intangible fixed assets	51	-	51
Heritage assets	-	2,108	2,108
Investments	22,223	-	22,223
Current assets	4,026	121	4,147
Current liabilities	(1,142)	-	(1,142)
Pension liability	(2,847)	-	(2,847)
Total net assets	24,334	2,229	26,563

	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

As at 31 December 2019 SBT was committed to making the following payments under non-cancellable operating leases:

	2019 £000	2018 £000
<i>Land and buildings:</i>		
Within one year	33	33
Between two and five years	37	65
More than five years	-	-
	<u>70</u>	<u>98</u>
<i>Other:</i>		
Within one year	40	61
Between two and five years	14	41
More than five years	-	-
	<u>54</u>	<u>102</u>
Total	<u>124</u>	<u>200</u>

The Trustees lease Harvard House at a peppercorn rent.

As at 31 December 2019, the SBT had capital commitments of £nil which were contracted for but not provided for in the financial statements (2018: £52,263).

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

	2019 £000	2018 £000
<i>Land and buildings:</i>		
Within one year	257	250
Between two and five years	414	297
More than five years	2,787	2,717
	<u>3,458</u>	<u>3,264</u>

22 Pensions

Defined contribution pension scheme

The SBT operates a defined contribution, money purchase arrangement pension scheme. The pension charge for the period represents contributions payable to the scheme and amounted to £262,810 (2018: £234,992).

Defined benefit pension scheme

The SBT also operates a defined benefit pension scheme, Shakespeare's Birthplace Trust Retirement Benefits Scheme, for full-time employees who meet certain eligibility criteria. The scheme was closed to new members in May 2004 and subsequently closed to future accrual in February 2009. The assets of the scheme are held in separate Trustee administered funds.

A valuation of the scheme is carried out once every three years by qualified independent actuaries. The most recent scheme valuation completed was carried out as at 31 March 2016. Following this valuation, SBT agreed with the trustees of the pension scheme a recovery plan to eliminate the resulting deficit over a 10 year period. SBT currently pays additional deficit contributions of £270,000 pa under this recovery plan. The valuation was updated by the actuary on an FRS102 basis as at 31 December 2019 for the purposes of these financial statements.

	2019	2018
	£000	£000
Present value of funded defined benefit obligations	(9,606)	(8,963)
Fair value of plan assets	6,759	6,085
Deficit in pension scheme – Pension liability	(2,847)	(2,878)

Movements in present value of defined benefit obligation

	2019	2018
	£000	£000
At 1 January 2019	8,963	9,152
Interest cost	247	214
Actuarial losses/(gains)	687	22
Benefits paid	(291)	(425)
At 31 December 2019	9,606	8,963

Movements in fair value of plan assets

	2019	2018
	£000	£000
At 1 January 2019	6,085	6,491
Expected return on plan assets	170	153
Actuarial gains/(losses)	532	(389)
Contributions by employer	263	255
Benefits paid	(291)	(425)
At 31 December 2019	6,759	6,085

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

	2019	2018
	£000	£000
Interest on defined benefit pension plan obligation	(247)	(214)
Expected return on defined benefit pension plan assets	170	153
Total	77	61

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 £155,000 (2018: a loss of £411,000).

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

	2019	2018
	£000	£000
Equities	1,067	859
Emerging market equities	367	278
Diversified growth assets	2,733	2,248
Property	710	706
Absolute return	707	550
Cash	77	23
Liability driven investments	1,098	1,421
	6,759	6,085
Actual (deficit)/return on plan assets	(155)	(411)

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:

	2019	2018
	%	%
Discount rate	2.0	2.8
Expected return on plan assets:		
Rate of increase in pensions payments	2.9	3.3
Rate of increase in deferred pensions	2.1	2.3
Inflation assumption	2.1	2.1
Mortality tables – imply life expectancy:		
Male retiring in 2019	26.2	26.3
Female retiring in 2019	28.2	28.3
Male retiring in 2039	27.3	27.5
Female retiring in 2039	29.5	29.6

History of plans

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

<i>Balance sheet</i>	2019	2018	2017	2016	2015
	£000	£000	£000	£000	£000
Present value of scheme liabilities	(9,606)	(8,963)	(9,152)	(9,389)	(7,841)
Fair value of scheme assets	6,759	6,085	6,491	6,068	5,351
Deficit	(2,847)	(2,878)	(2,661)	(3,321)	(2,490)

<i>Experience adjustments</i>	2019 £000/%	2018 £000/%	2017 £000/%	2016 £000/%	2015 £000/%
Experience adjustments on scheme liabilities	(13)	(66)	98	114	82
As a percentage of scheme liabilities	(0.14%)	(0.73%)	1.07%	1.21%	0.10%
Experience adjustments on scheme assets	532	(389)	358	503	(151)
As a percentage of scheme assets	7.87%	(6.39%)	5.52%	8.29%	(0.20%)

A formal scheme actuarial valuation at 31 March 2019 is currently underway but the results of this were not yet determined as at 31 December 2019.

23 Related party transactions

During the year the following transactions, which were all at market value took place with related parties:

- The SBT paid Wright Hassall LLP £910 (2018: £29,218) in respect of legal advice. A creditor balance of £nil (2018: £7,238) was outstanding at 31 December 2019. . One of the Trustees, Nick Abell, is the Chairman of Wright Hassall LLP.
- The SBT paid Studio Misfit £4,948 (2018: £8,879) in respect of website hosting and maintenance. There is no creditor balance at 31 December 2019 (2018: £nil). One of the Trustees, AJ Leon, is the CEO of Studio Misfit.
- The trading company paid Mayavision International Ltd £270 (2018: £225) in respect of retail stock. There is no creditor balance at 31 December 2019 (2018: £nil). One of the Trustees, Rebecca Dobbs, is Managing Director of Mayavision International Ltd.
- One of the Trustees, AJ Leon, rented a residential property which is owned by the Trust until after the year end. During the year AJ Leon paid rent of £7,090 (2018: £6,540). There is no debtor balance at 31 December 2019 (2018: £nil).

24 Prior year comparative consolidated statement of financial activities

	Note	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Income from					
Donations	3	15	59	74	83
Charitable activities:					
Admissions to historic houses		5,900	-	5,900	5,808
Cultural engagement & participation		626	-	626	790
Grants receivable	4	165	228	393	480
Other trading activities	5	2,602	-	2,602	2,701
Investments	6	1,018	-	1,018	890
Other income		499	-	499	46
Total income		10,825	287	11,112	10,798
Expenditure on					
Raising funds		3,019	-	3,019	3,095
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	19	118	(118)	-	-
Other recognised gains and losses					
Gains 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	19	22,869	3,097	25,966	22,294
Total funds carried forward	19	23,287	2,603	25,890	25,966

25 Non-adjusting post balance sheet event

The worldwide outbreak of the COVID-19 pandemic represents a significant event since the end of the financial year. The main financial impacts of the outbreak have been:

- Sales of admission tickets to all our houses was halted. Shakespeare's Birthplace reopened on a "test and learn" basis on 1 August 2020, with significantly reduced physical capacity levels due to Government guidance on social distancing;
- Commercial income streams from retail and cafes (via SBTT) completely ceased in mid-March and only the Birthplace retail shop has reopened in conjunction with the Birthplace reopening;
- All of our educational visits and courses were cancelled. We do not envisage onsite activities until April 2021 at the earliest;
- Reductions in the value of our fiscal investment portfolio were significant (£600,000). Valuations have since slightly recovered but remain volatile.
- To protect our people, our family homes and their contents, we have had to invest in the provision of personal protection equipment, security costs and continues to direct charitable funds to meet the costs of mandatory legal and compliance tasks across the estate.

In terms of our initial forward projections for 2020 we were forecasting a significant loss of £7 million In response to this we have enacted both pay and non-pay cost savings. We furloughed the majority of our staff under the Government's Job Retention Scheme and have implemented an organisational change programme to restructure our workforce.

Our financial strategy has been focused on protection of and maximising financial flexibility as follows:

- Controlling expenditure – we have prioritised expenditure to only that essential to the delivery of our charitable objectives and looking at new ways of cost effective working. We have made full use of the Government's Job Retention Scheme and the Job Support Scheme to deal with the seasonal nature of our business model;
- Successful application under the Arts Council for England's Emergency Grant Scheme (£900,000) and under the Cultural Recovery Fund (£3 million)

As set out in note 1, the group has reviewed its cash flow forecasts to 31 December 2021 and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements given the likely cash flow impact on operations from the date of signing this report. Please refer to note 1 for further detail, on SBT's going concern basis of preparation. COVID-19 is considered to be a non-adjusting post balance sheet event and has therefore not been taken into account on preparing the balance sheet as at 31 December 2019.

END

