

Shakespeare Birthplace Trust

Trustees' report and consolidated financial statements

For the year ended 31 December 2020

Contents

| | Page |
|---|-------------|
| Trustees' report | 4-22 |
| Statement of Trustees' responsibilities in respect of Trustees' report and financial statements | 23 |
| Independent auditor's report to the Trustees of the Shakespeare Birthplace Trust | 24-26 |
| Consolidated statement of financial activities – 2020 | 27 |
| Consolidated balance sheet | 28 |
| Consolidated cash flow statement | 29 |
| Reconciliation of net cash flow to movement in net funds | 29 |
| Notes | 30-61 |

Trustees

Chairman
Vice Chairman

Peter Kyle OBE
John Russell
Nick Abell – *Chair of Heritage Assets & Property Committee*
Ralph Bernard CBE – *Chair of Nominations & Remuneration Committee*
Penelope, Viscountess Cobham CBE
Rebecca Dobbs
Kathy Gee MBE
Mike Huggins – *Chair of Finance and Audit & Risk Committees*
AJ Leon
Professor Lena Cowen Orlin
Professor Carol Chillington Rutter (resigned 25 March 2021)

Honorary President

Professor Sir Stanley Wells CBE

Secretary to Trustees

Julia Howells

Key Management Personnel

Chief Executive
Director of Strategic Projects
Acting Director of Operations & Marketing

Tim Cooke
Tim Aucott
Debbie Beardall (to 17 April 2020)

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

Paul Taylor
Rachael Boyd (from 17 February 2020)

Melanie Crooks (from 11 May 2020)

Principal Advisors

Architects
Osbornes
The Balconies
Hanley Swan
Worcestershire, WR8 0DN

Auditors
Crowe UK LLP
Rounds Green Road
Oldbury
West Midlands B69 2DG

Investment Manager
Charles Stanley & Co Ltd
55 Calthorpe Road
Birmingham, B15 1TH

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

Bankers
HSBC Bank plc
13 Chapel Street
Stratford-upon-Avon CV37 6EP

Property Agent
Sheldon Bosley Knight
58 Ely Street
Stratford-upon-Avon CV37 6LN

Address of principal office

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

Trustees' report

The Trustees present their annual report and audited financial statements for the year ended 31 December 2020. 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.

Year in Review

Overview from the Chairman and Chief Executive

Let me embrace thee, sour adversity, for wise men say it is the wisest course. (Henry VI, Part III)

We started the year with great enthusiasm and ambitious plans, building on our many achievements during 2019. Of course, no-one could have anticipated what was around the corner – a global pandemic that threatened to undermine many of the Trust's achievements across so many years.

As the scale of the COVID-19 pandemic escalated, we implemented emergency arrangements with speed.

In light of Government guidance we took the difficult but responsible decision to close our sites and pause in-person activities. As the situation became more grave and with all the accompanying financial uncertainty we placed the majority of our staff on furlough from 6 April via the Government's Coronavirus Job Retention Scheme. We continued to operate this scheme as it was extended across the year and into 2021.

Owing to the significant financial impact on our trading income and the introduction of Government guidelines on social distancing, there was a pressing need to restructure the Trust. In all these circumstances the Trust's existing business model had become unsustainable. It was with great regret that in the summer we had to take the difficult decision to reduce the number of roles in the Trust in order to safeguard its future. This was a painful undertaking and has resulted in substantial changes to the nature of our organisation. Following a collective consultation process which completed in September, the number of employees has been reduced by 95 members of staff (equating to 69 full time equivalents). We pay tribute to those colleagues who have left the Trust and sincerely thank them for all that they have contributed across many years.

The Government, through the Department for Digital, Culture, Media and Sport (DCMS), and Arts Council England (ACE), has supported us through the height of the pandemic with access to grants including ACE's Emergency Fund and the Culture Recovery Fund to support our activities. Thanks to that support and confidence in our charitable mission, we were able to safely reopen Shakespeare's Birthplace on 1 August as soon as Government guidelines

allowed, providing over 23,000 visitors an enriching and enjoyable experience. We were also delighted to welcome Minister of State for Digital and Culture Caroline Dinenage on a visit to Shakespeare's Birthplace when it reopened.

While much has changed as a result of the COVID-19 pandemic, the fundamental purpose of our charity remains the same. We are dedicated to caring for the five Shakespeare family homes and sharing knowledge of Shakespeare's work, life and times with the world. This has always been an important local, national and global commitment.

In the first quarter of 2020, before we had to close, we welcomed nearly 78,000 visitors to the five Shakespeare family homes. Mary Arden's Farm reopened for the season on 14 March but was only able to operate for a matter of days before closing due to COVID restrictions.

Thanks to our partnership with Stratford on Avon District Council we saw the completion of extensive streetscape improvements to Henley Street and with it, the installation of an impressive bronze statue of William Shakespeare, kindly donated to the town by SBT Council Member Tony Bird OBE, providing visitors a warm and inviting welcome to Shakespeare's Birthplace and the Shakespeare Centre.

Core to our charitable objectives is our learning offer and plans had been in place to launch our biggest Shakespeare Week celebrations in primary schools yet with its theme of Art and Design, working with the nation's best-loved children's artists, celebrities, authors and cultural organisations to bring Shakespeare's creativity to life for over 2 million children. Unfortunately the national lockdown forced the cancellation of our in-person events in schools and venues across the country at short notice.

Importantly, we wanted to make sure we did as much as possible to continue to share Shakespeare, his work and his legacy with digital audiences at home and abroad. We took the immediate decision to make our comprehensive package of Shakespeare Week resources freely available to schools and families who were home-schooling. We also turned our sights towards a 'digital first' approach, increasing our online presence by sharing our knowledge about Shakespeare, our sites and collections via our Museum from Home page, blogs and across our social media channels.

At organisational level we reviewed our strategic focus and our senior leadership structure in 2019 in order to address future challenges and opportunities. As a result of this work in February 2020 we welcomed Rachael Boyd, our new Director of Visitor Experience and Business Development, while Melanie Crooks, Director of Finance and Resources, joined us in May.

We are deeply grateful for the manner in which our colleagues have responded to the challenges of the pandemic, be it those placed on furlough or colleagues who have worked throughout the crisis. They have all demonstrated exceptional team spirit, resilience and optimism in the most difficult of times. Together, we continue our cause to inspire audiences with Shakespeare's heritage and legacy through our houses, collections, education and cultural programmes, be it on site or online.

We are hugely grateful to our Trustees for the dedication and commitment that they have shown in guiding the organisation through such exceptional and challenging circumstances to ensure that we can continue to care for Shakespeare's rich heritage and share knowledge of his work, life and times. We were deeply saddened during the year by the deaths of former Trustee and Council member Sir Eric Anderson and volunteer Martin Cosgrif and acknowledge the contribution both made to our work over many years.

We are also thankful for our volunteers, Council members, supporters, partners, donors and Friends, who have also shown continued commitment to our activities. We would also like to thank our audiences for their continued engagement with our work as we expanded our digital content, and to our visitors (when it proved possible) who have embraced changes we've put in place as we operate in 'the new norm'.

At the time of writing, we were delighted to reopen Shakespeare's Birthplace Shop on Henley Street on 12 April 2021, and Shakespeare's Birthplace on 17 May 2021 in line with the Government's roadmap out of lockdown, with plans afoot to open more of the Shakespeare family homes in a phased and considered manner.

Although the pandemic is far from over, we take comfort from strong foundations which will enable us to build our recovery and look to the future with optimism. Over the next twelve months we have exciting plans to expand our digital outreach to more audiences globally, and look forward to collaborating with key partners in the promotion and appreciation of Shakespeare as part of the cultural programming for Coventry City of Culture and the Birmingham Commonwealth Games in 2022.

With all our thanks,

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

Sharing Shakespeare with the world

Four of the five Shakespeare family homes and gardens in Stratford-upon-Avon were able to open as normal for much of the first quarter of the year. Across 2020 we welcomed 102,198 ticket holders to explore the Shakespeare family homes and gardens, down significantly from 858,000 in 2019.

The easing of Government lockdown restrictions over summer meant we were able to reopen Shakespeare's Birthplace between 1 August and 4 November with Visit Britain's 'We're Good to Go' COVID-secure accreditation and with a timed-ticketing system generously provided by ArtFund, enabling us to manage capacity levels and deliver a COVID-secure visitor experience for over 23,000 ticket holders.

Government guidelines to mitigate the spread of COVID-19 meant we had to revisit how we delivered the visitor experience at Shakespeare's Birthplace. A series of video guides were made available for visitors to view via QR codes on their mobile phones as a way of enhancing their experience as they explored the exhibition, house and garden. These videos were streamed almost 8,000 times, and we are grateful for the support of our Trustee Rebecca Dobbs and Council Member Michael Wood with this project.

Pre-pandemic, the Trust had already begun working with a number of creative partners on a series of digital experiments that explored the application of emerging technologies to enhance the experiences of visitors to our heritage sites. Closure of our sites in mid-March resulted in the acceleration of that programme and we were able to present new content online through our website and other channels meant the need to accelerate that.

Digital engagement through the Trust's main websites was up, reflecting an increase in the amount of content made available online. The number of page views rose by 15% to 6.8 million — with a 40% increase in traffic to education content and 150,000 visits to our podcast pages. Our social media followers across all channels rose to 281,119 — a 19% increase from 2019.

With the cancellation of the annual Shakespeare Birthday Celebrations in Stratford-upon-Avon, the Trust facilitated a special online event #SalutetoStratford, turning the spotlight on all the brilliant and resilient people and businesses that make Shakespeare's hometown such a special place to live, work and visit. Thanks to the participation of our town stakeholders, the event reached 1.7 million people around the world.

Our popular monthly Research Conversation talks are normally held at the Shakespeare Centre in Stratford-upon-Avon and taking them online meant we were able to reach new audiences, with a third of the virtual attendees being from outside the UK.

In May our Honorary President Professor Sir Stanley Wells gave four online lectures to mark his 90th birthday, under the theme of '*What was Shakespeare really like?*' which was viewed by over 5,130 people from across the world. These were also pre-recorded and made available on our website. We launched a new podcast series Shakespeare Alive, featuring distinguished guests including academics, theatre professionals and educators discussing how their work connects with Shakespeare, with over 2,280 downloads for series one.

Other highlights were performances of special-commissioned poetry by LGBTQ+ Poet Laureate Trudy Howson and award-winning Birmingham poet Liz Berry, which were pre-recorded and shared online in June during the week the 67th annual Poetry Festival would have taken place. The Shakespeare Shorts Film Competition was able to go ahead online as normal with 157 entries from 33 countries, and judged by a panel including our patron Sir Kenneth Branagh.

2020 was the Trust's second full year as an Arts Council England National Portfolio Organisation and responding directly to ACE's temporary equality objectives to demonstrate meaningful engagement with diverse communities, we commissioned The Gap Arts Project to produce four films created by young people from underrepresented backgrounds. These films will reflect their personal experiences of the pandemic and the Black Lives Matter movement through the lens of Shakespeare's plays. This project was delayed by the third national lockdown and rescheduled to be delivered in 2021.

The Trust plans to continue with a digital-first creative programme over the next few years, making a conscious effort to have a user-led approach to content creation.

Learning and participation

Learning is core to our charitable objectives and during the first ten weeks of the year our award-winning education team was able to welcome over 60 learners to the annual Winter School, enhance a visit to Shakespeare's Birthplace for 1,781 EFL (English as a foreign or second language) students, work with 622 GCSE students in the space of just one week, host 614 A-Level students from 24 schools to eight sixth-form conferences, and run hands-on workshops at the Shakespeare Centre in Stratford-upon-Avon for 1,000 primary school children.

When the first national lockdown was implemented, the focus was to support home learning and a suite of 300 resources were made freely available to teachers, parents and students on our website, enabling us to continue to offer fun and imaginative ways for children age 4 – 14 to engage with Shakespeare. A pre-recorded talk on Macbeth for KS3/4 students was also included on the Royal Shakespeare Company's BBC Bitesize 'daily drop' broadcast which aired twice, while other pre-existing recordings of our lecturers discussing a wide range of topics were shared via social media.

In March our flagship primary education offer, Shakespeare Week was planned to take place across the UK in partnership with many cultural organisations and schools carrying the theme of Art and Design, however we had to take the difficult decision to cancel all large scale events at schools and cultural venues, just as the nation went into lockdown as a result of the pandemic. Some managed to celebrate using the online resources as part of their home learning.

The Shakespeare Portrait competition had already reached its conclusion with over 2,500 entries and winners chosen by four judges: author Marcia Williams, chief executive Tim Cooke, CBBC's Art Ninja, and children's illustrator Korky

Paul. The planned exhibition of the winning portraits alongside specially commissioned portraits from 14 children's illustrators at The Lowry in Salford was replaced with an online exhibition that had 13,446 views throughout the year.

Our Shakespeare Hubs programme, supported by Arts Council England, now includes 54 primary schools in Greater Manchester, Bristol, the Isle of Wight, the North East, Merseyside, Nottingham, Birmingham, Oxfordshire and London who are all actively engaging with the Trust. In the first quarter of the year, schools worked with creative practitioners from a wide range of disciplines to provide children with exciting experiences of Shakespeare, with new partnerships developed with The Lowry, The Baltic, Brunel's SS Great Britain, Shakespeare at the Tobacco Factory, the House of Illustration, Highly Sprung and the New Carnival Company.

In the early part of 2020, our Primary Learning Team delivered Continuing Professional Development (CPD) to 33 teachers as part of the Hubs programme, while over 1,000 children were given the opportunity to become guides in the Shakespeare town houses in the first quarter of 2020 as part of the Museums & Schools Programme, which facilitates work with schools in areas of economic and cultural deprivation that had not previously engaged with the Trust.

While the pandemic severely limited the number of learners we were able to engage with in person throughout 2020, it also presented opportunities for reaching new audiences online, which we will continue to develop. As members of the team returned to work over a phased period, concentration turned towards the creation of a 'Digital First' model for our delivery. After much consultation with educators, leisure learners and stakeholders the team entered a 'test and learn' period between September and December, delivering live sessions and pre-recording materials that will become central to our digital offer moving forward. The Primary team redesigned classes to comply with government restrictions and tested new outreach models of delivery on-site in schools, while University classes were designed and delivered for undergraduate students in Illinois, Florida and Boston, USA. It is an ambition of the Trust that by the 400th anniversary of the publication of the First Folio in 2023 the education offer will also be celebrated for its new blended approach to learning, which will enhance the educational opportunities for learners of all ages, abilities, and interests around the world.

Collections

Physical access to our Collection has not been possible since 17 March and when the Reader Services team returned from furlough in November they began working through a backlog of 600 email research requests. We are also designing ways of allowing access to material held at the Shakespeare Centre in a COVID-secure way.

Throughout the year the Trust continued to add to its internationally designated collection of museum items and archive material relating to Shakespeare's work, life and times. Among the new acquisitions was a French translation of *A Midsummer Night's Dream* by Victor Hugo and illustrated by the Italian artist Umberto Brunelleschi, while a second and third Folio of Shakespeare's works were among a number of items to be conserved.

In August, we were successful with a joint funding application with Archives West Midlands (AWM) to the Networks for Change programme run by The National Archives and the Archives and Records Association UK. This exciting project titled No Barriers will enable a trainee from diverse communities to be recruited for a funded 12-month placement with the Trust and Wolverhampton Archives and Local Studies to design a project to highlight diversity and hidden stories within the collections of both, with the goal of supporting and mentoring the trainee to provide a pathway into the archive sector. The start of the project has been delayed by COVID-19.

We also collaborated with the Centre for Archaeology at Staffordshire University on a new online exhibition that enabled people to view 3D images of items excavated from the site of Shakespeare's New Place in Stratford-upon-Avon during the 2010 Dig for Shakespeare.

Our research focus continued and in October a PhD student from the University of Birmingham began a six-month placement with the Trust. Funded by the AHRC: Midlands3Cities, the focus of the research is the interior of Shakespeare's New Place and during the placement the student will be examining, researching and interpreting our furniture collection as part of a thesis exploring Shakespeare's lost interiors.

Caring for our sites

Our estates team has faced significant challenges throughout the pandemic, but continued to monitor and maintain all of the historic properties under our charitable obligation. During the year, as part of our COVID response, we continued our programme of site surveillance and maintenance to ensure our buildings remained intact and to prevent asset deterioration. We also commenced a comprehensive programme to improve our capacity to remotely monitor our sites by improving aspects of our CCTV, alarm reporting and environmental monitoring arrangements. Randomised security and survey visits continued, along with statutory servicing and testing work to ensure our sites maintained compliance with all statutory and insurance requirements throughout.

Throughout the COVID restrictions a number of essential repairs to our buildings took place, whilst formal consent was sought to carry out conservation work. We successfully obtained Listed Building Consent for conservation repairs to the Birthplace, 19-21 Henley Street and Harvard House, with the aim of completing this work in 2021.

The team was instrumental in preparing Shakespeare's Birthplace for reopening as soon as lockdown restrictions eased, with extensive on site risk assessment and preparation work to ensure COVID-secure guidelines were in place, including appropriate social distancing and hygiene factors were met for the safety of both our staff and visitors. We also ensured livestock at Mary Arden's Farm were properly cared for, and that our Stewardship Scheme, Rare Breed and Soil Association obligations continued to be met.

Looking ahead

COVID-19 has forced us to carefully review our strategy to secure the future of the Trust. This will include a focus on organisational resilience as we continue to consider a longer-term vision for the Trust's recovery. Crucial to this is sustaining our operating model, and we want to make sure that we build in a considered but dynamic way, on diligently laid foundations and upon financial support we have received from Arts Council England and the Culture Recovery Fund. We aim to enhance the reach and quality of our public engagement, the interpretation and protection of Shakespeare's five family homes, the care of our collections and access to them, and the sharing of our knowledge and expertise. We hope to identify opportunities, and resources for new investment, partnership and diversification as part of a new design to examine if our future operating model need not totally rely on income from physical visitors. As part of this work we will focus on:

- enhancing our creative mission in line with the updated NPO business plan and moving to digital-first delivery. We will explore new programming, prioritising improving access for artists of diverse background and for diverse communities in line with Arts Council England investment principles;
- developing our capability and reputation for outstanding research and academic collaboration;
- exploring opportunities to enhance outreach, both in-person and digitally;

- delivering a conservation programme to protect our heritage sites and care for our world-class collections;
- delivering a new three-year focused and integrated organisational strategy to ensure efficiencies are made to support our recovery.

By focusing on these principles we aim to pave the way for the Shakespeare Birthplace Trust to be recognised as a leading Shakespeare authority and dynamic cultural organisation in the UK and worldwide.

Partners and Stakeholders

Our work in 2020 was supported and facilitated by numerous partners and we wish to acknowledge their vital role: Arts Council England – This was the Trust's second 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) – our funding partner for the re-presentation of Henley Street

Stratford District Council – our valued partner in the Henley Street redevelopment project.

National Lottery Heritage Fund (NHLF) – our 5 year long partnership with NHLF regarding the redevelopment of New Place was successfully concluded at the start of the year.

Royal Shakespeare Company – Who continue to work with the Trust on the presentation of our joint Designated Collection.

Financial Review

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

2020 was a year dominated by outbreak of the Covid-19 pandemic. In line with Government measures to combat the spread of Covid-19, the Trust closed its five Shakespeare family homes, and cafes and shops on 17 March 2020, and all of our educational visits and courses were cancelled. The majority of our staff team was furloughed under the Government's Coronavirus Job Retention Scheme and our volunteers remained at home. Given the seasonal nature of our operating model, with the busy summer months typically generating the majority of our income and operating cash flow utilised in the quieter winter months, the pandemic could not have happened at a more challenging time.

The main financial impacts of the outbreak have included:

- Sales of admission tickets to all our houses were halted. We were able to reopen Shakespeare's Birthplace on a "test and learn" basis on 1 August 2020, with significantly reduced physical capacity levels due to Government guidance on social distancing. With the advent of the second national lockdown on 5 November 2020, Shakespeare's Birthplace closed its doors again to visitors.
- Commercial income streams from retail and cafes (via SBTT) completely ceased in mid-March and only the Birthplace retail shop and online shop were reopened in conjunction with the Birthplace reopening.
- All of our onsite educational visits and courses were cancelled.
- Work began on developing and delivering digital based learning in the latter part of the year, however the financial impact of this income diversification will not transpire until 2021;
- Investment income from our investment portfolio was depressed as both global and local economies reacted to the impact of the pandemic;

- Facing a projected **£8 million loss in revenue**, we embarked on a strategy to prioritise expenditure to that only which was essential to the delivery of our charitable objectives, and looked at new ways of cost effective working. **We reduced non pay expenditure in 2020 by £2.9 million compared to 2019;**
- We took the difficult decision in July 2020 to implement an organisational change programme to restructure our workforce. This impacted on 40% of our existing workforce at a cost of £601,000.
- Our fiscal investment portfolio lost £850,000 in value at the start of the pandemic compared to its 2019 year end position with market recovery continuing to be volatile (see *Investment policy and performance* review below). The loss in value had recovered to a £291,000 decrease by the 2020 year end date;
- We have undertaken a Trustee review of the fair value of our investment properties and other fixed assets used by the group and concluded that net impairment provisions of £566,000 and £54,000 respectively are recognised in the Statement of Financial Activities.

Our operating reserve of £2.4m in unrestricted cash holdings at the start of the pandemic was committed to sustain the organisation. **However, underlying trading and cash flow losses of approximately (£5.3 million) remained.**

Our remaining apparent liquid assets (including our financial investment portfolio and proceeds from an in year land disposal - see 'Significant Property Transaction' below) were already designated to service ongoing financial obligations, including £2.45m of statutory conservation commitments, £4.8m of required preservation works, and our defined benefit pension scheme deficit recovery plan (£3 million). Our other "on paper" assets were illiquid and this has required a considered (multiyear) rationalisation process.

To support our underlying trading and cash flow losses (£5.3 million) for the period, we were grateful for the support of the Government's Coronavirus Job Retention Scheme (£1,493,000) and successfully applied for grant support under the Arts Council England's Emergency Grant Scheme (£900,000) and the Cultural Recovery Fund (£3 million). The Cultural Recovery Fund grant although awarded in 2020, will be partially used to support our activities into 2021.

On an overall funds basis, the Statement of Financial Activities shows an apparent overall net surplus of £462,000 (2019: £828,000) before considering the actuarial loss on the revaluation of the defined benefit pension liability (£298,000 loss) and the fixed asset property impairment provision (£62,000 loss). **This overall funds position is flattered by a gain on the disposal of an investment property of £1,160,000 which if removed shows a loss of (£194,000) for the year.**

However, despite the much appreciated in year grant support our COVID-19 financial recovery will take longer. The outlook remains uncertain especially in terms of the global economy, a lack of international visitors and how successful the Government's Road Map to ease the country out of lockdown restrictions will be. We anticipate that we will be operating under a financially constrained operating model for the period to 2024. Our current forecasts indicate that our 2023/2024 post COVID-19 recovery period before the next recovery milestone is achieved will be financially challenging. We are taking proactive measures to conserve funds to support this period of recovery.

Significant Property Transaction

During the year, our investment property policy has been to:

- Continue to preserve our fixed asset investment properties. These properties are strategically important as they are adjacent to the Shakespeare Birthplace Properties and are held to further maintain the setting and environment of the homes;
- Realise development potential in some other properties, thereby using our resources more effectively for the furtherance of our charitable objectives.

To this end, we have disposed of an investment property during the year ended 31 December 2020 and the impact of this disposal is separately disclosed on the face of the Statement of Financial Activities.

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 fell by £364,000 reflecting the additional impairment provision against equipment in excess of the regular depreciation charge.

Investments fell by £1,399,000 representing the land disposal as noted in significant property transactions together with the commercial investment property fair value impairment provision as a consequence of the pandemic and the decline in the stock market value of our fiscal investments.

Net current assets of £5,497,000 (2019:£3,165,000) represents our working capital. This does include a £1.5m debtor for next instalments of the Culture Recovery Fund grant award.

The deficit on our defined benefit pension scheme rose slightly to £2,929,000 (2019:£2,847,000). 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 2.0% to 1.4%, increasing the value of our pension payment obligations. This is despite the Trust contributing £271,000 in deficit contributions.

Total funds as at 31 December 2020 amounted to £26,665,000 (2019 £26,563,000). Total Unrestricted funds amounted to £24,718,000 (2019 £24,334,000) which comprises £5,297,000 of undesignated funds and £19,421,000 of designated funds – details of which are included in the reserves policy note below. Restricted funds as at 31 December 2020 amounted to £1,947,000 (2019: £2,229,000) predominately comprising of the New Place heritage asset funded by restricted capital grants in prior years (£1,757,000) with the balance of £190,000 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 £26,665,000 at 31 December 2020 this included fixed assets and investment properties with a value of £24,254,000. 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.

The Trust holds a number of designated reserves to more clearly 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 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 yearend balance of debtors and creditors and unrestricted cash.

A conservation reserve support the current conservation plans of the Trust.

The Trustees have continued to adopt a risk-based approach to holding contingency reserves. For the purposes of the 2020 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 budgeted unrestricted income of 20%. At 31 December 2020 this amounted to £2,295,000, at which date residual free reserves after designations and the pension reserve amounted to £2,368,000. It is worth highlighting that without Arts Council England's Cultural Recovery Fund grant award recognised in full at 31 December 2020, the residual free reserves would have been £1,500,000 lower at £868,000.

In the light of the COVID-19 pandemic, the Trustees using their risk based approach will review the target basis for residual free reserves after designations during 2021.

Investment policy and performance

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 an appropriate base for income growth and to protect the capital base against long term inflation;
- Performance at least at the rate of 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.

The worldwide outbreak of the COVID-19 pandemic in March 2020 not only had a significant impact on the group's day to day trading operations but also on our investment performance – both the real estate and stock market based portfolios.

Our investment property portfolio comprises of residential, car parking and commercial properties in and around Stratford-upon-Avon. Rental income from car parking and commercial properties has been particularly impacted by the pandemic. Rental returns from car parking ceased as the population was required to 'stay at home' or 'stay local'. The majority of our commercial properties are retail units, with tenants facing difficult trading conditions due to enforced closure for a significant part of the year. Rental payment plans have been successfully agreed with our ongoing tenants

Rental performance continues to be robustly monitored on a monthly basis with our property agent Sheldon Bosley Knight.

The world's stock markets fell sharply in March 2020 at the outbreak of the pandemic. Our investment portfolio valuation fell by 21.7% from its 2019 year end position – a fall of £850,000. Markets remained volatile for the remainder of the year, despite gaining some ground by 31 December 2020. In the UK, the FTSE 100 had its worst year since the height of the financial crisis in 2008, falling 14% over the course of the year. By 31 December 2020,

our portfolio valuation had improved by some 16.5% from its March 2020 low point to £3,574,000 (note 14 to the financial statements).

That said, performance against our key benchmark (MSCI PIMFA Income) was 6.6% lower on a total return basis on a 12 month performance basis at (4.72). This difference in performance can be explained by the differing asset allocations between our portfolio and the benchmark portfolio as follows:

| Asset Class | Our Portfolio | Benchmark Portfolio |
|----------------------|---------------|---------------------|
| Fixed income | 19.50% | 25.0% |
| UK Equity | 48.26% | 27.5% |
| International Equity | 11.69% | 25.0% |
| Alternatives | 16.75% | 12.5% |
| Mixed Investment | 2.39% | - |
| Real Estate | - | 5.0% |
| Cash | 1.41% | 5.0% |
| Total | 100% | 100% |

Source: Charles Stanley Investment Report & MSCI PIMFA Private Investor Income Index December 2020

Our portfolio has higher weighting in UK equities; the UK's blue-chip FSTE 100 index dominated by its high weighting in banks and energy companies have made significant reductions in shareholder payments. However, in the final quarter of 2020 our portfolio total return at 10.75% was 3.87% higher than the benchmark portfolio for the same period.

An analysis of our total return performance for the year to 31 December 2020 against other market indices was as shown in the table below:

| | Total Return % | Comparison to our Investment Policy |
|--------------------------|----------------|-------------------------------------|
| Portfolio | (4.72%) | |
| Wage Inflation +5% | 7.8% | Objective not met |
| MSCI PIMFA Income | 1.94% | Objective not met |
| FSTE All Share | (9.82%) | Objective met |
| FTSE All Govt | 8.27% | Objective not met |
| Portfolio Dividend yield | 4.23% | |
| Dividend yield target | 5.0% | Objective not met |

It is anticipated that changes made to the portfolio in the final quarter of the year will result in total return % improvements in 2021. Investment management advisor performance for marketable investments will continue to be robustly monitored in the forthcoming year.

Post balance sheet events

In the period from 31 December 2020 up to the signature of the financial statements, two significant events have occurred in the life of the Trust. The events are deemed to be non-adjusting from the perspective of the 2020 financial statements but are significant enough that they should be brought to the attention of the reader of these financial statements

On 12 March 2021, the Trust entered into an unsecured £3 million loan agreement with The Secretary of State for the Department for Digital, Culture, Media and Sport and Arts Council England. The loan was entered into under the Repayable Cultural Recovery Fund programme to support the Trust's post COVID-19 financial recovery plan. The loan term is 20 years, with interest payable at 2% per annum. Interest and capital repayments are suspended for the first 48 months after the drawdown date of the loan. The loan was drawn down on 19 March 2021.

Going Concern

The lockdown and closure of the Shakespeare family homes, cafes and shops as a result of the COVID-19 pandemic in the first quarter of 2020 has required the Trustees to consider the question of going concern in significantly more detail than they would have done previously. Revised cash flow forecasts for the 3 years to December 2023 have been prepared to reflect changed circumstances and the mitigation actions and decisions that have been taken in order to manage the change in operating conditions through the COVID-19 recovery phase. These draft forecasts and plans have been prepared to reflect lower expectations about income and adjustments to the costs of the revised operating model have been made 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. Due to the impact of the COVID-19 pandemic and the need for additional consultation and decision making the Board increased its number of meetings in 2020 from four, and two strategy sessions, to nine, plus one session on future strategy. From week commencing 23 March 2020 all Board and Committee meetings were held online.

Trustees who served during the year and up to the date of this report are listed on page 3.

There were no changes to the Board of Trustees during the year. Given the need for stability and consistency during the period the Board, on the recommendation of the Nominations & Remuneration Committee, approved that the Chairman, who was due to stand down in October 2021, extend his term of office by 12 months. Trustees Rebecca Dobbs, Kathy Gee and Lena Orlin were all reappointed for a second three year term of office. These actions were in adherence to the Trust's governing documents.

Professor Carol Chillington Rutter stepped down as a Trustee of the Shakespeare Birthplace Trust on 25 March 2021. We are deeply grateful to Professor Rutter for her contribution to the work of the Trust and for her outstanding role in sharing and extending Shakespearian knowledge both within and outside the organisation.

There are two vacancies on the Board which will be considered strategically in respect of increasing Board diversity and 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 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, including in-person sessions in February on Equality, Diversity & Inclusion and Trustee responsibilities and charity finance. A number of Trustees attended externally run training sessions and conferences.

Board effectiveness

The output of the 2019 Board effectiveness review was an action plan for 2020. Due to the pandemic resources were re-prioritised and although good progress was made in some areas (including regularising the Trust's relationship with its trading company), elements of this work had to be postponed. Board effectiveness was revisited at the end of 2020. This comprised individual Trustee review meetings with the Chairman, a review of collective effectiveness, an audit of activity against the Charity Governance Code and conisation of skills and diversity matrices and succession plans. The action plan for 2021 is embedded in the Trust's business plan for the year.

Code of Conduct

All Trustees are required to adhere to our Trustees' Code of Conduct that 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 four 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. The Chairman is an Ex-officio member of the Committee and attended these meetings.

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 four Trustees. Due to the impact of COVID-19 the Committee increased its programme of meetings for the year from four to eight. The Chairman is an Ex-officio member of the Committee and attended these meetings.

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 three Trustees. **The committee did not meet during 2020.**

Nominations & Remuneration Committee

The committee reviews all people (employed, volunteer and Trustee) matters which includes determining staff remuneration, senior staff and Trustee recruitment; equality, diversity and inclusion. Membership consists of five Trustees. **The committee met once during the year.**

SBT Council

The Trust has established a consultative, honorary Council which formalises relationships with individuals able to support the furtherance of its charitable objectives and contribute to its long-term vision. The Council's membership represents a range of key stakeholders and is a key mechanism for the achievement of our EDI objectives. The Council is utilized as an incubator for future Trustee appointment, with the stated intention that the Council is a place where members could be involved and become familiar with the Trust's work. 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. 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 SBT Board of Directors met four times during 2020.

The performance of SBT Trading Limited during the year ended 31 December 2020 is set out in Note 5 to the financial statements.

Arts Council England NPO status

The Trust has been an Arts Council England NPO (National Portfolio Organisation) since 2018. As a result the Trust was most grateful to receive NPO Emergency funding of £900,000 in July 2020 and then awarded a grant of £3million from the Culture Recovery Fund. 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.

As reported in 2019, a new senior leadership structure was designed to 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) were redefined (and the latter two re-titled) to ensure greater focus and two new Director roles (Strategic Projects and Development & Communications) were been created.

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. Paul Taylor has been Acting Director of Cultural Engagement since 7 October 2019. The Director of Development & Communications remains vacant.

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 (102,198 via admissions) about the life and works of William Shakespeare;
- publishing and widely disseminating to the public digital information about the life and works of William Shakespeare. Our website had 6.8 million hits in 2020;
- providing formal learning programmes and resources for over 72,749 students, both in person and virtually including 9,713 welcomed on site before our closure on 17 March, and 60,508 downloads of our suite of over 300 teaching resources –a 40% increase from 2019 as we transitioned to a 'digital first' model of delivery;
- 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;
- 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 275 visits to our Reading Room and 1,935 library and archive items consulted in Quarter 1 before its closure on 17 March, subsequently moving to a limited online service for our collections which received 800 enquiries ;
- providing diverse opportunities for volunteering, internships and apprenticeships across the Trust. In 2020 our volunteers donated 5,634 hours (4,397 prior to 17 March);
- 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. We are committed to a transparent and ethical approach to all our fundraising activity

The Trust has been profoundly grateful for the financial assistance offered to the cultural sector in response to the COVID-19 pandemic, and we have been very successful in maximising the support available to us through new funding programmes that arose in 2020. The Trust was awarded £900,000 through Arts Council England's Emergency Fund, and £3 million through the Department of Culture, Media and Sport's Culture Recovery Fund. We cannot overstate the importance of these grants in securing the Trust's future. Not only did they address the immediate challenge caused by the loss of almost the entirety of our earned income streams, but they also underwrote and supported the work the Trust has been able to deliver in response to the pandemic, including our online events programme, digital first learning offer and of course the Summer opening of the Birthplace under social distancing regulations. We extend our deepest thanks and gratitude to our colleagues at Arts Council England and the Department of Culture, Media and Sport regarding their timely interventions towards, and ongoing support of, our work.

As well as this, the Trust has been honoured by the generosity shown to us by our Friends and donors in these most difficult of times. Throughout 2020 we have received a steady stream of voluntary donations far ahead of normal expectations. Every individual donation, from five pounds to several thousand pounds, is deeply appreciated. We want to extend a particular thank you to the support offered by our Board of Trustees and Honorary Council to Shakespeare's Birthplace America, the American Friends of the Shakespeare Birthplace Trust and to Greg and Faye Wyatt.

Sadly we have been unable to offer our normal Friends service over much of the year, as we had to suspend this scheme in tandem with the closure of our houses. We have also not been able to welcome our Greenwood Leaf tree donors to New Place. However, looking ahead we will be offering our Friends more and more digital content, and are excited about welcoming our Friends and donors back to our sites as soon as this is safe.

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 COVID-19 outbreak, the Government Equalities Office and Equality & Human Rights Commission suspended the reporting of gender pay gap data for 2019/20. As reported in last year's annual report, our last data set information was:

"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. "

Following the organisational restructuring during 2020, the Trust no longer falls under the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, however it is the Trust's intention to voluntarily report its 2020/2021 data set as its commitment to transparency. The Trust is committed to continue to develop our workforce strategy which includes maintaining a culture of representation and inclusion to ensure equality of opportunity for all.

Environmental Impact

The Trust is committed to working in a sustainable way as possible to minimise its environmental impact, including net zero greenhouse gas emissions by 2050. Within our Environmental Policy framework we are working to:

- reduce our energy, water and non-renewable consumption and improve efficiency
- recycle, reduce, reuse and repair when practical
- use sustainable methodologies in our conservation work
- encourage our people, audiences and visitors to be respectful of our environment and provide systems of recycling
- encourage our people to contribute to reducing our environmental footprint when conserving travel and in our working practices

Since 2016, we have been using Creative Green tools by Julie's Bicycle to record, monitor and compare our gas, electricity, water, fleet fuel and travel and audience travel year on year and against benchmark organisations. Over this period we have seen steady progress in reducing our utilities consumption.

Principal risks and uncertainties

The Trustees 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 risks 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 |
|--|--|
| The impact of COVID-19 pandemic results in a significant financial loss for the SBT that it is unable to sustain | <ul style="list-style-type: none"> • New cash flow (and outturn) forecasts based on latest information to identify pinch points • Additional grant and loan 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 • Re-evaluation of operational accommodation needs and strategy |
| Dependency on tourism, particularly international visitors for the funding of the current operating model to deliver charitable objectives | <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 |
| Organisational structure and nature of operational assets hamper medium to long-term strategic and financial planning | <ul style="list-style-type: none"> • Implementation of revised organisational structure, roles and responsibilities. • Re-evaluation of operational accommodation needs and strategy • Development & introduction of master strategic and financial planning process. |
| Major conservation works on heritage assets significantly impacting on level of reserves | <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 |
| 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 |

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 Board meeting.

Approved by the Board of Trustees on 26 May 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Kyle', written in a cursive style.

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 Shakespeare Birthplace Trust

Opinion

We have audited the financial statements of the Shakespeare Birthplace Trust for the year ended 31 December 2020 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 2020 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 requires 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 and proper 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 23, 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 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 Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and

disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of admissions income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 6.7.2021

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 2020

| | Note | Unrestricted General funds £000 | Unrestricted Designated funds £000 | Restricted funds £000 | Total 2020 £000 | Total 2019 £000 |
|--|------|--|---|-----------------------------|-----------------------|-----------------------|
| Income from | | | | | | |
| Donations | 3 | 59 | - | 66 | 125 | 79 |
| Charitable activities: | | | | | | |
| Admissions to historic houses | | 897 | - | - | 897 | 5,982 |
| Cultural engagement & participation | | 163 | - | - | 163 | 742 |
| Grants receivable | 4 | 5,627 | - | 66 | 5,693 | 584 |
| Other trading activities | 5 | 433 | - | - | 433 | 2,691 |
| Investments | 6 | 843 | - | - | 843 | 1,010 |
| Other income | 7 | 8 | - | - | 8 | 32 |
| Total income | | 8,030 | - | 132 | 8,162 | 11,120 |
| Expenditure on | | | | | | |
| Raising funds | | 1,719 | - | - | 1,719 | 2,999 |
| Charitable activities | | 5,521 | 393 | 400 | 6,314 | 7,694 |
| Other expenditure | | 25 | 7 | - | 32 | - |
| Total expenditure | 8 | 7,265 | 400 | 400 | 8,065 | 10,693 |
| Net gains/ (losses) on investments | 14 | (291) | - | - | (291) | 401 |
| Net gain on investment property | 14 | 1,190 | (534) | - | 656 | - |
| Net income/(expenditure) | | 1,664 | (934) | (268) | 462 | 828 |
| Transfer between funds | 20 | (2,528) | 2,542 | (14) | - | - |
| Other recognised gains and losses | | | | | | |
| Actuarial (losses)/gains on defined benefit pension scheme | 23 | - | (298) | - | (298) | (155) |
| Gains/(losses) on revaluation of fixed assets | 14 | - | (62) | - | (62) | - |
| Net movement in funds | | (864) | 1,248 | (282) | 102 | 673 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 20 | 6,161 | 18,173 | 2,229 | 26,563 | 25,890 |
| Total funds carried forward | 20 | 5,297 | 19,421 | 1,947 | 26,665 | 26,563 |

For the analysis of transfers between and composition of funds see note 20. 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 2020

| | Note | 2020 Group £000 | Charity £000 | 2019 Restated Group £000 | Charity £000 |
|--|------|-----------------------|-----------------|--------------------------------|-----------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | 14 | 14 | 51 | 51 |
| Tangible assets | 12 | 1,659 | 1,659 | 2,023 | 2,023 |
| Heritage assets | 13 | 1,757 | 1,757 | 2,108 | 2,108 |
| Investments | 14 | 20,824 | 20,824 | 22,223 | 22,223 |
| | | 24,254 | 24,254 | 26,405 | 26,405 |
| Current assets | | | | | |
| Stocks | 15 | 429 | - | 368 | - |
| Debtors | 16 | 1,776 | 2,406 | 721 | 1,342 |
| Cash at bank and in hand | | 3,942 | 3,698 | 3,058 | 2,740 |
| | | 6,147 | 6,104 | 4,147 | 4,082 |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 17 | (650) | (607) | (982) | (921) |
| Net current assets | | 5,497 | 5,497 | 3,165 | 3,161 |
| Total assets less current liabilities | | 29,751 | 29,751 | 29,570 | 29,566 |
| Creditors: Amounts falling due after more than one year | 18 | (157) | (157) | (160) | (160) |
| Net assets excluding pension liability | | 29,594 | 29,594 | 29,410 | 29,406 |
| Defined benefit pension scheme liability | 23 | (2,929) | (2,929) | (2,847) | (2,847) |
| Net assets including pension liability | | 26,665 | 26,665 | 26,563 | 26,559 |
| Funds | | | | | |
| Restricted funds | 20 | 1,947 | 1,947 | 2,229 | 2,229 |
| Unrestricted funds: | | | | | |
| Designated funds | 20 | 19,421 | 19,421 | 21,020 | 21,020 |
| Undesignated funds | 20 | 5,297 | 5,297 | 3,314 | 3,310 |
| Total funds | | 26,665 | 26,665 | 26,563 | 26,559 |

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 26 May 2021 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 2020

| | Note | 2020 £000 | 2019 £000 |
|---|------|----------------|--------------|
| Net income/(expenditure) for the operating period (as per the Statement of Financial Activities) | | 966 | 828 |
| Adjustments for: | | | |
| Depreciation charge | | 633 | 652 |
| Impairment of fixed assets | | 54 | - |
| Change in fair value of investments | | 291 | (401) |
| Income from investments | | (843) | (1,010) |
| Gain on disposal of investment property | | (1,160) | - |
| Loss on disposal of fixed assets | | 7 | - |
| (Increase)/decrease in stocks | | (61) | (62) |
| Loss on disposal of fiscal investments | | 25 | - |
| (Increase) in debtors | | (1,045) | (85) |
| (Decrease)/Increase in creditors | | (335) | 210 |
| Other pension movements | 23 | (214) | (186) |
| Net cash (used in) operating activities | | (1,682) | (54) |
| Dividends, interest and rents from investments | | 833 | 1,010 |
| Purchase of property, plant and equipment | | (11) | (916) |
| Proceeds from sale of investments | | 1,893 | 336 |
| Purchase of investments | | (150) | (247) |
| Net cash provided by/(used in) investing activities | | 2,565 | 183 |
| Cash flows from financing activities | | | |
| (Increase)/decrease in cash deposits | | - | (62) |
| Change in cash and cash equivalents in the reporting period | | 883 | 67 |
| Cash and cash equivalents at the beginning of the reporting period | | 3,058 | 2,991 |
| Cash and cash equivalents at the end of the reporting period | | 3,941 | 3,058 |

Reconciliation of net cash flow movement in net funds

For the year ended 31 December 2020

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Increase/(decrease) in cash in the year | 883 | 67 |
| Opening net funds | 3,058 | 2,991 |
| Closing net funds | 3,941 | 3,058 |

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 during 2020 and will continue to do so for the next 2-3 years as the Trust works through its post COVID -19 financial recovery plan... The Trustees' report on pages 10-11 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 2022 and noting the timetable for the receipt of loan 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 on 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 the historic houses

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

Cultural engagement & participation income

Income from the provision of cultural engagement and 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 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 the 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 3-7 years.

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 | - | 3-10 years |
| Attractions and exhibitions | - | 4-25 years |
| 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.

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such conditions exist the Trust estimates the recoverable

amount of the asset. Shortfalls between the carrying value of the fixed asset and the recoverable amount, being the higher of fair value and value in use, are recognised as impairment losses in the Statement of Financial Activities.

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.

As a consequence of the COVID-19 pandemic, the Trustees reviewed the fair value of the commercial investment properties and freehold land and buildings for impairment. This impairment review included a review of the 31 December 2017 professional valuation compared to the overall All Risk Yield currently being achieved on commercial properties in the Stratford-upon-Avon area being managed by SBT's property agent. This key assumption could be deemed to be 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:

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Income | 8,468 | 8,444 |
| Gift Aid from subsidiary | - | 166 |
| | 8,468 | 8,610 |
| Expenditure on raising funds | (120) | (465) |
| Expenditure on charitable activities | (6,576) | (7,873) |
| Other expenditure | (32) | - |
| Net (losses)/ gains on investment assets | (291) | 401 |
| Net incoming/(outgoing) resources | 1,449 | 673 |

3 Voluntary income

| | Unrestricted | | Restricted | |
|-----------|--------------|--------------|--------------|--------------|
| | 2020 £000 | 2019 £000 | 2020 £000 | 2019 £000 |
| Donations | 57 | 41 | 66 | 38 |
| Legacies | 2 | - | - | - |
| | 59 | 41 | 66 | 38 |

4 Grants receivable

| | Unrestricted | | Restricted | |
|--|--------------|--------------|--------------|--------------|
| | 2020 £000 | 2019 £000 | 2020 £000 | 2019 £000 |
| National Heritage Lottery Fund | - | - | - | 120 |
| Arts Council England – National Portfolio Organisation | 224 | 220 | - | - |
| Arts Council England – Museums and Schools | - | - | 47 | 43 |
| Arts Council England –Emergency Grant Scheme | 900 | - | - | - |
| Arts Council England – Cultural Recovery Fund | 3,000 | - | - | - |
| Stratford on Avon District Council | 10 | - | 14 | 201 |
| European Union- Erasmus Cusha | - | - | 5 | - |
| Coronavirus Job Retention Scheme | 1,493 | - | - | - |
| | 5,627 | 220 | 66 | 364 |

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 the trading activities of the SBT by operating a number of shops which sell books and souvenirs related to Shakespeare, his works and Stratford-upon-Avon. 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.

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Turnover | | |
| Trading income | 468 | 2,719 |
| Grants receivable | 418 | - |
| | 886 | 2,719 |
| Cost of sales | (224) | (1,150) |
| | 662 | 1,569 |
| Gross profit | | |
| Administrative expenses (including recharges from the charity) | (931) | (1,409) |
| | (269) | 160 |
| Operating (loss)/profit | | |
| Other interest receivable and similar income | - | 6 |
| | (269) | 166 |
| (Loss)/profit for the financial year | | |
| Distribution to Shakespeare Birthplace Trust | - | (166) |
| | (269) | 0 |
| Retained in subsidiary for the year | | |

At the end of the year, the company had aggregate assets of £718,287 (2019: £728,176), and liabilities of £982,099 (2019: £724,057), which includes net amounts due to the Shakespeare Birthplace Trust of £938,545 (2019: £663,528) and net shareholders' funds of (£263,812) (2019: £4,119). The charity has recognised a provision equal to the SBT Trading Limited's net liabilities against the amount receivable from subsidiary undertakings.

As at 31 December 2020, the charity entered into a formal loan arrangement with its trading subsidiary. The terms of the loan are included in note 16.

Income from SBT Trading Limited to the charity of £6,204 (2019: £28,235) was eliminated upon consolidation.

Profits retained within SBT Trading Limited for the year ended 31 December 2019 was transferred via Gift Aid to the charity before the year end. There was not such distribution for the year ended 31 December 2020.

6 Investment income

| | 2020 £000 | 2019 £000 |
|------------------------|--------------|--------------|
| Dividends and interest | 160 | 197 |
| Rental income | 683 | 813 |
| | 843 | 1,010 |

7 Other income

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Unrestricted funds:- General | | |
| Sundry income | 8 | 32 |
| | 8 | 32 |

8 Analysis of Total Expenditure

(a) Expenditure on raising funds

| | Staff Costs £000 | Depreciation and impairment £000 | Management and Support Costs £000 | Other £000 | 2020 Total £000 | 2019 Total £000 |
|---|------------------------|---|--|---------------|-----------------------|-----------------------|
| Unrestricted funds:- General | | | | | | |
| Expenditure on raising funds | 839 | - | 205 | 675 | 1,719 | 2,999 |
| Total expenditure on raising funds | 839 | - | 205 | 675 | 1,719 | 2,999 |

(b) Expenditure on charitable activities

| | Staff Costs £000 | Depreciation and impairment £000 | Management and Support Costs £000 | Other £000 | 2020 Total £000 | 2019 Total £000 |
|---|------------------------|---|--|---------------|-----------------------|-----------------------|
| Restricted funds: | | | | | | |
| Expenditure on charitable activities | 33 | 351 | - | 16 | 400 | 575 |
| Unrestricted funds:- Designated | | | | | | |
| Expenditure on charitable activities | 54 | 339 | - | | 393 | 77 |
| Unrestricted funds:- General | | | | | | |
| Expenditure on charitable activities | 3,812 | - | 1,128 | 581 | 5,521 | 7,042 |
| Total expenditure on charitable activities | 3,899 | 690 | 1,128 | 597 | 6,314 | 7,694 |

(c) Other Expenditure

| | Staff Costs £000 | Depreciation and impairment £000 | Management and Support Costs £000 | Other £000 | 2020 Total £000 | 2019 Total £000 |
|---|------------------------|---|--|---------------|-----------------------|-----------------------|
| Unrestricted funds:- Designated | | | | | | |
| Loss on disposal of tangible fixed assets | - | - | - | 7 | 7 | - |
| Unrestricted funds:- General | | | | | | |
| Loss on disposal of fiscal investments | - | - | - | 25 | 25 | - |
| Total other expenditure | - | - | - | 32 | 32 | - |
| Total Expenditure | 4,738 | 690 | 1,333 | 1,304 | 8,065 | - |

(a) Expenditure on raising funds

| | Staff Costs £000 | Depreciation and impairment £000 | Management and Support Costs £000 | Other £000 | 2019 Total £000 | 2018 Total £000 |
|---|---------------------------------|---|--|-----------------------|--------------------------------|--------------------------------|
| Unrestricted funds:- General | | | | | | |
| Expenditure on raising funds | 1,094 | - | 190 | 1,715 | 2,999 | 3,019 |
| Total expenditure on raising funds | 1,094 | - | 190 | 1,715 | 2,999 | 3,019 |

(b) Expenditure on charitable activities

| | Staff Costs £000 | Depreciation and impairment £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:- Designated | | | | | | |
| Expenditure on charitable activities | 77 | - | - | - | 77 | 61 |
| Unrestricted funds:- General | | | | | | |
| Expenditure on charitable activities | 3,770 | 301 | 1,920 | 1,051 | 7,042 | 6,663 |
| Total expenditure on charitable activities | 3,969 | 652 | 1,920 | 1,153 | 7,694 | 7,387 |
| Total expenditure | 5,063 | 652 | 2,110 | 2,868 | 10,693 | 10,406 |

Total resources expended include:

| | 2020 £000 | 2019 £000 |
|---|----------------------|----------------------|
| Depreciation | 633 | 652 |
| Impairment of fixed assets | 54 | - |
| Governance costs | 2 | 2 |
| Auditor's remuneration: | | |
| Audit of these financial statements | 12 | 11 |
| Audit of financial statements of subsidiary pursuant to legislation | 6 | 5 |
| Other services relating to taxation | 6 | 1 |
| Operating lease charges: | | |
| Other than land and buildings | 94 | 91 |

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 | 2020 Total £000 |
|---|--|--|--------------------------------|
| General management & governance | 2 | 16 | 18 |
| Finance & administration infrastructure | 139 | 398 | 537 |
| Human resources | 31 | 147 | 178 |
| Information technology | 24 | 115 | 139 |
| Digital, marketing & public relations | 3 | 145 | 148 |
| Facilities & estates management | 6 | 307 | 313 |
| Total | 205 | 1,128 | 1,333 |

| | 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 |

9 Staff numbers and costs

The average number of employees during the year was:

| | Number of employees | |
|--|----------------------------|-------------|
| | 2020 | 2019 |
| Historic houses | 107 | 103 |
| Trading activities | 49 | 66 |
| Cultural engagement & participation | 50 | 48 |
| Management and support | 51 | 67 |
| | 257 | 284 |
| Number of part time employees included above | 156 | 175 |
| Full time equivalent of part time employees | 66 | 66 |

The aggregate emoluments of these employees were as follows:

| | 2020 | 2019 |
|--|--------------|-------|
| | £000 | £000 |
| Wages and salaries | 3,567 | 4,398 |
| Social security costs | 265 | 307 |
| Pension costs | 251 | 281 |
| Redundancy and reorganisation costs | 601 | - |
| FRS102 s28 charge for past service costs | 54 | 77 |
| | 4,738 | 5,063 |

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

| | 2020 | 2019 |
|-------------------|---------------|--------|
| | Number | Number |
| £130,000-£139,999 | 1 | 1 |
| £90,000-£99,999 | 1 | - |
| £60,000 - £69,999 | - | 1 |
| | 2 | 2 |

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 £14,925(2019: £10,420).

In 2020 Shakespeare Birthplace Trust paid redundancy and reorganisation costs of £601,000 (2019 £ nil). 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 2020 they were:

Chief Executive – Tim Cooke

Director of Strategic Projects – Tim Aucott

Acting Director of Operations & Marketing – Debbie Beardall (until 17 April 2020)

Acting Director of Cultural Engagement – Paul Taylor

Director of Visitor Experience & Business Development – Rachael Boyd (from 17 February 2020)

Director of Finance & Resources – Melanie Crooks (from 11 May 2020)

The total emoluments paid to key management personnel in 2020, including pension contributions was £459,319 (2019: £318,814).

9 Trustees

During the year, no Trustee received remuneration as Trustee (2019: £0). No Trustees received travelling and out of pocket expenses, totalling £nil (2019: £2,260 for 6 Trustees).

The Shakespeare Birthplace Trust maintained insurance for the Trustees/Directors throughout the financial year ended 31 December 2020 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 (2019: £1,624) and the cover £2,000,000 (2019: £2,000,000).

11 Intangible fixed assets

Consolidated and charity

| | Software £000 | Websites £000 | Total £000 |
|----------------------------|------------------|------------------|---------------|
| Cost or valuation | | | |
| At 1 January 2020 | 381 | 128 | 509 |
| At 31 December 2020 | 381 | 128 | 509 |
| Depreciation | | | |
| At 1 January 2020 | 330 | 128 | 458 |
| Charge for the year | 26 | | 26 |
| Impairment provision | 11 | | 11 |
| At 31 December 2020 | 367 | 128 | 495 |
| Net book value | | | |
| At 31 December 2020 | 14 | - | 14 |
| At 31 December 2019 | 51 | - | 51 |

As at 31 December 2020, the Trustees have considered the carrying value of the catering IT software in the light of the current COVID -19 trading conditions for hospitality and have concluded that an impairment provision should be made against this asset.

12 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 2020 | 1,335 | 8 | 3,581 | 1,119 | 25 | 6,068 |
| Additions | | | 10 | | | 10 |
| Disposals | | (8) | (5) | | | (13) |
| Revaluation | (62) | | | | | (62) |
| At 31 December 2020 | 1,273 | - | 3,586 | 1,119 | 25 | 6,003 |
| Depreciation | | | | | | |
| At 1 January 2020 | - | - | 3,127 | 893 | 25 | 4,045 |
| Charge for the year | - | - | 179 | 77 | - | 256 |
| Impairment provision | - | - | 43 | - | - | 43 |
| At 31 December 2020 | - | - | 3,349 | 970 | 25 | 4,344 |
| Net book value | | | | | | |
| At 31 December 2020 | 1,273 | - | 237 | 149 | - | 1,659 |
| At 31 December 2019 | 1,335 | 8 | 454 | 226 | - | 2,023 |

Freehold land and properties were formally valued by Sheldon Bosley Knight (Chartered Surveyors) on an existing use basis as at 31 December 2017. As at 31 December 2020, the Trustees have carried out a review of the carrying value of all freehold land and buildings in the light of the COVID-19 pandemic, this has led to a downward revaluation of the freehold land and buildings of £62,000. The historic cost of freehold land and buildings is £600,610 (2019:£600,610).

As at 31 December 2020, the Trustees have considered the carrying value of its catering equipment in the light of the current COVID -19 trading conditions for hospitality and have concluded that a partial impairment provision should be made against these assets.

13 Heritage assets

Consolidated and charity

| | New Place £000 |
|----------------------------|---------------------------|
| Cost or valuation | |
| At 1 January 2020 | 3,513 |
| At 31 December 2020 | 3,513 |
| Depreciation | |
| At 1 January 2020 | 1,405 |
| Charge for the year | 351 |
| At 31 December 2020 | 1,756 |
| Net book value | |
| At 31 December 2020 | 1,757 |
| At 31 December 2019 | 2,108 |

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
- 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.

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 in normal circumstances 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.

14 Investments

Consolidated and charity

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|--------------|
| <i>Analysis of investments</i> | | |
| <i>Designated funds:</i> | | |
| Freehold investment properties | 13,595 | 13,614 |
| <i>Undesignated funds:</i> | | |
| Freehold investment properties | 3,655 | 4,691 |
| Listed and other investments | 3,574 | 3,918 |
| | 20,824 | 22,223 |

All investments are held in the UK. The historic cost of listed and other investments as at 31 December 2020 was £3,407,896 (2019:£ £3,358,681). 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. As at 31 December 2020, the Trustees have carried out a review of the carrying value of all freehold land and buildings in the light of the COVID-19 pandemic, this has led to a net downward revaluation of the freehold land and buildings of £505,000

| | 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 2020 | 13,614 | 4,691 | 3,918 | 22,223 |
| Additions | - | | 150 | 150 |
| Transfers between funds | 515 | (515) | - | - |
| Disposals proceeds | | (1,711) | (178) | (1,889) |
| Realised gain/(loss) on disposal | | 1,160 | (25) | 1,135 |
| Change in market value | (534) | 30 | (291) | (795) |
| As at 31 December 2020 | 13,595 | 3,655 | 3,574 | 20,824 |

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

| | 2020 | | 2019 | |
|---|-------|-----|-------|-----|
| | £000 | % | £000 | % |
| Investment property – “The Hill” | 1,600 | 7.7 | 1,600 | 7.1 |
| Investment property- 43 Henley Street | 1,427 | 6.9 | 1,466 | 6.5 |
| Investment property – 4 Shottery Lodge | 1,065 | 5.2 | 1,065 | 4.8 |
| Investment property – Upton’s Orchard & Briar Furlong | 1,010 | 4.9 | 1,010 | 4.6 |

Charity

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

15 Stocks

| | Consolidated | | Charity | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 2020 £000 | 2019 £000 | 2020 £000 | 2019 £000 |
| Finished goods and goods for resale | 429 | 368 | - | - |

16 Debtors

| | Consolidated | | Charity | |
|--|--------------|------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Receivable within one year: | | | | |
| Trade debtors | 27 | 261 | 12 | 230 |
| Amounts due from subsidiary undertakings | - | - | - | 664 |
| Other debtors | 1,677 | 145 | 1,654 | 145 |
| Prepayments | 65 | 108 | 58 | 96 |
| Accrued income | 7 | 207 | 7 | 207 |
| | 1,776 | 721 | 1,731 | 1,342 |
| Receivable outside one year: | | | | |
| Amounts due from subsidiary undertakings | - | - | 675 | - |
| Total | 1,776 | 721 | 2,406 | 1,342 |

As at 31 December 2020, the charity entered into a formal loan arrangement with its trading subsidiary. The unsecured loan is repayable over 10 instalments with a 3 year capital repayment holiday. The repayment profile is supported by the trading subsidiary's post COVID-19 recovery business plan, performance against which is monitored by the charity's Finance Committee. Interest is charged on the capital balance at 5% pa

17 Creditors: amounts falling due within one year

| | Consolidated | | Charity | |
|---------------------------|--------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Trade creditors | 92 | 283 | 86 | 247 |
| Taxes and social security | 77 | 113 | 77 | 113 |
| Other creditors | 6 | 31 | 6 | 31 |
| Accruals | 209 | 232 | 172 | 207 |
| Deferred income | 266 | 323 | 266 | 323 |
| | 650 | 982 | 607 | 921 |

18 Creditors: amounts falling due after more than one year

| | Consolidated | | Charity | |
|-----------------|--------------|------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £000 | £000 | £000 | £000 |
| Deferred income | 157 | 160 | 157 | 160 |
| | 157 | 160 | 157 | 160 |

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.

19 Financial instruments

Consolidated

| | 2020 | 2019 |
|---|--------------|-------|
| | £000 | £000 |
| Financial assets that are debt instruments measured at amortised cost | 5,653 | 3,671 |
| Financial liabilities measured at amortised cost | 730 | 1,029 |

Charity

| | 2020 | 2019 |
|---|--------------|-------|
| | £000 | £000 |
| Financial assets that are debt instruments measured at amortised cost | 5,371 | 3,322 |
| Financial liabilities measured at amortised cost | 687 | 968 |

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

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

20 Movement in Funds

| Consolidated and charity | At 1 Jan 2020 £000 | Income £000 | Expenditure, gains and losses £000 | Transfers £000 | At 31 Dec 2020 £000 |
|--|--------------------------|----------------|---|-------------------|---------------------------|
| Restricted income funds: | | | | | |
| Countryside Stewardship Scheme fund | 6 | - | - | - | 6 |
| Louis Marder Scholarship fund | 12 | 3 | - | - | 15 |
| Education Appeal fund | 12 | - | (4) | - | 8 |
| AQA – Espresso Shakespeare fund | 4 | - | - | - | 4 |
| Shakespeare Week fund | 1 | - | - | - | 1 |
| Young Interpreters Project fund | 2 | - | - | - | 2 |
| Collections fund | 1 | 2 | - | - | 3 |
| Online Collections fund | 9 | - | - | - | 9 |
| Rural Agency fund | 5 | - | - | - | 5 |
| Arts Council England – Museums and Schools | 19 | 47 | (32) | - | 34 |
| Levi Fox Archive fund | 15 | 10 | - | - | 25 |
| Erasmus Project – CUSHA fund | 9 | 5 | - | - | 14 |
| SBA – Education fund | 7 | - | - | - | 7 |
| The Space – Digital Houses fund | 3 | - | - | - | 3 |
| Disability Access Day fund | 1 | - | (1) | - | - |
| Creative Producers International fund | 1 | - | - | - | 1 |
| RSC Cataloguing Project fund | 10 | - | (10) | - | - |
| Hall's Croft fund | - | 51 | - | - | 51 |
| Other short term projects fund | 4 | - | (2) | - | 2 |
| | 121 | 118 | (49) | | 190 |
| Restricted capital funds: | | | | | |
| New Place fund | 2,108 | - | (351) | - | 1,757 |
| Stratford on Avon District Council – Will's Kitchen fund | - | 14 | - | (14) | - |
| | 2,108 | 14 | (351) | (14) | 1,757 |
| Total restricted funds | 2,229 | 132 | (400) | (14) | 1,947 |

Unrestricted funds

| Consolidated | Restated At 1 Jan 2020 | Net income/ (expenditure) in the year | Transfers | At 31 Dec 2020 |
|--|-----------------------------------|--|------------------|---------------------------|
| | £000 | £000 | £000 | £000 |
| <u>Designated funds:</u> | | | | |
| Major property, conservation, development and redevelopment projects fund | 2,450 | - | - | 2,450 |
| Pension reserve | (2,847) | (352) | 270 | (2,929) |
| Functional fixed asset fund* | 2,074 | (407) | 6 | 1,673 |
| Strategic investment fixed asset fund* | 13,614 | (535) | 516 | 13,595 |
| Working capital fund | 2,882 | - | 1,750 | 4,632 |
| Total designated funds | 18,173 | (1,294) | 2,542 | 19,421 |
| <u>Undesignated funds:</u> | | | | |
| General fund * | 6,161 | 1,664 | (2,528) | 5,297 |
| Total unrestricted funds | 24,334 | 370 | - | 24,718 |
| Total funds | 26,563 | 102 | - | 26,665 |

The 2019 restatement relates to the categorisation of the pension reserve as a designated fund as opposed to an undesignated fund.

The funds denoted with * include the following revaluation reserves - £9,649,000 within the Strategic investment fixed asset fund (designated), £550,000 within the Functional fixed asset fund (designated) and £3,856,000 within the General fund.

The Charity unrestricted funds are stated above as the charity has made a provision for the net liability position of the Trading company (2019: £6,157,000). The Trading company funds amount to (£263,813) deficit (2019:£4,118).

| Prior year comparatives: | At 1 Jan 2019 | Income | Expenditure, gains and losses | Transfers | At 31 Dec 2019 |
|--|--------------------------|---------------|--|------------------|---------------------------|
| Consolidated and charity | £000 | £000 | £000 | £000 | £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 on Avon 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 | As originally stated At 1 Jan 2019 £000 | As restated At 1 Jan 2019 £000 | Net income/ (expenditure) in the year £000 | Transfers £000 | As restated At 31 Dec 2019 £000 |
|---|--|--|---|-------------------|---|
| Designated funds: | | | | | |
| Major property, conservation, development and redevelopment projects fund | 5,000 | 5,000 | - | (2,550) | 2,450 |
| Pension reserve | | (2,878) | 31 | - | (2,847) |
| 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 | 2,122 | 31- | 16,020 | 18,173 |
| Undesignated funds: | | | | | |
| Revaluation reserve | 14,897 | 14,897 | - | (14,897) | - |
| General fund | 6,268 | 6,268 | 815 | (922) | 6,161 |
| Pension reserve | (2,878) | - | | - | |
| Total undesignated funds | 18,287 | 21,165 | 815 | (15,819) | 6,161 |
| Total unrestricted funds | 23,287 | 23,287 | 846 | 201 | 24,334 |
| Total funds | 25,890 | 25,890 | 673 | - | 26,563 |

The 2019 restatement relates to the categorisation of the pension reserve as a designated fund as opposed to an undesignated fund.

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).

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.

Halls Croft fund:

Funds received specifically towards restoration works at the Halls Croft site.

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 |
|--|--------------------------------------|------------------------------------|--------------------|
| General fund to Functional fixed asset fund(1) | (6) | 6 | - |
| General fund to Strategic investment fixed asset fund(2) | (516) | 516 | - |
| General fund to Pensions reserve(3) | (270) | 270 | - |
| General fund to Working capital fund (4) | (1,750) | 1,750 | - |
| SDC Will's Kitchen fund to General fund(5) | 14 | | (14) |
| Total transfers between funds | (2,528) | 2,542 | (14) |

(1) This represents the transfer of net functional fixed asset additions in the general fund during the year to the functional fixed asset fund.

(2) This represents the transfer of the prior year building works on 43 Henley Street from general fund to strategic investment fixed asset fund to ensure consistency in the fund treatment of the property and associated works.

(3) This represents the transfer of pension deficit contributions made from the general fund to the pension reserve

(4) This represents the transfer from the general fund in the calculation the year end working capital fund.

(5) This represents the transfer of funds from the restricted fund to cover the expenditure on Will's Kitchen expended through the general fund directly.

Prior year comparatives

Details of inter fund transfers in the year ended 31 December 2019 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 |

(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 expended through the general fund directly.

21 Analysis of consolidated net assets between funds

| | Unrestricted General funds | Unrestricted Designated funds | Restricted funds | Total funds |
|--|-------------------------------|-------------------------------------|---------------------|----------------|
| | £000 | £000 | £000 | £000 |
| Fund balances at 31 December 2020 are represented by: | | | | |
| Tangible fixed assets | - | 1,659 | - | 1,659 |
| Intangible fixed assets | - | 14 | - | 14 |
| Heritage assets | - | - | 1,757 | 1,757 |
| Investments | 4,779 | 16,045 | - | 20,824 |
| Current assets | 675 | 5,282 | 190 | 6,147 |
| Current liabilities | - | (650) | - | (650) |
| Liabilities due after more than 1 year | (157) | - | - | (157) |
| Pension liability | - | (2,929) | - | (2,929) |
| Total net assets | 5,297 | 19,421 | 1,947 | 26,665 |

| | Unrestricted General funds | Unrestricted Designated funds | Restricted funds | Total funds |
|--|-------------------------------|-------------------------------------|---------------------|----------------|
| | £000 | £000 | £000 | £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 | 6,159 | 16,064 | - | 22,223 |
| Current assets | 162 | 3,864 | 121 | 4,147 |
| Current liabilities | - | (982) | - | (982) |
| Liabilities due after more than 1 year | (160) | - | - | (160) |
| Pension liability | - | (2,847) | - | (2,847) |
| Total net assets | 6,161 | 18,173 | 2,229 | 26,563 |

22 Commitments

As at 31 December 2020 SBT was committed to making the following payments under non-cancellable operating leases:

| | 2020 | 2019 |
|----------------------------|-------------|------|
| | £000 | £000 |
| <i>Land and buildings:</i> | | |
| Within one year | 18 | 33 |
| Between two and five years | 19 | 37 |
| | 37 | 70 |
| <i>Other:</i> | | |
| Within one year | 44 | 40 |
| Between two and five years | 6 | 14 |
| | 50 | 54 |
| Total | 87 | 124 |

The Trustees lease Harvard House at a peppercorn rent.

As at 31 December 2020, the SBT had capital commitments of £nil which were contracted for but not provided for in the financial statements (2019: £nil).

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

| | 2020 | 2019 |
|----------------------------|--------------|--------------|
| | £000 | £000 |
| <i>Land and buildings:</i> | | |
| Within one year | 186 | 257 |
| Between two and five years | 442 | 414 |
| More than five years | 3,417 | 2,787 |
| | 4,045 | 3,458 |

23 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 £250,985(2019: £262,810).

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 2019. 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.

| | 2020 | 2019 |
|---|-----------------|---------|
| | £000 | £000 |
| Present value of funded defined benefit obligations | (10,188) | (9,606) |
| Fair value of plan assets | 7,260 | 6,759 |
| Deficit in pension scheme – Pension liability | (2,928) | (2,847) |

Movements in present value of defined benefit obligation

| | 2020 | 2019 |
|--------------------------|---------------|-------|
| | £000 | £000 |
| At 1 January 2020 | 9,606 | 8,963 |
| Interest cost | 189 | 247 |
| Actuarial losses/(gains) | 711 | 687 |
| Benefits paid | (318) | (291) |
| At 31 December 2020 | 10,188 | 9,606 |

Movements in fair value of plan assets

| | 2020 | 2019 |
|--------------------------------|--------------|-------|
| | £000 | £000 |
| At 1 January 2020 | 6,759 | 6,085 |
| Expected return on plan assets | 135 | 170 |
| Actuarial gains/(losses) | 413 | 532 |
| Contributions by employer | 271 | 263 |
| Benefits paid | (318) | (291) |
| At 31 December 2020 | 7,260 | 6,759 |

(Expense)/income recognised in the consolidated statement of financial activities

| | 2020 | 2019 |
|--|--------------|-------|
| | £000 | £000 |
| Interest on defined benefit pension plan obligation | (189) | (247) |
| Expected return on defined benefit pension plan assets | 135 | 170 |
| Total | (54) | (77) |

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 £298,000 (2019: a loss of £155,000).

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

| | 2020 | 2019 |
|--|--------------|-------|
| | £000 | £000 |
| Equities | 1,092 | 1,067 |
| Emerging market equities | 421 | 367 |
| Diversified growth assets | 2,726 | 2,733 |
| Property | 715 | 710 |
| Absolute return | 774 | 707 |
| Cash | 87 | 77 |
| Liability driven investments | 1,445 | 1,098 |
| | 7,260 | 6,759 |
| Actual (deficit)/return on plan assets | (298) | (155) |

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:

| | 2020 | 2019 |
|---|-------------|------|
| | % | % |
| Discount rate | 1.40 | 2.0 |
| Expected return on plan assets: | | |
| Rate of increase in pensions payments | 3.0 | 2.9 |
| Rate of increase in deferred pensions | 2.0 | 2.1 |
| Inflation assumption | 2.0 | 2.1 |
| Mortality tables – imply life expectancy: | | |
| Male retiring in 2020 | 25.9 | 26.2 |
| Female retiring in 2020 | 27.8 | 28.2 |
| Male retiring in 2040 | 27.1 | 27.3 |
| Female retiring in 2040 | 29.1 | 29.5 |

History of plans

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

| <i>Balance sheet</i> | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------------|-----------------|-------------|-------------|-------------|-------------|
| | £000 | £000 | £000 | £000 | £000 |
| Present value of scheme liabilities | (10,188) | (9,606) | (8,963) | (9,152) | (9,389) |
| Fair value of scheme assets | 7,260 | 6,759 | 6,085 | 6,491 | 6,068 |
| Deficit | (2,928) | (2,847) | (2,878) | (2,661) | (3,321) |

| <i>Experience adjustments</i> | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|
| | £000/% | £000/% | £000/% | £000/% | £000/% |
| Experience adjustments on scheme liabilities | (186) | (13) | (66) | 98 | 114 |
| As a percentage of scheme liabilities | | (0.14%) | (0.73%) | 1.07% | 1.21% |
| Experience adjustments on scheme assets | 413 | 532 | (389) | 358 | 503 |
| As a percentage of scheme assets | | 7.87% | (6.39%) | 5.52% | 8.29% |

A formal scheme actuarial valuation at 31 March 2019 was finalised in November 2020. The valuation revealed a funding shortfall of £3,448,000. This shortfall will be eliminated by additional employer contributions paid into the scheme over the period to 31 January 2029. Contributions payable will be £139,412 in January 2021, then £345,000 pa commencing from June 2021 until 30 June 2028, plus a final payment in respect of the period from 1 July 2028 to 31 January 2029 of £46,597. Contributions will increase by 3% each year, with the first increase being for contributions after 31 January 2022.

24 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 £4,432 (2019 £910) in respect of legal advice. A creditor balance of £nil (2019: £nil) was outstanding at 31 December 2020. One of the Trustees, Nick Abell, is the Chairman of Wright Hassall LLP.
- The SBT paid Studio Misfit £863 (2019: £4,948) in respect of website hosting and maintenance. There is no creditor balance at 31 December 2020 (2019 £nil). One of the Trustees, AJ Leon, is the CEO of Studio Misfit.
- The trading company paid Mayavision International Ltd £285 (2019 £270) in respect of retail stock. There is no creditor balance at 31 December 2020 (2019: £nil). One of the Trustees, Rebecca Dobbs, is Managing Director of Mayavision International Ltd.

25 Prior year comparative consolidated statement of financial activities

| | 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 | | | | | |
| Gains on revaluation of fixed assets and property investments | | - | - | - | - |
| 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 |

26 Non-adjusting post balance sheet events

In the period from 31 December 2020 up to the signature of the financial statements, two significant events have occurred in the life of the Trust. The events are deemed to be non-adjusting from the perspective of the 2020 financial statements but are significant enough that they should be brought to the attention of the reader of these financial statements

On 12 March 2021, the Trust entered into an unsecured £3 million loan agreement with The Secretary of State for the Department for Digital, Culture, Media and Sport and Arts Council England. The loan was entered into under the

Repayable Cultural Recovery Fund programme to support the Trust's post Covid-19 financial recovery plan. The loan term is 20 years, with interest payable at 2% per annum. Interest and capital repayments are suspended for the first 48 months after the drawdown date of the loan. The loan was drawn down on 19 March 2021.