

**Registered charity number 209302**

**Shakespeare Birthplace Trust**

**Trustees' report and consolidated financial statements**

**For the year ended 31 December 2021**

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## ADMINISTRATIVE REFERENCES

### Trustees

Chairman	Peter Kyle OBE
Vice Chairman	John Russell
	Nick Abell – <i>Chair of Heritage Assets &amp; Property Committee</i>
	Ralph Bernard CBE – <i>Chair of Nominations &amp; Remuneration Committee</i>
	Penelope, Viscountess Cobham CBE
	Rebecca Dobbs
	Kathy Gee MBE
	Mike Huggins – <i>Chair of Finance and Audit &amp; Risk Committees</i>
	AJ Leon
	Professor Lena Cowen Orlin
	Professor Carol Chillington Rutter (resigned 25 March 2021)
	Professor Michael Dobson (appointed 1 July 2021)
	Ayub Khan MBE (appointed 1 July 2021)

**Honorary President** Professor Sir Stanley Wells CBE

**Secretary to Trustees** Julia Howells

### Key Management Personnel

Chief Executive	Tim Cooke
Director of Strategic Projects	Tim Aucott
Acting Director of Cultural Engagement	Paul Taylor
Director of Visitor Experience & Business Development	Rachael Boyd
Director of Finance & Resources	Melanie Crooks

### 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.

## TRUSTEE'S REPORT

The Trustees present their annual report and audited financial statements for the year ended 31 December 2021. 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).

### Overview from the Chairman and Chief Executive

***"Of present dues, the future comes apace." – Timon of Athens, Act II Scene 2***

While the COVID-19 pandemic has been a defining issue of the past year, the Shakespeare Birthplace Trust in 2021 is in a dynamic and fluid situation in which we remain steadfastly committed to our charitable goals in our great and timeless mission to share Shakespeare and his heritage with the world.

Despite the obvious current challenges, the pandemic afforded us the opportunity to take a fresh strategic look at how we will shape our organisation for the future and in November 2021 we announced a new five-year strategy demonstrating our renewed ambition to ensure we are a world-class organisation offering rich, imaginative and inspiring experiences of Shakespeare.

We are developing new programming, outreach, and learning activity that recognises the voices of communities, which are currently under-represented in our activity and within the heritage sector more widely. With more than six million multi-platform engagements with users annually we are already the 'go to' global destination for information about Shakespeare's work, life and times.

Yet our Trustees, staff, volunteers and partners have even greater ambitions. We want to make sure that we build on the diligently laid foundations of our long-running programmes, such as the exceptional Shakespeare Week and Hubs schools outreach work, as well as the financial support we have received from Arts Council England and the Government's Culture Recovery Fund. We aim to enhance the reach and quality of our public engagement, the interpretation, curation and conservation of Shakespeare's five family homes, the care of our collections and access to them, and the sharing of our knowledge and expertise.

Crucial to all of these vital activities is the sustainability of our financial model which had been heavily reliant on visitor income. We have had to take difficult decisions over this past year and will continue to carefully calibrate the financial and operational model of the Trust. We also want to identify opportunities for new investment, partnership and innovation, and to plan for a more sustainable, diversified and resilient financial future.

Climate change will be a dominant theme for the coming century. Following the approval of the Board of Trustees, we affirmed our commitment to operating sustainably with the ambition of becoming net zero in our own emissions by 2030. This builds on our Sustainable Shakespeare policy, which operates across all of our work and will remain a major focus in the coming years, from master-planning projects to conservation, procurement and programming.

We are constantly struck by the strength of the passion of our people and we want to pay tribute to their ongoing commitment and resilience. There is so much to admire about what has been accomplished. Despite the ongoing and severe impact of COVID-19, we came through 2021 to a

position of stability from which we can relaunch in 2022. We believe we can and should plan ahead with confidence, ambition and imagination.

We would also like to acknowledge the support of all our many donors, volunteers and funders and to express our very grateful thanks for their commitment and generosity to the Trust. We are privileged to be a charity with a successful track record, to hold a Designated Collection, to be a fully accredited museum, to be an Arts Council England National Portfolio Organisation and to be on UNESCO's Memory of the World Register. Thank you for supporting us in this great task.

Finally, we would like to offer our sincere appreciation to our Chair, Peter Kyle OBE who agreed to extend his term for a further 12 months (until October 2022) in order to support the Trust and provide stability during the Coronavirus pandemic. Peter has served the Trust with enormous dedication and distinction.

We are both optimistic about and deeply committed to what the Trust will achieve in the coming years. Let's together celebrate Shakespeare's enduring legacy more than ever and let's hear his voice and story loud and clear in these dramatic and challenging times.

With all our thanks,

***Peter Kyle (Chair of the Board of Trustees) and Tim Cooke (Chief Executive)***

## **A Year in Review**

### **Responding to Covid-19 in 2021**

A key priority for the Trust in 2021 was to set a firm course for the future of the organisation whilst, in common with the rest of our sector, continuing to emerge from a time of uncertainty and exceptional challenge.

Covid-19 had a significant impact on our operation throughout the year. In line with the Government's phased lockdown release programme, we were only able to open some of our public sites and retail spaces for part of the year and our ability to host learning visits was available to only a fraction of our pre-pandemic numbers. Access to our Designated Collections and conservation work to our buildings was restricted and our plans for public events and programmes were largely delivered digitally.

Although the Trust continued to face a challenging operating environment, we had placed ourselves in a strong position in 2020 as a result of an organisational restructure and successful applications to available funding support. Despite this, we incurred an operating deficit of (£2.9m) in the year. This operating deficit was supported by the Cultural Recovery Fund (£3million) grant awarded in late 2020.

However, the actions that we were able to take, including the partial reopening of our houses, learning, and retail offers, continued to point the way to a strong recovery. We welcomed 87,000 visits to our sites in 2021 and were able to reach millions around the world through our digital channels. This success, alongside the signs of recovery that we have seen in recent months, gives us confidence in the long-term sustainability of the organisation.

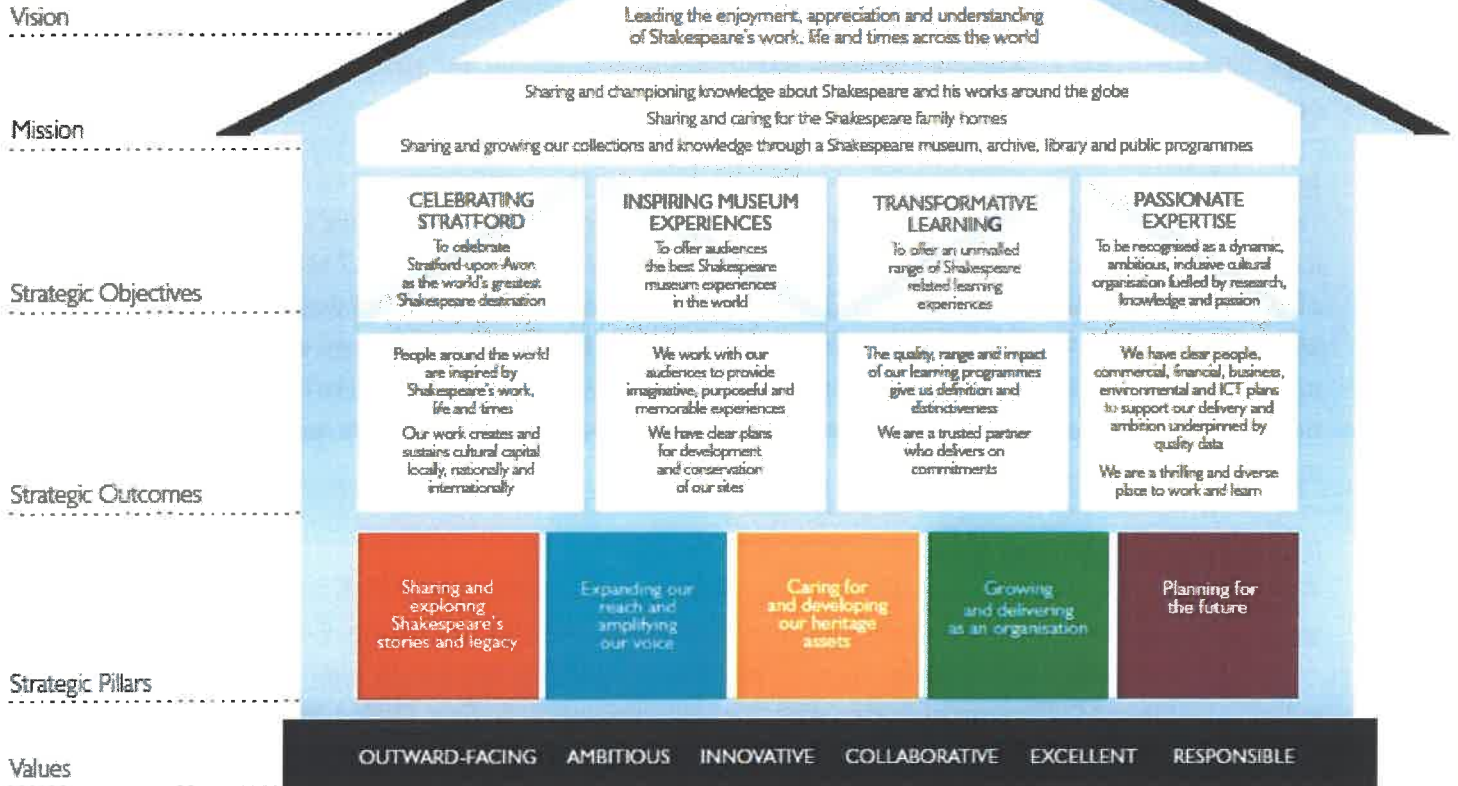
### **Strategic Framework in 2021**

To review our work across 2021 the Shakespeare Birthplace Trust returns to our overall strategic framework; the Strategy House. The Strategy House sets out our vision, our mission and their outcomes. These then define five Strategic Pillars, which cover all of our operation, and help us work coherently with collective ambition, informing our prioritisation, allocation of resources, people and skills development, partnerships and fundraising.



# Strategy House

## Bringing Shakespeare to life



## Strategic Pillars in 2021

### Sharing and exploring Shakespeare's stories and legacy

The heart of the Trust's operation is our mission to share and champion knowledge about Shakespeare and his works, both nationally and around the globe. Our focus across the year was on finding new ways to share Shakespeare's story which overcame the constraints imposed by the pandemic, and, especially as the year progressed and some restrictions were loosened, to restore as much as possible of our pre-pandemic offer to the nation.

#### Audiences

Thanks to Culture Recovery Fund support and in line with Step 3 of the Government's roadmap out of lockdown, we were delighted to be able to reopen Shakespeare's Birthplace on 17 May 2021. As part of a phased approach to our operating model, we also reopened Anne Hathway's Cottage and Shakespeare's New Place between 14 June and 30 September. These reopenings were conducted under carefully constructed Covid-safety measures as part of Visit England's Good to Go scheme, with timed ticketing in operation at Shakespeare's Birthplace. During this period, we welcomed 87,000 visitors across the three sites.

#### Interpretation and programming

We adapted to the impact of the pandemic by delivering a wide range of outreach activity, to ensure our offer continues to reach communities currently underrepresented in heritage. Examples include:

- A programme of community work with Coventry Library Services to support the Coventry City of Culture programme, with the Trust delivering its One Million Reads project - a series of Early Years storytelling workshops featuring colourful costumes, exciting props, music and movement in a lively, interactive and multi-sensory session.
- Partnership work with Coventry Refugee Services, with support from Coventry University to deliver outreach work at Mary Arden's Farm for an English as a Second Language (ESOL) group.
- The Sea of Troubles project – a collective of videos and digital content from young artists from the Balsall Heath area in Birmingham, using Shakespeare's words to make sense of their experience of the last year and a half.
- A series of talks to celebrate LGBT+ History Month as part of the *Outing the Past* festival.
- Three series of *Shakespeare Alive* podcasts with an average of around 500 listens/downloads per episode.

#### Research and knowledge

The Trust continued to facilitate research around the globe. This year's Birthday lecture marked the publication of our Trustee Professor Lena Orlin's groundbreaking new book *The Private Life of William Shakespeare*. Other titles the Trust has supported include *Rethinking Shakespeare's False Folio*, *Exploring Shakespeare's Church* and *Giving the Shakespeare Women A History*.

Our Head of Research, Paul Edmondson's entry on Susanna Hall for the Oxford Dictionary of National Biography was published in August, as with entries on Anne Shakespeare and Judith Quiney by Katherine Scheil. Paul Edmondson has been formally commissioned to write *Shakespeare and Stratford-upon-Avon* for the Oxford University Press's Oxford Shakespeare Topics series.



We hosted our first virtual internship, Alex Hewitt, who researched the lost interiors of Shakespeare's New Place and produced an online exhibition and several blogs.

### Learning

The easing of Government restrictions meant we were able to relaunch our learning work. With the Shakespeare Centre closed, we adapted our in person operating model and transformed some of our sites into flexible learning spaces. These included Mary Arden's Farm and Hall's Croft, in both cases creating Covid-Secure learning spaces, with ventilation equipment and AV systems installed to provide a safe learning environment. Feedback from teachers and children was extremely positive, with a real sense of excitement in the children, as they were delighted to be exploring our historic houses after so many months of pandemic enforced restrictions.

Shakespeare Week, our flagship primary education programme, was delivered digitally with support for schools and families to access home learning activities. Activities included twice daily online broadcasts, two new online exhibitions, a creative competition and a suite of new downloadable resources – all available free of charge. This model proved successful with over 42,000 downloads of our cross-curricular resources. Based on survey results around 2 million children enjoyed fun and meaningful early experiences of Shakespeare. The theme for Shakespeare Week 2021 was Wellbeing, addressing aspects of the new PSHE curriculum and using Shakespeare's works, life and times to explore human emotions, moral dilemmas and personal identity.

During Shakespeare Week, we planned and delivered a range of online daily broadcasts hosted by well-known children's authors, presenters, artists and actors, with short programmes ranging from Meditation to Tudor Baking and Lego Shakespeare animation and Horrible Histories drawalongs. Children could watch the broadcasts on Facebook, YouTube and the Shakespeare Week website.

We were thrilled that our Learning team won a Sandford Award for the fourth time for its provision of heritage education.

### Digital engagement

As a way of reinvigorating classroom teaching of Shakespeare in a post-lockdown environment, we launched a new digital learning membership scheme in September - a subscription service for schools across Key Stages 1-4 and A-Level with unlimited access to teaching materials, short films, downloadable resources and live engagement events including talks and homework clubs with our award-winning Shakespeare experts.

### **Expanding our reach and amplifying our voice**

The Trust is committed to maximising the impact of our position as the national museum of Shakespeare. 2021 was seen as a recovery year, and this required the Trust to dynamically refresh our working relationship with local, regional and national partners, working together to find ways to reach out into communities and to maximise the opportunities of successful partnerships.

### Reach and depth of public engagement

The Trust developed a new ticketing system alongside a third party partner, allowing us to successfully manage online bookings and capacity levels in a streamlined, user-friendly way and to trial a new multi-house offer (the Shakespeare's Story ticket). As part of our audience development planning, we introduced a new, progressive concessions policy in line with Arts Council England Investment Principles around minimising price as a barrier to cultural access.

### Strategic partnerships

Our work in 2021 was supported and facilitated by numerous partners and we wish to acknowledge their vital role:

- Arts Council England – This was the Trust's fourth full year of National Portfolio funding, and we are committed to an ever stronger and deeper working relationship with Arts Council England.
- Department for Culture, Media and Sport with Arts Council England – Financial support through the Repayable Cultural Recovery Fund has been crucial to supporting our post pandemic recovery journey
- Royal Shakespeare Company – Who we continue to work with on the presentation of our joint Designated Collection.
- Stratford District Council – We continue to work with the local council in supporting our collective vision for enhancing and post pandemic regenerating the local cultural economy.

### Targeted fundraising

The Trust has been the grateful recipient of significant financial assistance in response to the Covid-19 pandemic, and we have in particular been very successful in maximising the support available to us through funding programmes created by Arts Council England and the Department of Culture, Media and Sport. Following receipt of a total of £3.9 million cash awarded in 2020 from the Emergency Grant and Culture Recovery Fund schemes, in March 2021 the Trust agreed a loan to the value of £3 million, on preferential terms, through the Department of Culture, Media and Sport's Culture Recovery Repayable Finance scheme. This funding supported the Trust through the continued constrained operating environment in 2021, and will continue to support our position through our recovery period across 2022. We extend our deepest thanks to our colleagues at Arts Council England and the Department of Culture, Media and Sport regarding their ongoing support of our work.

Further to this, the Trust was notified of a potential extension to our support through Arts Council England's National Portfolio scheme, with the current National Portfolio schedule (originally running April 2018 to March 2022) extended to March 2023, on submission of a suitable Business Plan. The Trust applied for this extension and the extra year of funding was approved in December 2021.

The Trust has been honoured by the generosity shown to us by our Friends and donors through the year. Throughout 2021, we received a steady stream of voluntary donations to our cause, including significant and regular generous giving from attendees at our houses and online events.

## **Caring for and developing our heritage assets**

The care of our historic houses and collections is a key statutory function for the Trust, enshrined within our Act of Parliament. This responsibility was directly impacted by the pandemic, as due to Covid-19 restrictions and supply chains issues a backlog of work had built up across 2020. Our priority for 2021 was to tackle this backlog and ensure that the most urgent conservation priorities were addressed promptly and effectively.

### Conservation management

An extensive programme of conservation and maintenance works were undertaken between January and May 2021, with internal and external aspects of work including the replacement of lime plaster, repairs to timber flooring and chimney repointing. A significant amount of work also took place in and around the Shakespeare Centre to rectify water ingress into the Collections and Reading Room areas, as well as the installation of ventilation units.

We also improved 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.

The team was instrumental in preparing our historic houses 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.

### Acquisitions, collections care and management

Providing access to our Collections continued to be a priority and as part of our enhanced digital collections access offer, we supplied thousands of images of collections for remote research. Following refit work inside the Shakespeare Centre we were able to reopen the Reading Room from 31 August for pre-booked appointments.

New acquisitions for the collection include watercolour paintings by William Wells Quatremain (1857-1930) featuring the kitchen in Shakespeare's Birthplace, and Nash's House and the site of New Place. We also received a new acquisition via a bequest from the ArtFund – an artist's proof for 'Shakespeare's XV sonnet' by Joe Tilson, is signed by the artist and dated 1964.

## **Growing and delivering as an organisation**

The Trust has faced a major change in its operation over the last two years. The pandemic required a restructuring of the Trust's staffing and business model, a process largely complete by end of 2020. Our organisational priority over 2021 was recovery – for us to grow into our new operational model, but also to ensure that our recovery delivered the positive changes the Trust is deeply committed to around issues such as diversity and representation and environmental performance.

### Organisational design and coherence

The Trust has committed to appointing two key new senior roles to support the development of the organisation and delivery of the Business Plan. The Director of Knowledge & Engagement will play a central role in leading the Trust across the fields of learning, collections, research and programming, ensuring that they are ambitious and impactful. The Director of Development will play a key role in helping shape our long term vision and making it a reality, by identifying and exploring avenues for major capital and revenue support.

Our on-going recovery from the Covid-19 pandemic and the need for additional consultation and decision making resulted in the Board increasing its number of meetings during 2021 from four to nine, plus two sessions focusing on future strategy. Save for the September and December Board meetings, which had hybrid joining options, all Board and Committee meetings were held online.

Professor Carol Chillington Rutter stepped down as a Trustee on 25 March. 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.

On 1 July Michael Dobson and Ayub Khan were appointed as Trustees. These appointments were made following a review of the Board's skills and diversity. Both Michael and Ayub were former members of the Trust's consultative honorary Council. In September, Trustees Ralph Bernard and John Russell (Vice Chair) were both reappointed for a subsequent three- year term of office.

Chairman Peter Kyle's tenure with the Trust had been due to end in 2021, however following request by the Board of Trustees, to support the Trust and provide stability during the pandemic; he agreed to extend his term for a further 12 months, until October 2022. With the Board's delegated authority, the Nominations & Remuneration Committee supported by an independent HR professional has led the appointment and selection process. A procedure was designed to reflect best practice and stakeholder requirements with a core aspiration of attracting a diverse candidate pool. Following an open tender selection process, a global external recruitment agency was appointed to commence a far-ranging and transparent recruitment search beginning in January 2022.

### People development

The Trust has introduced its new and more agile performance development review (PDR) process that is closely aligned to the Trust's Business Plan, with staff member objectives responding directly to the Business Plan priorities including the implementation of Arts Council England Let's Create strategy. It also reintroduced a reshaped Staff Forum, focusing as a point of contact and body for exchange of ideas with staff.

The 2020 Board Effectiveness review comprised individual Trustee review meetings with the Chairman, a review of collective effectiveness, an audit of activity against the Charity Governance Code and consideration of the register of interests, skills and diversity matrices, attendance records and succession plans. An action plan for 2021 was embedded in the Trust's business plan for the year resulting in the agreement of succession planning actions, agreement of a process to recruit a new Chair for the Trust, variation to Committees membership, the appointment of Board EDIB and volunteering champions/touchpoints, promoting the Code of Conduct and a review of the honorary, consultation Council.

Looking after our people during this difficult year was a priority and we initiated a number of wellbeing and resilience activities. These included holding virtual meetings and social events to allow us to connect and reduce isolation, providing regular wellbeing advice via our internal newsletter and employee assist programme and providing mandatory training modules in safe operating procedures to give confidence to our team in welcoming visitors back in a protected way.

To keep volunteers safe, this year the majority were asked to pause their support while government restrictions were in place. Some volunteers adapted their roles and worked from home assisting the Trust on digital projects.

#### Diversifying our organisation and ways of working

The Trust committed to a new process of reviewing the diversity and sense of belonging among its staff, and so commissioned and delivered an Equality, Diversity, Inclusion & Belonging (EDIB) staff, volunteer and trustee survey process with an external agency People Insight. The data arising from this was reviewed by the Trust's Equality, Diversity, Inclusion & Belonging group and People Insight, benchmarked us against peer organisations, and across December the Trust published the results of this survey.

We believe a diverse Board of Trustees, with a blend of backgrounds, knowledge and experience is important to the effectiveness of our governance. In 2021, Trustee Rebecca Dobbs was appointed as Board Diversity champion/touchpoint and a process was agreed for reporting EDIB matters to the Board. The EDIB survey results were presented to the Nominations & Remuneration Committee and subsequently to the Board.

#### Environmental sustainability

In November 2021, the Trust was the first heritage organisation to join the EarthShakes Alliance – a global collective of Shakespearian theatres and organisations committed to putting environmental concerns at the heart of their operations.

During 2021, we reviewed and updated our existing Environmental Policy framework. We are working to:

- Continue to reduce our energy, water and non-renewable consumption and improve efficiency.
- Recycle, reduce, reuse and repair as a priority.
- Use sustainable methodologies in our conservation work.
- Source equipment and products locally, acquire our material from sustainable sources where possible.
- Encourage our audiences and visitors to be respectful of our environment and provide systems of recycling.
- Work innovatively and collaboratively to find ways to reduce the environmental impact of visitor travel to our sites, exploring local mitigations, working with partners to influence the transport infrastructure.
- Encourage our staff and volunteers to contribute to reducing our environmental footprint.
- Engage with local environmental and ecological groups to explore ways we can support and develop each other's work.

## Planning for the future

The Trust has major and transformative plans, including for capital development, which will greatly enhance our ability to meet our national role as the museum for Shakespeare. Despite the challenges the Trust has faced since the pandemic began, these plans remain as ambitious and farsighted as ever.

### Developing our sites and settings

The Trust has agreed a budget allocation within its Innovation work stream to conduct more “live experiments” in our visitor offer. These experiments will involve a significantly different approach to a visit, for example a guided tour around an otherwise closed site, which will offer something different to our normal visitor offer. We will record responses to this work to understand audience reaction to this experimentation.

### Short and medium - term strategy

Covid-19 has forced us to carefully review our strategy to secure the future of the Trust. This has included 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 will identify opportunities, and resources for new investment, partnership and diversification. As part of this work, we will focus on:

- Enhancing our creative mission in line with the updated 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.

2023 will be an important anniversary year in the Shakespeare realm as we prepare to mark 400 years since the publication of Shakespeare's First Folio in 1623, with an exciting programme of initiatives and events in Stratford-upon-Avon and online, paying homage to Shakespeare's enduring legacy.

Long - term strategy

Long term, we will only be successful in our ambitions through the extraordinary and ongoing support of our staff and volunteer teams working alongside our Trustees, Council members, partners and stakeholder networks. By 2025 we aim to:

- Be a dynamic and inclusive museum offering a wide range of rich, imaginative and inspiring experiences for our in-person and remote audiences.
- Have expanded the breadth and reach of our unique learning offer and be working in partnership with others to amplify our impact.
- Have redefined who we are as an organisation and strengthened our voice within a global conversation.
- Be effective, highly-skilled and financially resilient with the structures and processes we need in place to grow and to thrive.
- Have clearly defined plans in place to maximise the opportunities presented by our sites in Stratford-upon Avon and be actively pursuing them.

## 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.

### Strategic purpose and objectives

*"Caring for Shakespeare's family homes and sharing the love of his work and life from his home town "*

The charitable 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.

### 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. Our on-going recovery from the Covid-19 pandemic and the need for additional consultation and decision making resulted in the Board increasing its number of meetings during 2021 from four to nine, plus two sessions focusing on future strategy. Save for the September and December Board meetings, which had hybrid joining options, all Board and Committee meetings were held online.

The Board can comprise between 8-12 members. We currently have 12 Trustees. Those who served during the year and up to the date of this report are listed on page 3.

### 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 (EDI) 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, including our Governance Handbook.

### **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 three Trustees with the responsibility to:

- oversee the outcomes of external audits and other review work, including financial reporting processes;
- review the Trust's processes of internal control, and risk management;
- consider the Trust's compliance with relevant statutory and finance regulations
- review the Trust's safeguarding and legal compliance ; and
- advise the Board of any relevant matters

The committee met three times during the year. The Trust Chairman is an Ex-officio member of the committee and attended one of 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 our on-going recovery from the Covid-19 pandemic, the committee increased its programme of meetings for the year from four to six. The Trust Chairman is an Ex-officio member of the committee and attended some of 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 meet twice during 2021.

#### *Nominations & Remuneration Committee*

The committee reviews all people (employed, volunteer and Trustee) matters which include determining staff remuneration, senior staff and Trustee recruitment; equality, diversity, inclusion and belonging. Membership consists of five Trustees.

The Board delegated authority to the committee to lead the process to recruit a new Chair subject to regular update. As a result the committee extended its programme of meetings for the year from two to five.

#### **SBT Council**

The Trust's consultative, honorary Council established in 2018 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 a diverse cross-section of society. The Council is utilized as an incubator for future Trustee/SBTT Ltd Director appointments, 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.

As agreed, and following a members' survey, a three-year review of the Council took place in 2021 resulting in refinements to membership and the way we communicate. During the year, the Council was kept updated on key issues. In 2021 members supported numerous aspects of our work including taking part in consultation during the development of our strategy and the process to appoint a new Chair for the Trust, providing advice and guidance and content.

#### **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 SBTT Board of Directors met six times during 2021. The Trust, as parent company, is responsible for the appointment of new SBTT Directors. In 2022 it is considering the Board's succession plan.

The performance of SBT Trading Limited during the year ended 31 December 2021 is set out in Note 5 to the financial statements.

### **Arts Council England National Portfolio status**

The Trust has been an Arts Council England NPO (National Portfolio Organisation) since 2018, and the Trust was delighted to learn that its 2022/2023 Extension year application for NPO status was successful. 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.

Two years ago before the pandemic, the Trust embarked on a restructuring plan to redesign its senior leadership structure to enable Trust to build upon achievements, make the most of opportunities and shape its future ambitions. As reported in 2020, the Trust was able to recruit three new directors for the posts of Strategic Projects, Visitor Experience & Business Development and Finance & Resources. The recruitment of the final two director posts covering Development and Knowledge & Engagement (previously known as Cultural Engagement) was paused at the outset of the pandemic in March 2020. In mapping out a clear pathway for recovery, the Trust restarted this recruitment plan in early 2022.

### **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 objectives as:

- Providing opportunities for the enjoyable and stimulating learning for the general public (86,843 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 over 7.4million hits in 2021 – a 25% increase from 2020.
- Providing formal learning programmes for over 8,128 students both in person and virtually (3,294 students involved in outreach or coming to our sites; 4,834 virtually), and 72,136 downloads of our suite of over 300 teaching resources – a 20% increase from 2020 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 103 visits to our Reading Room with 794 library and archive items consulted and a limited online service for our collections which received 5,139 enquiries.

- Providing diverse opportunities for volunteering, internships and apprenticeships across the Trust. In 2021 our volunteers donated 2,302 hours.
- 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 through donations, 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.

Fundraising is managed by the Trust's Development team 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.

### **Equality, Diversity, Inclusion and Belonging**

The Trust is passionate about being a truly inclusive organisation - with the people who work with us and our audiences being as diverse as the communities we serve. This is fundamental to our belief that Shakespeare is for everyone and that the range of experience diversity brings is a huge asset to the Trust. We are determined to do our utmost to ensure an inclusive and welcoming environment for all.

During the year, we have undertaken an evaluation of our existing EDI Action plan, its progress and continuing relevance in a rapidly changing environment. To gain a better understanding of our perception of equality, diversity, inclusion and belonging along with achieving a benchmark of quantitative demographical data, we worked with a specialist external organisation to commission a survey of staff, volunteers and trustees. Post year end, we are delving deeper into the survey results and development opportunities with focus groups centred on people, audiences and communities with a wide range of participants across the Trust.

### **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 performance, living our organisational values and contribution to the delivery of the Trust's strategy. 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.

Due to the continuing impact of the pandemic, and to meet the requirements of the Cultural Recovery Fund repayable finance and grant applications, pay restraint was adopted with no pay increases applied in the financial year ended 31 December 2021.

### **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 performance and benchmarking data to ensure that levels of remuneration remain appropriate.

Due to the continuing impact of the pandemic and to meet the requirements of the Cultural Recovery Fund repayable finance and grant applications, a pay freeze for key management personnel was adopted with no pay increases applied in the financial year ended 31 December 2021.

### **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 delayed the reporting of gender suspended the reporting of gender pay gap data for 2019/20 until 5 October 2021.

The closure of our sites on 16 March 2020 as a result of the pandemic meant that by 5 April 2020 nearly 62% of our employees were placed on furlough as part of the Government's Coronavirus Job Retention Scheme, with a further 24% on 6 April 2020. The furlough scheme has had a significant adverse impact on our gender pay gap calculations.

Based on the designated "snapshot" date of 5 April 2020 as published on 5 October 2021 when comparing median hourly rates, women earn £0.84 for every £1 that men earn. Their median hourly wage is 16.8% lower than men's. However, when comparing mean hourly wages, women's mean hourly wage is 26.6% 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 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 Commitment**

The Trust is committed to working in a sustainable way as possible to minimise its environmental impact, including net zero greenhouse gas emissions by 2030. We are celebrating and exploring Shakespeare's connection to the natural world as a way of embedding environmental issues at the heart of what we do

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 and our carbon footprint. Between 2016 and 2020, our energy usage has almost halved, from 513 tonnes Co<sup>2</sup>e per annum to 269 tonnes CO<sup>2</sup>e. All our energy contracts are with

renewable suppliers and none of our rubbish goes to landfill. We will continue to monitor and improve as we move through 2022 and things move back to a pre-pandemic position.

### 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 risks, 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 risks 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 risks 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 continuing 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"> <li>• Updated Cash flow (and outturn) forecasts based on latest information to identify pinch points</li> <li>• Use of grant and loan funding from Arts Council England, use of Government business support schemes and pursuit of other funding opportunities</li> <li>• Re-evaluation of operating model and prioritisation of resources</li> <li>• Re-evaluation of investment assets held</li> <li>• Re-evaluation of operational accommodation needs and strategy</li> </ul>

Dependency on tourism, particularly international visitors for the funding of the current operating model to deliver charitable objectives	<ul style="list-style-type: none"> <li>• Diversification of income streams</li> <li>• Re-evaluation of operating model including staffing structure and prioritisation of resource</li> <li>• Use of digital delivery and income generation opportunities</li> </ul>
Organisational structure and nature of operational assets hamper medium to long-term strategic and financial planning	<ul style="list-style-type: none"> <li>• Implementation of revised organisational structure, roles and responsibilities</li> <li>• Re-evaluation of operational accommodation needs and strategy</li> <li>• Development &amp; introduction of master strategic and financial planning process</li> </ul>
Major conservation works on heritage assets significantly impacting on level of reserves	<ul style="list-style-type: none"> <li>• Conditional surveys and quinquennial reports with 10 year conservation plan</li> <li>• Phased works planned to conserve and maintain buildings.</li> <li>• Review of strategic assets and investments and other funding opportunities</li> </ul>
Cyber Security attack on core Trust systems impacting on the ability to operate or potential loss	<ul style="list-style-type: none"> <li>• Improvements in IT infrastructure to improve resilience</li> <li>• Staff awareness training on cyber security issues</li> </ul>

## 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*

2021 continued to be dominated by the financial impact of the Covid -19 pandemic. We commenced the year, once again in a national lockdown and we were able to reopen our flagship Birthplace shop in on 12 April but unable to open Shakespeare Birthplace to visitors until 17 May with Anne Hathaway's Cottage and Shakespeare's New Place opening a month later.

We continued to make use of the Government's Coronavirus Job Retention Scheme, in particular the flexi-furlough aspect of the scheme.

The main trading financial highlights of the year included:

- Despite a shortened season, sales of admissions tickets to three of our houses reached over £1million;
- Investment income from both our investment portfolios remained static year on year;
- We continued to make use of the Government's Coronavirus Job Retention Scheme, in particular the flexi-furlough aspect of the scheme. This supported our operations by £224,000;
- Overall expenditure reduced by £2million year on year. This was notably the annualised impact of the staff restructuring that we undertook in summer 2020;
- Commercial trading in our shops was encouraging despite a slow start with continued government restrictions. Our average spend per head was significantly up on that achieved pre pandemic.

***Despite this positivity, we incurred an operating deficit of (£2.9 million) which rises to (£3.1million) if the Government's Coronavirus Job Retention Scheme grant is excluded.***

This operating deficit has been supported by the Cultural Recovery Fund (£3 million) grant awarded in the later part of 2020. As we noted in last year's annual report, we continue to expect to 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.

To support the Trust's post COVID-19 financial recovery plan, 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 in March 2021. The loan was entered into under the Repayable Cultural Recovery Fund programme. 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.



### *Overall position*

On an overall funds basis, the Statement of Financial Activities shows an apparent overall net surplus of £2,159,000 (2020: £102,000) but this position is flattered by both the unrealised gains and the disposal of two investment properties:

	£'000
Net movement in Funds as reported in Statement of Financial Activities	2,159 Surplus
Remove impact of :	
Unrealised investment asset valuation movements	(304)
Unrealised actuarial gain on pension liability	(654)
Fixed asset impairment provision	46
Disposal of investment properties	(4,142)
<b>Underlying operating position</b>	<b>(2,895) Loss</b>

Our remaining apparent liquid assets (including our financial investment portfolio and proceeds from an in year land disposal - see '*Significant Property Transactions*' 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 (£2 million). Our other "on paper" assets were illiquid and this has required a considered (multi-year) rationalisation process.

### *Significant Property Transactions*

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 two investment properties during the year ended 31 December 2021- one residential property and the other being the exercisement of the longstanding option agreement over the land at Shottery by a development consortium. The impact of these disposals are separately disclosed on the face of the Statement of Financial Activities, however it should be noted that cash disposal proceeds on the option agreement will be received over the next three years and are included in debtors (note 16).

### *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 £470,000 reflecting a further impairment provision against catering equipment in excess of the regular depreciation charge.

Investments fell by £1,165,000 representing the property disposals noted in significant property transactions together with further commercial investment property fair value impairment provisions. However, the stock market value of our fiscal investments rose by £304,000 year on year.

Net current assets of £11,432,000 (2020:£5,497,000) represents our working capital. This does include the Repayable Cultural Recovery Loan receipt of £3million to be utilised to fund recovery period planned operating deficits and a debtor on the land option disposal agreement noted above. Without these two items, our net current assets would have been £5,620,000.

The deficit on our defined benefit pension scheme fell to £2,026,000 (2020:£2,929,000). 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 increased from 1.4.% to 1.8%, decreasing the value of our pension payment obligations. The deficit also benefited by the improvement in the underlying investment returns. However, with our funding actuarial valuation due as at 31 March 2022, it is uncertain what our longer-term pension deficit contributions requirements will be. Deficit contribution payments of £362,000 were made during the year.

Total funds as at 31 December 2021 amounted to £28,824,000 (2020: £26,665,000). Total Unrestricted funds amounted to £27,299,000 (2020: £24,718,000) which comprises £5,121,000 of undesignated funds and £22,178,000 of designated funds – details of which are included in the reserves policy note below. Restricted funds as at 31 December 2021 amounted to £1,525,000 (2020: £1,947,000) predominately comprising of the New Place heritage asset funded by restricted capital grants in prior years (£1,406,000) with the balance of £119,000 in restricted income funds. Neither of these restricted funds are available for the general purposes of the Trust.

### **Reserves policy**

As reported in the 2020 Annual Report, in the light of the Covid-19 pandemic, the Trustees using their risk-based approach reviewed the target basis for residual free reserves after designations during 2021. They considered that its target needs to take into consideration the following factors:

- Liquidity and
- Risk.

Liquidity means ensuring that there is appropriate reserves to manage fluctuations in bank balances on a day-to-day trading basis. This has been assessed by reference to the average “cash gap” over the last 3 years. The cash gap is the range between the lowest and highest month end bank balances. As at 31 December 2021, this has been calculated at £1,670,000.

Risk at this point in the Trust's post-pandemic financial recovery means taking into account two known legally obligated cash commitments that the Trust must ensure it has the ability to honour – Repayable Cultural Recovery Fund loan repayments and defined benefit pension scheme deficit contributions. As at 31 December 2021, this risk has been assessed at £1,375,000.

Taking the two factors together, the target basis for residual free reserves after designations and the pension reserve is £3,045,000. The unrestricted, undesignated funds as at 31 December 2021 amount to £5,121,000, however £2,853,000 of these funds relate to unrealised revaluation reserves.

The Trust also maintains designated 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 revenue expenditure and strategic capital match funding requirements, which are unlikely to be covered by annual generated income in this post pandemic recovery period.

It is important to recognise that the Trust has a 2-3 year period of planned operating deficits amounting to £3.5 million to fund as it emerges from the pandemic. The Repayable Cultural Recovery Fund £3m loan was entered into to support this recovery and as at 31 December 2021, the Trustees have designated £3.5m of its resulting cash balance to a Covid Recovery Fund. This fund will be utilised over the next 2-3 years.

As explained above in "Significant Property Transactions", the Trust disposed of two investment properties during 2021, these disposals have provided match funding for key strategic development opportunities and seed funding for innovative commercial income projects in their pilot stages. During the year, the Trustees designated £3 million to a Strategic Project Fund and £250,000 to an Innovation Fund.

The revised free reserves target approach has meant that the existing Working Capital designated fund was no longer considered appropriate and this fund was released to the undesignated, unrestricted fund as at 31 December 2021.

While the Trust had net assets of £28,824,000 at 31 December 2021, this included fixed assets and investment properties with a value of £22,617,000. Approximately £13,459,000 of these are properties of strategic importance to the Trust which are held for the long term in order to protect and conserve the historic setting of the Shakespeare family homes. During the pandemic with the Shakespeare family homes shut to visitors, they provided a critical source of income (2021: £688,000). These properties are held within a designated Strategic fixed asset investments fund 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.

The Trust's fixed assets that are used in day-to-day operations amount to £1.5million and are held in a designated functional fixed asset fund to match the net book value of the functional fixed assets that are used in the day-to-day operation of the Trust.

To for fill its charitable objectives and statutory obligations, the Trust's conservation needs and plans are a multi- year programme of activity and commitment – the Trustees have recognised this in a designated conservation fund that is backed by our investment assets. These investment assets provided critical sources of income during the pandemic (2021: £153,000).

#### **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.

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 continued to be impacted by the continuing pandemic. Rental returns from car parking slowly began its recovery journey in 2021. The majority of our commercial properties are retail units, with tenants continuing in 2021 to face difficult trading conditions due to the enforced closure during the first 4 months the year. Rental payment plans successfully agreed with our ongoing tenants have been adhered to.

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

The world's stock markets recovery from 2020's pandemic –related stock market sell off continued during 2021, although worries over rising inflation and concerns about the economic impact of the Delta variant of the Covid-19 virus did result in some market volatility at the mid point of the year. Our investment portfolio valuation grew by 7.9% on its 2020 year end position to finish year at £3.85m (note 14 to the financial statements).

The planned changes made to our portfolio holdings in the final quarter of 2020, served us well in 2021. Performance against our key benchmark (MSCI PIMFA Income) was 2.11% higher on a total return basis on a 12-month performance basis at 12.53%. 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	15.42%	25.0%
UK Equity	45.21%	22.5%
International Equity	17.43%	30%
Alternatives	19.20%	15%
Mixed Investment	2.17%	-
Real Estate	-	2.5%
Cash	0.57%	5.0%
Total	100%	100%

Source: Charles Stanley Investment Report & MSCI PIMFA Private Investor Income Index December 2021

Our portfolio has higher weighting in UK equities which performed better than fixed income and international equities that the benchmark portfolio has higher weightings in.

An analysis of our total return performance for the year to 31 December 2021 against other market indices was as shown in the table below:

	Total Return %	Comparison to our Investment Policy
Portfolio	12.53%	
Wage Inflation +5%	9.3%	Objective met
MSCI PIMFA Income	10.42%	Objective met
FSTE All Share	18.44%	Objective not met
FTSE All Govt	(5.16%)	Objective met
Portfolio Dividend yield	4.06%	
Dividend yield target	5.0%	Objective not met

Investments will continue to be robustly monitored in the forthcoming year.

It is intended that the Trust will review its treasury and investment objectives and policies during 2022. In accordance with governance best practice, our investment management services will also be market tested.

### Going Concern

The continuing impact of Covid-19 pandemic, together with rising inflation rates and now the potential impact of the war in Ukraine on world travel and economic recovery, has required the Trustees to review their 2022-2026 cash flow forecasts. The forecasts were 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. Key forecast assumptions have been stress tested and also take into account the 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, drawn down on 19 March 2021 was entered into under the Repayable Cultural Recovery Fund programme to support the Trust's post Covid-19 financial recovery plan.

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.

### 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 7 June 2022 and signed on its behalf by:



**Peter Kyle OBE** *Chair of the Trustees*

## **STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE TRUSTEE'S REPORT AND THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SHAKESPEARE BIRTHPLACE TRUST**

### **Opinion**

We have audited the financial statements of the Shakespeare Birthplace Trust for the year ended 31 December 2021 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 2021 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](http://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 U.K. LLP*

### Crowe U.K. LLP

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

Date: *4/7/22*

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 2021**

	Note	Unrestricted General funds £000	Unrestricted Designated funds £000	Restricted funds £000	Total 2021 £000	Total 2020 £000
<b>Income from</b>						
Donations	3	71	-	14	85	125
Charitable activities:						
Admissions to historic houses		1,109	-	-	1,109	897
Cultural engagement & participation		149	-	-	149	163
Grants receivable	4	444	-	65	509	5,693
Other trading activities	5	476	-	-	476	433
Investments	6	841	-	-	841	843
Other income	7	12	-	-	12	8
<b>Total income</b>		<b>3,102</b>	<b>-</b>	<b>79</b>	<b>3,181</b>	<b>8,162</b>
<b>Expenditure on</b>						
Raising funds		1,359	-	-	1,359	1,719
Charitable activities		3,849	367	453	4,669	6,314
Other expenditure		48	-	-	48	32
<b>Total expenditure</b>	8	<b>5,256</b>	<b>367</b>	<b>453</b>	<b>6,076</b>	<b>8,065</b>
Net gains/ (losses) on investments	14	304	-	-	304	(291)
Net gain on investment property	14	4,142	-	-	4,142	656
<b>Net income/(expenditure)</b>		<b>2,292</b>	<b>(367)</b>	<b>(374)</b>	<b>1,551</b>	<b>462</b>
<b>Transfer between funds</b>	19	<b>(2,468)</b>	<b>2,516</b>	<b>(48)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	22	-	654	-	654	(298)
Gains/(losses) on revaluation of fixed assets	14	-	(46)	-	(46)	(62)
<b>Net movement in funds</b>		<b>(176)</b>	<b>2,757</b>	<b>(422)</b>	<b>2,159</b>	<b>102</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	19	5,297	19,421	1,947	26,665	26,563
<b>Total funds carried forward</b>	19	<b>5,121</b>	<b>22,178</b>	<b>1,525</b>	<b>28,824</b>	<b>26,665</b>



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

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

**Consolidated Balance Sheet**  
**As at 31 December 2021**

		<b>2021</b>		<b>2020</b>	
	<b>Note</b>	<b>Group £000</b>	<b>Charity £000</b>	<b>Group £000</b>	<b>Charity £000</b>
<b>Fixed assets</b>					
Intangible assets	11	2	2	14	14
Tangible assets	12	1,552	1,552	1,659	1,659
Heritage assets	13	1,406	1,406	1,757	1,757
Investments	14	19,659	19,959	20,824	20,824
		<b>22,619</b>	<b>22,919</b>	<b>24,254</b>	<b>24,254</b>
<b>Current assets</b>					
Stocks	15	314	-	429	-
Debtors	16	3,043	3,277	1,776	2,406
Cash at bank and in hand		8,668	8,413	3,942	3,698
		<b>12,025</b>	<b>11,690</b>	<b>6,147</b>	<b>6,104</b>
<b>Liabilities</b>					
<b>Creditors:</b> amounts falling due within one year	17	(593)	(558)	(650)	(607)
<b>Net current assets</b>		<b>11,432</b>	<b>11,132</b>	<b>5,497</b>	<b>5,497</b>
<b>Total assets less current liabilities</b>		<b>34,051</b>	<b>34,051</b>	<b>29,751</b>	<b>29,751</b>
<b>Creditors:</b> Amounts falling due after more than one year	18	(3,201)	(3,201)	(157)	(157)
<b>Net assets excluding pension liability</b>		<b>30,850</b>	<b>30,850</b>	<b>29,594</b>	<b>29,594</b>
Defined benefit pension scheme liability	22	(2,026)	(2,026)	(2,929)	(2,929)
<b>Net assets including pension liability</b>		<b>28,824</b>	<b>28,824</b>	<b>26,665</b>	<b>26,665</b>
<b>Funds</b>					
Restricted funds	19	1,525	1,525	1,947	1,947
Unrestricted funds:					
Designated funds	19	22,178	22,178	19,421	19,421
Undesignated funds	19	5,121	5,121	5,297	5,297
<b>Total funds</b>		<b>28,824</b>	<b>28,824</b>	<b>26,665</b>	<b>26,665</b>

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 7 June 2022 and were signed on its behalf by:


  
**Peter Kyle OBE** Chair of the Trustees    **Mike Huggins** Chair of Finance and Audit & Risk Committees

## Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 £000	2020 £000
<b>Net income/(expenditure) for the operating period</b> <b>(as per the Statement of Financial Activities)</b>		<b>1,551</b>	<b>966</b>
<b>Adjustments for:</b>			
Depreciation charge		581	633
Impairment of fixed assets		15	54
Change in fair value of investments		(304)	291
Income from investments		(841)	(843)
Interest payable		48	-
Gain on disposal of investment property		(4,142)	(1,160)
Loss on disposal of fixed assets		-	7
Decrease/(Increase) in stocks		115	(61)
(Gain)/Loss on disposal of fiscal investments		(4)	25
Decrease/(Increase) in debtors		1,541	(1,045)
(Decrease)/Increase in creditors		(61)	(335)
Other pension movements	22	(249)	(214)
<b>Net cash (used in) operating activities</b>		<b>(1,750)</b>	<b>(1,682)</b>
Dividends, interest and rents from investments		846	833
Purchase of property, plant and equipment		(36)	(11)
Proceeds from sale of investments		2,819	1,893
Purchase of investments		(152)	(150)
<b>Net cash provided by/(used in) investing activities</b>		<b>3,477</b>	<b>2,565</b>
<b>Cash flows from financing activities</b>			
Loan advanced by DCMS	3,000	-	-
Interest paid on loan	-	-	-
		<b>3,000</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>4,727</b>	<b>883</b>
Cash and cash equivalents at the beginning of the reporting period		3,941	3,058
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>8,668</b>	<b>3,941</b>

**Reconciliation of net cash flow movement in net funds  
For the year ended 31 December 2021**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Increase/(decrease) in cash in the year	<b>4,727</b>	883
Opening net funds	<b>3,941</b>	3,058
Closing net funds	<b>8,668</b>	3,941

## 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 2021 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 6 and 24-25 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 2023 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 5. 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 to pay out resources. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The Consolidated Statement of Financial Activities defines costs into two specific categories:

- Raising funds;
- Charitable activities



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

Costs of charitable activities relate to the work carried out on the core purposes of the charity including the cost of maintenance and management of 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 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 fair value, based on cost less an impairment provision to reflect the net assets of the subsidiary undertaking as considered appropriate by the Trustees.

### ***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 I 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 measures 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 measures 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 predominately operates retail outlets. The summary financial performance of the charity alone is:

	<b>2021</b>	2020
	<b>£000</b>	£000
Income	<b>2,645</b>	8,468
Gift Aid from subsidiary	-	-
Loan interest and management charges from subsidiary	<b>71</b>	-
	<b>2,724</b>	8,468
Expenditure on raising funds	<b>(783)</b>	(599)
Expenditure on charitable activities	<b>(4,793)</b>	(6,576)
Other expenditure	<b>(48)</b>	(32)
Net (losses)/ gains on investment assets	<b>304</b>	(291)
Gain on disposal of investment assets	<b>4,142</b>	656
Actuarial gains/(losses)	<b>654</b>	(298)
Losses on revaluation of fixed assets	<b>(46)</b>	(62)
<b>Net incoming/(outgoing) resources</b>	<b>2,154</b>	1,266

## 3 Voluntary income

	<b>Unrestricted</b>		<b>Restricted</b>		<b>Total</b>	
	<b>2021</b>	2020	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£000</b>	£000	<b>£000</b>	£000	<b>£000</b>	£000
Donations	<b>20</b>	57	<b>14</b>	66	<b>34</b>	123
Legacies	<b>51</b>	2	-	-	<b>51</b>	2
	<b>71</b>	59	<b>14</b>	66	<b>85</b>	125

#### 4 Grants receivable

	<b>Unrestricted</b>		<b>Restricted</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Arts Council England – National Portfolio Organisation	<b>220</b>	224		-
Arts Council England – Museums and Schools	-	-	<b>47</b>	47
Arts Council England – Emergency Grant Scheme	-	900		
Arts Council England – Cultural Recovery Fund	-	3,000		
Rural Payments Agency	-	-	<b>9</b>	-
Archives West Midlands – No Barriers Project	-	-	<b>6</b>	-
Coventry Library – One Million Reads	-	-	<b>1</b>	-
HMRC Brexit Advice Scheme	-	-	<b>2</b>	
Stratford on Avon District Council	-	10	-	14
European Union- Erasmus Cusha	-	-	-	5
Coronavirus Job Retention Scheme	<b>224</b>	1,493	-	-
	<b>444</b>	<b>5,627</b>	<b>65</b>	<b>66</b>

#### 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.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Turnover</b>		
Trading income	<b>476</b>	468
Grants receivable	<b>47</b>	418
	<b>523</b>	886
Cost of sales	<b>(216)</b>	(224)
	<b>307</b>	662
<b>Gross profit</b>		
Administrative expenses (including recharges from the charity)	<b>(432)</b>	(931)
	<b>(125)</b>	(269)
<b>Operating (loss)/profit</b>		
Other interest receivable and similar income	-	-
	<b>(125)</b>	(269)
<b>(Loss)/profit for the financial year</b>		
Distribution to Shakespeare Birthplace Trust	-	-
	<b>(125)</b>	(269)
<b>Retained in subsidiary for the year</b>		

At the end of the year, the company had aggregate assets of £593,395 (2020: £718,287), and liabilities of £293,305 (2020: £982,099), which includes net amounts due to the Shakespeare Birthplace Trust of £257,902 (2020: £938,545) and net shareholders' funds of £300,090 (2020: (£263,812)). The charity has recognised a provision (£388,356) equal to the difference between SBT Trading Limited's net assets and the cost of investment in subsidiary undertakings (see note 14).

On 1 December 2021, the charity restructured its existing loan relationship with its trading subsidiary. The terms of the restructure and resulting loan are included in notes 14 and 16.

Income from SBT Trading Limited to the charity of £70,842 comprising of loan interest and management recharges (2020: £6,204) was eliminated upon consolidation.

## 6 Investment income

	2021 £000	2020 £000
Dividends and interest	153	160
Rental income	688	683
	<b>841</b>	<b>843</b>

## 7 Other income

	2021 £000	2020 £000
<b>Unrestricted funds:- General</b>		
Sundry income	8	8
Gain on disposal of fiscal investments	4	-
	<b>12</b>	<b>8</b>

## 8 Analysis of Total Expenditure

(a) Expenditure on raising funds	Staff Costs £000	Depreciation and impairment £000	Management and Support Costs £000	Other £000	2021 Total £000	2020 Total £000
<b>Unrestricted funds:- General</b>						
Expenditure on raising funds	299	-	164	896	<b>1,359</b>	1,719
<b>Total expenditure on raising funds</b>	<b>299</b>	<b>-</b>	<b>164</b>	<b>896</b>	<b>1,359</b>	<b>1,719</b>

(b) Expenditure on charitable activities	Staff Costs £000	Depreciation and impairment £000	Management and Support Costs £000	Other £000	2021 Total £000	2020 Total £000
<b>Restricted funds:</b>						
Expenditure on charitable activities	71	351	-	31	<b>453</b>	400

**Unrestricted funds:-**

**Designated**

Expenditure on charitable activities	39	245	-	83	<b>367</b>	393
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**Unrestricted funds:- General**

Expenditure on charitable activities	2,361	-	862	626	<b>3,849</b>	5,521
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**Total expenditure on charitable activities**

<b>2,471</b>	<b>596</b>	<b>862</b>	<b>740</b>	<b>4,669</b>	<b>6,314</b>
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**(c) Other Expenditure**

	Staff Costs £000	Depreciation and impairment £000	Management and Support Costs £000	Other £000	2021 Total £000	2020 Total £000
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**Unrestricted funds:-**

**Designated**

Loss on disposal of tangible fixed assets	-	-	-	-	-	7
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**Unrestricted funds:- General**

Loss on disposal of fiscal investments	-	-	-	-	-	25
Interest payable on loan	-	-	-	48	<b>48</b>	-
<b>Total other expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>48</b>	<b>32</b>

**Total Expenditure**

<b>2,770</b>	<b>596</b>	<b>1,026</b>	<b>1,684</b>	<b>6,076</b>	<b>8,065</b>
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**(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
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**Unrestricted funds:- General**

Expenditure on raising funds	839	-	205	675	1,719	2,999
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**Total expenditure on raising funds**

<b>839</b>	<b>-</b>	<b>205</b>	<b>675</b>	<b>1,719</b>	<b>2,999</b>
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**(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
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**Restricted funds:**

Expenditure on charitable activities	33	351	-	16	400	575
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**Unrestricted funds:-**

**Designated**

Expenditure on charitable activities	54	339	-	393	77
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**Unrestricted funds:- General**

Expenditure on charitable activities	3,812	-	1,128	581	5,521	7,042
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<b>Total expenditure on charitable activities</b>	<b>3,899</b>	<b>690</b>	<b>1,128</b>	<b>597</b>	<b>6,314</b>	<b>7,694</b>
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**(c) Other Expenditure**

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

Total resources expended include:

	<b>2021 £000</b>	<b>2020 £000</b>
Depreciation	<b>581</b>	633
Impairment of fixed assets	<b>15</b>	54
Governance costs	-	2
Auditor's remuneration:		
Audit of these financial statements	<b>12</b>	12
Audit of financial statements of subsidiary pursuant to legislation	<b>6</b>	6
Other services relating to taxation	<b>4</b>	6
Operating lease charges:		
Other than land and buildings	<b>84</b>	94

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.

	<b>Expenditure on raising funds £000</b>	<b>Expenditure on Charitable activities £000</b>	<b>2021 Total £000</b>
General management & governance	3	31	<b>34</b>
Finance & administration infrastructure	103	369	<b>472</b>
Human resources	26	122	<b>148</b>
Information technology	28	131	<b>159</b>
Digital, marketing & public relations	2	84	<b>86</b>
Facilities & estates management	2	125	<b>127</b>
<b>Total</b>	<b>164</b>	<b>862</b>	<b>1,026</b>

	<b>Expenditure on raising funds £000</b>	<b>Expenditure on Charitable activities £000</b>	<b>2020 Total £000</b>
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
<b>Total</b>	<b>205</b>	<b>1,128</b>	<b>1,333</b>

## 9 Staff numbers and costs

The average number of employees during the year was:

	<b>Number of employees</b>	
	<b>2021</b>	<b>2020</b>
Historic houses	<b>33</b>	107
Trading activities	<b>16</b>	49
Cultural engagement & participation	<b>33</b>	50
Management and support	<b>47</b>	51
	<b>129</b>	<b>257</b>
Number of part time employees included above	<b>61</b>	156
Full time equivalent of part time employees	<b>22</b>	66

The aggregate emoluments of these employees were as follows:

	<b>2021</b>	2020
	<b>£000</b>	£000
Wages and salaries	<b>2,393</b>	3,567
Social security costs	<b>186</b>	265
Pension costs	<b>152</b>	251
Redundancy and reorganisation costs	<b>-</b>	601
FRS102 s28 charge for past service costs	<b>39</b>	54
	<b>2,770</b>	4,738

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

	<b>2021</b>	2020
	<b>Number</b>	Number
£130,000-£139,999	<b>1</b>	1
£90,000-£99,999	<b>1</b>	-
£70,000-£79,999	<b>1</b>	-
£60,000 - £69,999	<b>1</b>	1
	<b>4</b>	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 £29,238 (2020: £14,925).

In 2021 Shakespeare Birthplace Trust paid redundancy and reorganisation costs of £nil (2020 £601,000). 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 2021 they were:

Chief Executive – Tim Cooke

Director of Strategic Projects – Tim Aucott

Acting Director of Cultural Engagement – Paul Taylor

Director of Visitor Experience & Business Development – Rachael Boyd

Director of Finance & Resources – Melanie Crooks

The total emoluments paid to key management personnel in 2021, including pension contributions was £500,056 (2020: £459,319).

## 10 Trustees

During the year, no Trustee received remuneration as Trustee (2020: £0). Trustees received travelling and out of pocket expenses, totalling £679 for 2 trustees (2020: £nil).

The Shakespeare Birthplace Trust maintained insurance for the Trustees/Directors throughout the financial year ended 31 December 2021 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 £2,240 (2020: £1,624) and the cover £2,000,000 (2020: £2,000,000).

## 11 Intangible fixed assets

### Consolidated and charity

	Software £000	Websites £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2021	381	128	509
<b>At 31 December 2021</b>	<b>381</b>	<b>128</b>	<b>509</b>
<b>Depreciation</b>			
At 1 January 2021	367	128	495
Charge for the year	9	-	9
Impairment provision	3	-	3
<b>At 31 December 2021</b>	<b>379</b>	<b>128</b>	<b>507</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>2</b>	<b>-</b>	<b>2</b>
At 31 December 2020	14	-	14

As at 31 December 2021, the Trustees have considered the carrying value of the catering IT software in the light of the decision not to resume hospitality trading in the same manner as pre pandemic operations and have concluded that a further impairment provision should be made against this asset to reduce the net book value to £nil.

## 12 Tangible fixed assets

### Consolidated and charity

	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Attractions and exhibitions £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2021	1,273	3,586	1,119	25	6,003
Additions	-	36	-	-	36
Disposals	-	-	-	-	-
Revaluation	90	-	-	-	90
At 31 December 2021	<b>1,363</b>	<b>3,622</b>	<b>1,119</b>	<b>25</b>	<b>6,129</b>
<b>Depreciation</b>					
At 1 January 2021	-	3,349	970	25	4,344
Charge for the year	-	151	70	-	221
Impairment provision	-	12	-	-	12
At 31 December 2021	-	<b>3,512</b>	<b>1,040</b>	<b>25</b>	<b>4,577</b>
<b>Net book value</b>					
At 31 December 2021	<b>1,363</b>	<b>110</b>	<b>79</b>	-	<b>1,552</b>
At 31 December 2020	1,273	237	149	-	1,659

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 2021, the Trustees have carried out a further review of the carrying value of all freehold land and buildings in the light of the Covid-19 pandemic, this has led to a upward revaluation of the freehold land and buildings of £90,000. The historic cost of freehold land and buildings is £600,610 (2020:£600,610).

As at 31 December 2021, the Trustees have considered the carrying value of its catering equipment in the light of the decision not to resume hospitality trading in the same manner as pre pandemic operations and have concluded that a further impairment provision should be made against these assets to reduce the net book value to £nil.

### 13 Heritage assets

#### Consolidated and charity

	<b>New Place £000</b>
<b>Cost or valuation</b>	
At 1 January 2021	3,513
<b>At 31 December 2021</b>	<b><u>3,513</u></b>
<b>Depreciation</b>	
At 1 January 2021	<b>1,756</b>
Charge for the year	351
<b>At 31 December 2021</b>	<b><u>2,107</u></b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b><u>1,406</u></b>
At 31 December 2020	<u>1,757</u>

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

	<b>2021</b>	2020
	<b>£000</b>	£000
<i>Analysis of investments</i>		
<i>Designated funds:</i>		
Freehold investment properties	<b>13,459</b>	13,595
<i>Undesignated funds:</i>		
Freehold investment properties	<b>2,345</b>	3,655
Listed and other investments	<b>3,855</b>	3,574
	<b>19,659</b>	20,824

All investments are held in the UK. The historic cost of listed and other investments as at 31 December 2021 was £3,406,857 (2020:£3,407,896). 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 2021, the Trustees have carried out a further review of the carrying value of all freehold land and buildings in the light of the commercial conditions of the

Covid-19 pandemic, this has led to a net downward revaluation of the freehold land and buildings of £136,000.

	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 2021	13,595	3,655	3,574	20,824
Additions	-	-	152	152
Disposals proceeds	-	(5,452)	(179)	(5,631)
Realised gain/(loss) on disposal	-	4,142	4	4,146
Change in market value	(136)	-	304	168
<b>As at 31 December 2021</b>	<b>13,459</b>	<b>2,345</b>	<b>3,855</b>	<b>19,659</b>
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:

	2021		2020	
	£000	%	£000	%
Investment property – “The Hill”	1,600	8.2	1,600	7.7
Investment property- 43 Henley Street	1,045	5.4	1,427	6.9
Investment property – 4 Shottery Lodge	1,065	5.5	1,065	5.2
Investment property – Upton’s Orchard & Briar Furlong	-	-	1,010	4.9

## Charity

	2021 £000	2020 £000
<i>Analysis of investments</i>		
<i>Designated funds:</i>		
Freehold investment properties	13,459	13,595
<i>Undesignated funds:</i>		
Freehold investment properties	2,345	3,655
Listed investments	3,855	3,574
Investment in trading subsidiary	300	-
	<b>19,959</b>	<b>20,824</b>

During the year ended 31 December 2021, SBT Trading Limited issued and allotted a further 688,599 of ordinary share capital to the Trust as its parent undertaking. The Trusts owns the entire £ 688,596 ordinary share capital of SBT Trading Limited (see notes 5 and 16).



	Freehold investment properties	Freehold investment properties	Listed investments	Investment in trading subsidiary	Total
	Designated £000	Undesignated £000	Undesignated £000	Undesignated £000	£000
<i>Movements in investments</i>					
As at 1 January 2021	13,595	3,655	3,574	-	20,824
Additions	-	-	152	688	840
Provision against investment in subsidiary (see note 5)	--	-	-	(388)	(388)
Disposals proceeds	-	(5,452)	(179)	-	(5,631)
Realised gain/(loss) on disposal	-	4,142	4	-	4,146
Change in market value	(136)	-	304	-	168
<b>As at 31 December 2021</b>	<b>13,459</b>	<b>2,345</b>	<b>3,855</b>	<b>300</b>	<b>19,959</b>
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:

	2021		2020	
	£000	%	£000	%
Investment property – “The Hill”	1,600	8.1	1,600	7.7
Investment property- 43 Henley Street	1,045	5.3	1,427	6.9
Investment property – 4 Shottery Lodge	1,065	5.4	1,065	5.2
Investment property – Upton’s Orchard & Briar Furlong	-	-	1,010	4.9

## 15 Stocks

	Consolidated		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Finished goods and goods for resale	314	429	-	-

## 16 Debtors

	Consolidated		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Receivable within one year:				
Trade debtors	36	27	29	12
Amounts due from subsidiary undertakings	-	-	8	-
Other debtors	1,029	1,677	1,029	1,654
Prepayments	60	65	52	58
Accrued income	43	7	34	7
	<b>1,168</b>	<b>1,776</b>	<b>1,152</b>	<b>1,731</b>
Receivable outside one year:				
Amounts due from subsidiary undertakings	-	-	250	675
Other debtor	1,875	-	1,875	-
	<b>1,875</b>	<b>-</b>	<b>2,125</b>	<b>675</b>
<b>Total</b>	<b>3,043</b>	<b>1,776</b>	<b>3,277</b>	<b>2,406</b>

As at 1 December 2021, the charity restructured its existing formal loan arrangement with its trading subsidiary. Part of the loan was converted into share capital in the trading subsidiary (£688,595) with the balance of £250,000 remaining as a loan. The loan is secured on the assets of the trading subsidiary and 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	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	87	92	81	86
Taxes and social security	71	77	71	77
Other creditors	10	6	10	6
Accruals	350	209	321	172
Deferred income	75	266	75	266
	<b>593</b>	<b>650</b>	<b>558</b>	<b>607</b>

## 18 Creditors: amounts falling due after more than one year

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Deferred income	<b>153</b>	<b>157</b>	<b>153</b>	<b>157</b>
Department for Culture, Media & Sport /Arts Council England Repayable Cultural Recovery Fund loan	<b>3,048</b>	<b>-</b>	<b>3,048</b>	<b>-</b>
	<b>3,201</b>	<b>157</b>	<b>3,201</b>	<b>157</b>

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.

The maturity of the Department for Culture, Media & Sport /Arts Council England Repayable Cultural Recovery Fund loan may be analysed as follows:

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Between one to two years	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Between two to five years	<b>458</b>	<b>-</b>	<b>458</b>	<b>-</b>
In five years and more	<b>2,590</b>	<b>-</b>	<b>2,590</b>	<b>-</b>
<b>Total</b>	<b>3,048</b>	<b>-</b>	<b>3,048</b>	<b>-</b>

The unsecured loan is repayable over 20 years with a 4 year capital repayment holiday and associated interest roll up until capital repayments commence on 19 March 2025. The rate of interest charged on the capital balance is 2% calculated on a daily basis. The loan agreement includes a number of monitoring and compliance covenants over the period of the loan. As at 31 December 2021 and until the date of signature of the financial statements these covenant commitments had been complied with.

## 19 Movement in Funds

Consolidated and charity	At 1 Jan 2021	Income	Expenditure	Gains & Losses	Transfers	At 31 Dec 2021
	£000	£000	£000	£000	£000	£000
<b>Restricted income funds:</b>						
Countryside Stewardship Scheme fund	6	9	(3)	-	(11)	1
Louis Marder Scholarship fund	15	-	-	-	-	15
Education Appeal fund	8	-	(1)	-	(7)	-
AQA – Espresso Shakespeare fund	4	-	-	-	-	4
Shakespeare Week fund	1	-	(1)	-	-	-
Young Interpreters Project fund	2	-	-	-	-	2
Collections fund	3	-	-	-	(1)	2
Online Collections fund	9	-	(4)	-	(5)	-
Rural Agency fund	5	-	-	-	(5)	-
Arts Council England – Museums and Schools	34	47	(78)	-	-	3
Levi Fox Archive fund	25	-	-	-	-	25
Erasmus Project – CUSHA fund	14	-	-	-	(14)	-
SBA – Education fund	7	-	(1)	-	(3)	3
The Space – Digital Houses fund	3	-	(1)	-	(2)	-
Creative Producers International fund	1	-	-	-	-	1
Hall's Croft fund	51	2	-	-	-	53
HMRC Brexit Advice fund	-	2	(2)	-	-	-
Archives West Midlands – No Barriers project fund	-	6	(3)	-	-	3
Coventry Library – One Million Reads fund	-	1	(1)	-	-	-
American Friends of SBT Research Project fund	-	7	-	-	-	7
Other short term projects fund	2	5	(7)	-	-	-
	<b>190</b>	<b>79</b>	<b>(102)</b>	<b>-</b>	<b>(48)</b>	<b>119</b>
<b>Restricted capital funds:</b>						
New Place fund	1,757	-	(351)	-	-	1,406
	<b>1,757</b>	<b>-</b>	<b>(351)</b>	<b>-</b>	<b>-</b>	<b>1,406</b>
<b>Total restricted funds</b>	<b>1,947</b>	<b>79</b>	<b>(453)</b>	<b>-</b>	<b>(48)</b>	<b>1,525</b>

## **Unrestricted funds**

<b>Consolidated</b>	<b>At 1 Jan 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Gains &amp; Losses</b>	<b>Transfers</b>	<b>At 31 Dec 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Designated funds:</u></b>						
Major property, conservation, development and redevelopment projects fund	<b>2,450</b>	-	-	-	-	<b>2,450</b>
Pension reserve	<b>(2,929)</b>	-	(113)	654	362	<b>(2,026)</b>
Functional fixed asset fund*	<b>1,673</b>	-	(245)	90	36	<b>1,554</b>
Covid Recovery fund	-	-	-	-	3,500	<b>3,500</b>
Strategic Projects fund	-	-	-	-	3,000	<b>3,000</b>
Innovations fund	-	-	(9)	-	250	<b>241</b>
Strategic investment fixed asset fund*	<b>13,595</b>	-	-	(136)	-	<b>13,459</b>
Working capital fund	<b>4,632</b>	-	-	-	(4,632)	-
<b>Total designated funds</b>	<b>19,421</b>	-	<b>(367)</b>	<b>608</b>	<b>2,516</b>	<b>22,178</b>
<b><u>Undesignated funds:</u></b>						
General fund *	<b>5,297</b>	3,102	(5,256)	4,446	(2,468)	<b>5,121</b>
<b>Total unrestricted funds</b>	<b>24,718</b>	<b>3,102</b>	<b>(5,623)</b>	<b>5,054</b>	<b>48</b>	<b>27,299</b>
<b>Total funds</b>	<b>26,665</b>	<b>3,181</b>	<b>(6,076)</b>	<b>5,054</b>	<b>-</b>	<b>28,824</b>

The funds denoted with \* include the following revaluation reserves - £9,512,000 (2020:£9,649,000) within the Strategic investment fixed asset fund (designated), £640,000 (2020:£550,000) within the Functional fixed asset fund (designated) and £2,853,000 (2020: £3,856,000) within the General fund.

The Charity unrestricted funds are stated above as the charity has recognised a provision (£388,356) equal to the difference between SBT Trading Limited's net assets and the cost of investment in subsidiary undertakings. The Trading company funds amount to (£388,506) deficit (2020: (£263,813) deficit).

**Prior Year Comparatives:**

<b>Consolidated and charity</b>	<b>At 1 Jan 2020</b>	<b>Income</b>	<b>Expenditure, gains and losses</b>	<b>Transfers</b>	<b>At 31 Dec 2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Restricted income funds:</u></b>					
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
	<b>121</b>	<b>118</b>	<b>(49)</b>		<b>190</b>
<b><u>Restricted capital funds:</u></b>					
New Place fund	2,108	-	(351)	-	1,757
Stratford on Avon District Council – Will's Kitchen fund	-	14	-	(14)	-
	<b>2,108</b>	<b>14</b>	<b>(351)</b>	<b>(14)</b>	<b>1,757</b>
<b>Total restricted funds</b>	<b>2,229</b>	<b>132</b>	<b>(400)</b>	<b>(14)</b>	<b>1,947</b>

## **Unrestricted funds**

<b>Consolidated</b>	<b>Restated At 1 Jan 2020 £000</b>	<b>Net income/ (expenditure) in the year £000</b>	<b>Transfers £000</b>	<b>At 31 Dec 2020 £000</b>
<b>Designated funds:</b>				
Major property, conservation, development 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
<b>Total designated funds</b>	<b>18,173</b>	<b>(1,294)</b>	<b>2,542</b>	<b>19,421</b>
<b>Undesignated funds:</b>				
General fund *	6,161	1,664	(2,528)	5,297
<b>Total unrestricted funds</b>	<b>24,334</b>	<b>370</b>	<b>-</b>	<b>24,718</b>
<b>Total funds</b>	<b>26,563</b>	<b>102</b>	<b>-</b>	<b>26,665</b>

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).

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:**

**Conservation 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. Following a review of designated funds by the trustees during 2021, this fund has been replaced by a new free reserves target approach to general unrestricted funds and the creation of the Covid Recovery fund.

**Covid Recovery fund:**

This designated fund represents the planned operating deficits to be incurred by the Trust in the post Covid-19 pandemic period. This is funded by the DCMS/ACE unsecured loan arrangement entered into during 2021.



**Strategic Project fund:**

This designated fund was established to provide match funding for key strategic development opportunities.

**Innovation fund:**

This designated fund was established to provide "seed funding" to innovative commercial income projects in their pilot stages.

**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)	(36)	36	-
General fund to Pensions reserve(2)	(362)	362	-
Working Capital fund to General fund (3)	4,632	(4,632)	-
General fund to Innovation fund(4)	(250)	250	-
General fund to various Restricted funds(5)	48	-	(48)
General fund to Covid Recovery fund (6)	(3,500)	3,500	-
General fund to Strategic Projects fund (7)	(3,000)	3,000	-
<b>Total transfers between funds</b>	<b>(2,468)</b>	<b>2,516</b>	<b>(48)</b>

(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 pension deficit contributions made from the general fund to the pension reserve.

(3) This represents the transfer of the working capital fund back to the general fund following a review of designated funds by the trustees

(4) This represents the transfer from the general fund to establish the innovations fund.

(5) This represents the transfer of funds from various restricted funds to cover the expenditure on activity delivery expended through the general fund directly.

(6) This represents the transfer from the general fund to establish the Covid Recovery fund.

(7) This represents the transfer from the general fund to establish the Strategic Projects fund.

Prior year comparatives

Details of inter fund transfers in the year ended 31 December 2020 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)
<b>Total transfers between funds</b>	<b>(2,528)</b>	<b>2,542</b>	<b>(14)</b>

(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.

**20 Analysis of consolidated net assets between funds**

	Unrestricted General funds £000	Unrestricted Designated funds £000	Restricted funds £000	Total funds £000
<b>Fund balances at 31 December 2021 are represented by:</b>				
Tangible fixed assets	-	1,552	-	1,552
Intangible fixed assets	-	2	-	2
Heritage assets	-	-	1,406	1,406
Investments	6,200	13,459	-	19,659
Current assets	2715	9,191	119	12,025
Current liabilities	(593)	-	-	(593)
Liabilities due after more than 1 year	(3,201)	-	-	(3,201)
Pension liability	-	(2,026)	-	(2,026)
<b>Total net assets</b>	<b>5,121</b>	<b>22,178</b>	<b>1,525</b>	<b>28,824</b>

	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)
<b>Total net assets</b>	<b>5,297</b>	<b>19,421</b>	<b>1,947</b>	<b>26,665</b>

## 21 Commitments

As at 31 December 2021 SBT was committed to making the following payments under non-cancellable operating leases:

	2021 £000	2020 £000
<i>Land and buildings:</i>		
Within one year	33	18
Between two and five years	32	19
	<b>65</b>	<b>37</b>
<i>Other:</i>		
Within one year	80	44
Between two and five years	128	6
	<b>208</b>	<b>50</b>
<b>Total</b>	<b>273</b>	<b>87</b>

The Trustees lease Harvard House at a peppercorn rent.

As at 31 December 2021, the SBT had capital commitments of £nil which were contracted for but not provided for in the financial statements (2020: £nil).

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

	2021 £000	2020 £000
<i>Land and buildings:</i>		
Within one year	367	186
Between two and five years	957	442
More than five years	3,363	3,417
	<b>4,687</b>	<b>4,045</b>

## 22 Pensions

### *Defined contribution pension scheme*

The SBT operates a defined contribution, money purchase arrangement pension scheme. The pension charge for the period represents contributions payable to the scheme and amounted to £152,144 (2020: £250,985).

### *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 £312,000 pa under this recovery plan. The valuation was updated by the actuary on an FRS102 basis as at 31 December 2021 for the purposes of these financial statements.

	<b>2021</b>	2020
	<b>£000</b>	£000
Present value of funded defined benefit obligations	<b>(9,811)</b>	(10,188)
Fair value of plan assets	<b>7,786</b>	7,260
Deficit in pension scheme – Pension liability	<b>2,025</b>	(2,928)

### *Movements in present value of defined benefit obligation*

	<b>2021</b>	2020
	<b>£000</b>	£000
At 1 January 2021	<b>10,188</b>	9,606
Interest cost	<b>141</b>	189
Actuarial losses/(gains)	<b>(220)</b>	711
Benefits paid	<b>(298)</b>	(318)
At 31 December 2021	<b>9,811</b>	10,188

### *Movements in fair value of plan assets*

	<b>2021</b>	2020
	<b>£000</b>	£000
At 1 January 2021	<b>7,260</b>	6,759

Expected return on plan assets	<b>102</b>	135
Actuarial gains/(losses)	<b>434</b>	413
Contributions by employer	<b>362</b>	271
Benefits paid	<b>(298)</b>	(318)
Administration costs paid from plan assets	<b>(74)</b>	-
At 31 December 2021	<b>7,786</b>	7,260

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Interest on defined benefit pension plan obligation	<b>(141)</b>	(189)
Expected return on defined benefit pension plan assets	<b>102</b>	135
Administration expenses	<b>74</b>	-
Total	<b>35</b>	(54)

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 gain of £654,000 (2020: a loss of £298,000).

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Equity instruments	<b>1,644</b>	1,513
Diversified growth assets	<b>2,947</b>	2,726
Real Estate	<b>812</b>	715
Debt instruments	<b>804</b>	774
Cash	<b>104</b>	87
Liability driven investments	<b>1,475</b>	1,445
	<b>7,786</b>	7,260
Actual (deficit)/return on plan assets	<b>654</b>	(298)

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:

	<b>2021</b>	2020
	<b>%</b>	<b>%</b>
Discount rate	<b>1.80</b>	1.40
Expected return on plan assets:		
Rate of increase in pensions payments	<b>3.5</b>	3.0
Rate of increase in deferred pensions	<b>2.2</b>	2.0
Inflation assumption	<b>2.5</b>	2.0
Mortality tables – imply life expectancy:		
Male retiring in 2021	<b>26.0</b>	25.9
Female retiring in 2021	<b>27.9</b>	27.8
Male retiring in 2041	<b>27.1</b>	27.1
Female retiring in 2041	<b>29.1</b>	29.1

### *History of plans*

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

<i>Balance sheet</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Present value of scheme liabilities	<b>(9,811)</b>	<b>(10,188)</b>	(9,606)	(8,963)	(9,152)
Fair value of scheme assets	<b>7,786</b>	<b>7,260</b>	6,759	6,085	6,491
Deficit	<b>(2,025)</b>	<b>(2,928)</b>	(2,847)	(2,878)	(2,661)

<i>Experience adjustments</i>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£000/%</b>	<b>£000/%</b>	<b>£000/%</b>	<b>£000/%</b>	<b>£000/%</b>
Experience adjustments on scheme liabilities	<b>136</b>	(186)	(13)	(66)	98
As a percentage of scheme liabilities	<b>(1.39%)</b>	(1.83%)	(0.14%)	(0.73%)	1.07%
Experience adjustments on scheme assets	<b>434</b>	413	532	(389)	358
As a percentage of scheme assets	<b>5.57%</b>	5.69%	7.87%	(6.39%)	5.52%

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.

## 23 Related party transactions

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

- The SBT paid Wright Hassall LLP £nil (2020: £4,432) in respect of legal advice. A creditor balance of £nil (2020: £nil) was outstanding at 31 December 2021. One of the Trustees, Nick Abell, is the Chairman of Wright Hassall LLP.
- The SBT paid Sheldon Bosley Knight £50,275 (2020: Not applicable) in respect of property management advice and services. A creditor balance of £nil (2020: Not applicable) was outstanding at 31 December 2021. One of the Trustees, Nick Abell, is the Chairman of Sheldon Bosley Knight.
- The SBT paid Stratford upon Avon Sports Club Limited £12,750 (2020: £nil) in respect of staff car parking. A creditor balance of £12,750 was outstanding at 31 December 2021 (2020: £nil). One of the Trustees, Nick Abell is a Director of Stratford upon Avon Sports Club Limited.
- The SBT paid Mayavision International £3,924 (2020:£nil) in respect of the creation of QR code videos. There is no creditor balance at 31 December 2021 (2020:£nil). One of the Trustees, Rebecca Dobbs, is Managing Director of Mayavision International Ltd.
- The SBT as a National Portfolio Organisation received a grant of £220,000 from Arts Council England during the year. One of the Trustees, Ayrub Khan is a Midlands Regional Board Member of the Arts Council England.

## 24 Prior year comparative consolidated statement of financial activities

### 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
<b>Income from</b>						
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
<b>Total income</b>		<b>8,030</b>	<b>-</b>	<b>132</b>	<b>8,162</b>	<b>11,120</b>
<b>Expenditure on</b>						
Raising funds		1,719	-	-	1,719	2,999
Charitable activities		5,521	393	400	6,314	7,694
Other expenditure		25	7	-	32	-
<b>Total expenditure</b>	8	<b>7,265</b>	<b>400</b>	<b>400</b>	<b>8,065</b>	<b>10,693</b>
Net gains/ (losses) on investments	14	(291)	-	-	(291)	401
Net gain on investment property	14	1,190	(534)	-	656	-
<b>Net income/(expenditure)</b>		<b>1,664</b>	<b>(934)</b>	<b>(268)</b>	<b>462</b>	<b>828</b>
<b>Transfer between funds</b>	20	<b>(2,528)</b>	<b>2,542</b>	<b>(14)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension scheme	23	-	(298)	-	(298)	(155)
Gains/(losses) on revaluation of fixed assets	14	-	(62)	-	(62)	-
<b>Net movement in funds</b>		<b>(864)</b>	<b>1,248</b>	<b>(282)</b>	<b>102</b>	<b>673</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	20	6,161	18,173	2,229	26,563	25,890
<b>Total funds carried forward</b>	20	<b>5,297</b>	<b>19,421</b>	<b>1,947</b>	<b>26,665</b>	<b>26,563</b>