
THE ROUNDHOUSE TRUST

Company Limited by Guarantee
Registered Charity

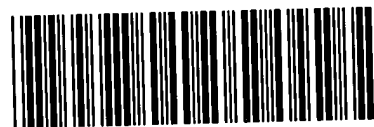
REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2018

Registered Charity Number: 1071487
Company Number: 03572184

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THE ROUNDHOUSE TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS	Page
Report of the Trustees Incorporating the Report of the Directors	2
Why We Exist and What We Do	2
Strategic Report	3
Future Plans	6
Review of the Financial Position	7-8
Risk Management	9
Key Policy Statements	10-11
Structure, Governance and Management	12-13
Reference and Administrative Details	14-15
Trustees' responsibilities in relation to the financial statements	16
Independent Auditor's Report to the Members of The Roundhouse Trust	17-18
Consolidated Statement of Financial Activities	19
Group and Charity Balance sheets	20
Consolidated Cash flow statement	21
Notes to the financial statements	22-37

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST MARCH 2018

Report of the Trustees Incorporating the Strategic Report

The Trustees of the Roundhouse Trust, who are also Directors of the Company for the purpose of Company Law, are pleased to present their Annual Report for the year ended 31 March 2018, including the Directors Report and the Strategic Report under the 2006 Act. The accompanying accounts include the consolidated results and balance sheet of the Roundhouse Trust and its active subsidiary. In reviewing the plans, results and achievements of the charity, this Trustee's report comments principally on the activities of this group as a whole.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees have considered the Charity Commission's guidance on public benefit and have set the annual objectives, strategies and activities of the organisation with the aim of delivering the benefits outlined above. Additionally, they have considered the Commission's guidance on fee charging; allowing the widest possible access to our productions and creative programme is crucial and something we strive for across the full range of our activities. There is a separate note below providing more details on our accessible pricing.

Why We Exist and What We Do

We create to transform

The Roundhouse is a hub of inspiration where artists and emerging talent create extraordinary work and where young people can grow creatively as individuals. We believe that creativity can change lives. By giving young people the chance to engage with the arts through our music, media and performance projects, we inspire them to reach further, dream bigger and achieve more. We do this because we believe creativity gives us freedom, hope and has the power to transform.

Powering transformation

Every year we host hundreds of gigs, shows and events in our Main Space and throughout our building. Every ticket bought, drink sold and donation from our generous supporters and partners helps fund the transformational work we do with young people in our Paul Hamlyn Roundhouse Studios.

Charitable aims

All of our work is underpinned by three clear aims that are linked to goals identified when the charity was set up:

- To provide a programming framework, facilities and a supportive environment in which young people can realise their creative, personal and professional potential;
- To develop a broad and varied artistic programme which pushes artistic boundaries, bringing new and extraordinary experiences to London's audiences;
- To care for and celebrate our Grade II* listed landmark building, keeping the stories of its rich heritage alive and accessible to all.

2017-18 Objectives

1. Offer 3,000 young people exceptional creative opportunities every year, to enable them to build skills for employment and personal development.
2. Develop an artistically ambitious and digitally innovative artistic programme.
3. Develop clarity around key components of the Roundhouse's powerful and unique identity particularly our work with young people. Further develop the organisation by extending our income potential, reviewing our cost base and ensuring a sustainable financial model.
4. Celebrate and maintain our Grade II* listed building, plan the next phase of site development, develop our facilities and services and ensure an excellent visitor/client/ staff experience.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Strategic Report

In the sections below we have outlined significant events and progress we have made during the year across the four objectives stated in the 2015-2018 business plan. In the year we also completed a new business plan covering the period 2018-23. This is outlined in the Future Plans section on page 6 and includes areas for further development across all of the areas discussed below.

1. Offer 3,000 young people exceptional creative opportunities every year, to enable them to build skills for employment and personal development
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In 2017/18 the Roundhouse exceeded its target and worked with 5,944 young people, developing their skills and confidence through creativity. We did this in the following ways:

Engaging with those hardest to reach

53% of young people accessing our programmes come from disadvantaged socio-economic backgrounds (exceeding our target of 33%). We continued to deliver our intensive NEET projects work with young people who face a number of disadvantages including recovering from substance abuse, homelessness and mental health issues.

Local community groups were invited throughout the year to our performing arts events with tickets reduced or free, for example we welcomed 200 people from local community groups to the dress rehearsal for *The Return of Ulysses*. As part of *It's not yet Midnight* and *+/- Human* we took professional circus performers and dancers respectively to work with young people on Queen's Crescent Estate to create a show that was performed on the estate for residents as well as at the Roundhouse for audiences to see.

Opportunities for All.

As part of our *And Now What?* season we platformed young and diverse voices exploring the times in which we live, looking at themes such as identity, mental health, inequality, post Brexit-Britain and immigration. Ahead of the general election we created a video encouraging young people to register to vote. We commissioned Roundhouse Resident Artist, Rachel Nwokoro to write a poem about the importance of young people voting. On Facebook alone the video had over 30,000 views and was shared by news outlets and our peers.

Ahead of our spoken word festival *The Last Word*, a diverse range of young, developing and established artists were supported to undertake research and development. Support included space to develop ideas and receive critical feedback and support from the producing team. This diversity of voice and perspective was mirrored throughout the festival with work that represented and explored issues including religion, mental health, gender identity and sexual orientation. For the second year, and as part of *Roundhouse Rising*, we worked with Roundhouse Alumni *Little Simz* to programme *Welcome to Wonderland: The Experience – part II*. Curating a full takeover of the Roundhouse including three stages, an art exhibition and an in-conversation event with Riz Ahmed & Will Poulter hosted by Reggie Yates.

In November the Roundhouse presented *On Mass*, the culmination of a year's work with 150 young artists aged 16-25 from the Faroe Islands, India, Scotland, Brazil, Palestine and the UK. They created new music and circus inspired by workshops and collaborations. 80 young performers took part across three stages, performing alongside the legendary Angelique Kidjo in front of a live audience of over 1,000 people.

Developing the Next Generation of Talent

We restructured our Resident Artist programme to improve the development opportunities we are able to offer young emerging artists. We supported 70 artists, all under 25 providing a host of development and performance opportunities which included our *In the Round* season, *Roundhouse Rising*, *the Last Word Festival*, Wayne McGregor's *+/- Human* in addition to securing performance opportunities at a range of festivals including *Bestival*, *Citadel*, *The Great Escape*, *Cubitt Sessions*, *Sofar Sounds*.

We offered five traineeships, including two apprenticeships who completed their Level 2 qualification in technical Theatre: Sound, Light and Stage in January. We are currently restructuring the trainee programme and creating an entry level workforce strategy to provide a more uniform recruitment process, clarity around expectation and objectives and improve the evaluation during and after each traineeship in order to better track progression.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

We had 40 Radio presenters/ producers last year across a wide and diverse range of different shows. Out of these eight are now working across BBC radio networks and 23 out of 50 of our most recent alumni are now working in professional radio or TV.

Enabling Young Voices to be heard

Roundhouse Youth Advisory Board (RYAB) is regularly consulted on Roundhouse developments; last year these included our new Centre for Creative and Digital Entrepreneurs, the rebrand of Roundhouse Radio (Transmission Roundhouse) and our new five-year business plan. Two members are recruited to join our board of trustees annually and play an active role in all Board and governance discussions.

In November last year we launched *Guided by Young Voices* our youth governance guide in partnership with Arts Council England to encourage more arts organisations to include young people on their boards. 1,400 guides have been distributed following a press campaign and launch event. We believe the arts sector can lead a societal change to offer some of the least engaged young people the chance to take a leadership role.

Spoken word continued to provide a platform for young people to have their voice heard. This year's Poetry Slam final runner up was a young woman whose poem *This is not a Humansing Poem* was released on our social media channels following her performance. Within two weeks it had 2 million views on Facebook and was picked up by publications across the world including India, Italy and America and more importantly it sparked conversations across all platforms. Suhaiymah has gone onto travel around the world performing and taking part in panel discussions about race, religion and feminism. The Roundhouse has signed her up as one of the three young creatives on the Nicola Thorold Fellowship which will give her a year of support to develop her creative career.

2. To develop an artistically ambitious and digitally innovative artistic programme

Our artistic programme included new commissions and world premieres with: comedian and spoken word artist Daniel Kitson – who delivered a three-week run of his new work *Something Other than Everything*. Wayne McGregor Dance Company in collaboration with the Royal Ballet created *+/- Human*, combining technology with arts and dance. Created in response to our unique main space *+/- Human* brought together three major creative forces: Wayne McGregor, Random International and Warp records.

The Last Word Festival saw its first ever main space gig/ theatre experience with Roundhouse alumni Sabrina Mahfouz bringing together spoken word with UK garage performers – DJ Luck and MC Neat, Might Moe and DJ Steady in a show called *With a Little Bit of Luck*.

Last year also saw the second of our co-productions with the Royal Opera House; *The Return of Ulysees* received multiple four and five star reviews. Alongside side this we developed a range of projects and enhanced experiences for audiences. The Ulysees Listening Wall was an audio experience which engaged opera audiences in contemporary spoken word through poems written by young people in response to the story of *the Return of Ulysees*.

The Roundhouse continues to be an internationally renowned venue attracting artists such as *Run the Jewels*, *Blondie*, *Frank Turner*, *Anges Obel*, *Imagine Dragons*, *Thomas Rhett* and *Simple Minds*. Our *In the Round* series running for eight shows featured *Beth Orton*, *Nadine Shah*, *Chip and Oumou Sangare* and each night showcased a Roundhouse Resident Artist.

3. Develop clarity around key components of the Roundhouse's powerful and unique identity particularly our work with young people

The Roundhouse launched a new major partnership with author, speaker and international advisor Sir Ken Robinson who has agreed to become an Associate Creative Curator for a five year-period. Sir Ken Robinson is a pioneer in championing creativity and he will work with the Roundhouse to transform the lives of more young people over the coming years and advocate for the value of culture and creativity in our society.

We conducted a rebrand of our youth radio station *Transmission Roundhouse* (formerly *Roundhouse Radio*). We changed our approach to programming, ensuring a range of diverse voices are platformed and have grown our audience by 35%.

Last year the Executive, Senior Management and Board of Trustees completed the business plan, outlining the five year vision of the Roundhouse. Within it we have given clearer priority and focus on the work we do with young people (our Principal Goal) and for the first time outlined our ambition to grow our advocacy work and raise the profile of the value of creativity on young people. This will include campaigning for and championing the need to

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

diversify the creative industries to ensure a viable employment pipeline for the thousands of young people that come through our doors each year.

4. Further develop the organisation by extending our income potential, reviewing our cost base and ensuring a sustainable financial model

We continued to spread our income across a pool of diverse income streams ranging from trading and commercial income, trusts and foundations, corporate sponsorship, individual donors and fundraising events. This, linked with our business planning processes has allowed us to flex the allocation of our resources to meet changing economic environments.

In terms of maximising existing income the use of our main performance space is a key driver for this – over the last five years we have invested in equipment and seating that has allowed us much more flexibility in our programming diary. Dark days (being days when there has been no activity in the Main Space) have reduced from 15% to 11% in 2017/18. Over the next business planning period we will continue to monitor the balance of our programme and seek to increase commercial activity through further reductions in dark days.

At the end of 2016/17 we completed a review of our food and beverage provision and made the decision to no longer have a permanent on-site restaurant. Instead we are working with pop-up food providers during specific periods in our programming calendar aimed at targeted audiences. This has had a positive impact on our net income in 17/18 increasing income from this area by £250,000.

In July 2015 we added an additional source of income via the rental of office space in our new administration building. To fund this we were loaned £1million by the Norman Trust. During the year we repaid a further tranche and the balance now stands at £500,000. Once this loan is repaid in full it will contribute a further £220,000 per annum to our charitable activities.

The Roundhouse also earns investment income through two sizeable endowments; both of which are managed by external investment managers. This has provided a steady source of income for the last four years and has performed in line with various benchmarks.

Our fundraised income performed well in 2017/18 exceeding budgetary targets and our highest achievement to date. There is a strong development team in place and the arrival of our new Chair of Trustees and other new Board members who have been active in their support of our fundraising efforts has had an impact on growth. However it remains a challenging and competitive environment particularly with the relative decline of statutory funding for organisations.

5. Celebrate and maintain our Grade II* listed building plans the next phase of site development, develop our facilities and services and ensure an excellent visitor/client/ staff experience.

The original Roundhouse building is 170 years old and it has been 12 years since the Roundhouse reopened following a major capital development. We have a responsibility to regularly maintain this Grade II* listed building and it requires considerable management and care to protect its heritage assets and ensure it is fit for purpose as it is in use almost 365 days per year.

During the year, in addition to day-to-day maintenance, we invested in a range of show and IT equipment and upgraded computers in the Paul Hamlyn Roundhouse Studios.

We also commissioned a detailed survey of all the Roundhouse's Plant and Machinery. This has helped us identify areas that will need specific focus in the next three years. We are in the process of planning and prioritising the sequencing of the necessary replacements and upgrades. The funding of these projects as well as the scheduling of major works without disrupting ongoing operations is a key challenge for us.

The Roundhouse has robust health, safety and security measures in place and all staff and security personnel are regularly trained. This remains a continual priority for the Roundhouse. Through 2017-18 we have further developed our business continuity planning processes.

As reported last year The Next Generation campaign launched in late 2017. The project will include improvements to the historic site and the iconic Roundhouse venue as well as the construction of a new Campus building that will comprise three new studios and a Centre for Creative and Digital Entrepreneurs. Throughout this year we have continued to fundraise for the Next Generation campaign, primarily raising funds from trusts and foundations and major philanthropists and have now raised more than two thirds of our target of £15million.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Future Plans

The Roundhouse has 12 years of experience of working with, and championing the voice of young people. During the year the Roundhouse developed its Business Plan for the five year period 2018 to 2023. In this our aim, by 2023, is to cement the Roundhouse as a London-wide charity increasing the number of young people we work with to at least 10,000 each year.

We will achieve this through our creative programme delivered in our premium venue and via the work we deliver in the wider community. Our plan to reach over 10,000 young people a year by 2023 is both exciting and ambitious. The numbers of young people the Roundhouse works with has increased by 40% in the last two years. This has placed a huge pressure on the physical capacity of our Paul Hamlyn Roundhouse Studios and on the number of creative projects we can deliver. To combat this, and meet the demand of both young people and the wider sector we have launched the Next Generation Campaign. Our plan is to build new studios on site and incorporating a Centre for Creative & Digital Entrepreneurs for young people aged 18-30 providing affordable workspace, mentoring, skills programmes and improved links to the wider creative industries. This of course represents an additional income target of £15 million to raise for our fundraising team, but thanks to the donation of the land by the Norman Trust valued at £5m and the donors and funders that have already pledged or committed to the project, we have raised £9.9million towards our target and hope to achieve the remaining £5.1million alongside meeting our annual revenue targets over the next three years.

We will welcome a diverse range of audiences both digitally and in our venue to see our agenda-setting artistic programme; further diversified, grow our mixed economy model and in our role as custodians take care and protect our Grade II* listed building.

The Business plan therefore sets out one Principal Goal and four supporting objectives:

Our Principal Goal

Expand our creative offer, depth of engagement, inclusion and reach so that we can further increase the number of young people we work with to over 10,000 a year by 2023.

Objective 1

The Roundhouse will commission and present engaging and high quality work that pushes boundaries, reflects society, celebrates and develops artists, involves young people, and brings new and extraordinary experiences to audiences.

Objective 2

Champion the voice of young people and increase the profile of the Roundhouse's charitable work

Objective 3

Develop and diversify our carefully balanced mixed-economy model to support expansion plans, build reserves and maintain our Grade II* listed building and operate as an environmentally sustainable organisation.

Objective 4

Invest in our most valuable asset - our people. To deliver our ambitious five year goals we need to further develop our entrepreneurial and innovative culture, ensuring that it is aligned to our overall values and organisational objectives.

The Roundhouse will build on its legacy of more than 12 years as a premium arts venue, but by 2023 it will be more than this. It will be a bustling hub of artistic, creative, technical and entrepreneurial endeavour, where audiences come to see ground-breaking work of outstanding quality and where any young person regardless of their class, ethnicity, gender, gender identity, sexual orientation or disability will see the Roundhouse as a place for them. A place where they can enjoy and engage with the arts. Where they can develop creative skills and experiences that fulfil their life chances. Where they have a place to go, to be and to call home.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Review of the Financial Position

Overview of Financial Model

The Roundhouse has a mixed but integrated financial model. There are a number of key income sources and activity areas.

We derive income from a wide range of activities

- Rental of the main auditorium space for third party events - including conferences galas and exhibitions etc.*
- Rental of office space to a third party *
- Food and beverage income – this is mainly linked to music and artistic performance's*
- Rental of main auditorium space and associated services (including box office) for third party music hires.
- Ticket income and other sundry income from own promoted or commissioned music or artistic performances.
- Fundraising and sponsorship income through a mixture of donations from individuals, grants from trusts, corporate sponsorship and income from various membership schemes. There is also a biennial fundraising gala
- Government funding via Arts Council England as an National Portfolio Organisation
- Income linked to our creative programme being a mixture of course/project fees
- Investment income – this includes interest on deposits, but mainly comes from dividend and other income linked to the endowment funds.

This mixed economy model spreads the financial risk of being reliant solely on one or two main income sources and enables us to plan and make longer term commitments to a range of activities to support our charitable aims. In a typical year for example we allocate the main auditorium space between music, events and our own commissions. The mix of this programming has a significant impact on the income mix. The mix of fundraising and sponsorship income also tends to vary between years, particularly in a year when we host a fundraising gala. Income from events and office space rental along with food and beverage income (the items marked with *) are recorded through Roundhouse Trading Limited with the net profits gift aided back to the charity (see note 4). The other elements appear on the consolidated statement of activity under Donations, Income from charitable activity or Investment income as applicable. The notes to the accounts 2, 3 & 5 provide a detailed breakdown.

Our Income and Expenditure in 2017-18

Total Revenue for the year was £11,982k (2017: £12,403k) and Total Resources expended by the group was £11,993k. (2017: £12,525k). Therefore net operating deficit before gains on investments was £10k (2017: £(122) k).

The Net movement in funds for the year is a positive £217k (2017: positive £812k)

Income

Revenue from trading activity increased to £5,044k (2017: £4,899k) mainly due to a higher level of event bookings.

Charitable activities for the year stood at £5,539k (2017: £6,793k) mainly lower as this financial year was not a Gala year.

The restricted capital income received in the year of £125k (2017: £100k) represents funds received towards the Next Generation Campaign.

Expenditure

Within expenditure costs are reported under two broad categories Costs of raising funds and Expenditure on charitable income.

Under Costs of raising funds we include costs relating to the trading activity and those linked to fundraising. Total expenditure for the year for this area was £3,667k (2017: £3,910k). This decrease is mainly due to the non-occurring cost of the Gala in this financial year. Expenditure on charitable activity was £8,326k across the four areas (2017: £8,615k). For both years these numbers include an allocation of depreciation linked to the initial refurbishment of the building 10 years ago. Excluding this expenditure, charitable activity was £7,826k in 2018 and £8,053k in 2017 (See Note 7 for a more detailed analysis).

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Funds

Overall the consolidated result for the charity included a surplus on unrestricted funds of £1,148k (2017: £619k) after transfers from the endowment of £586k (2017: £95k). At 31 March 2018 unrestricted funds carried forward were £4.9million.

The charity received £268k of restricted funds in the year towards specific noncapital projects. This added to the brought forward balance of £18k equalled £286k which was fully spent in the financial year.

The capital funds balance at 31st March 2018 was £20,897k (2017: £21,278k). The expense of £506k (2017: £568k) represents depreciation on assets previously capitalised.

The endowment fund balance as at 31st March 2018 was £5,675k (2017: £6,207k). This represents restricted investments donated in 2011. The drawdown rules of the endowment allowed for a £221k drawdown in the year and an additional one-off withdrawal of £500,000 was agreed with the Foundation.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Risk Management

The risks the organisation faces have been reviewed on an ongoing basis throughout the year by the senior management and as part of the process have been reviewed by the Business, Audit and Risk Committee with significant risks also considered at the main Board.

The principal risks and uncertainties to which the charity is exposed along with the mitigating factors are:

Combined risk of economic and social factors

The Roundhouse has a number of diverse and strong income streams which provide a sound mixed economy operating model. However at the core is the Roundhouse building itself and the role it plays in both generating income and providing a base from which to run our charitable activity. While we are confident that we have a range of risk mitigation procedures in place to ensure the ongoing security and sustainability of the Building and its operating model there remains a residual risk due to matters outside our control driven by economic, social or political factors particular when events may converge.

Risk management and mitigation

- Regular dialogue with key partners
- Thorough and rehearsed Major Incident Plan
- Comprehensive Insurance policies
- Continuing to building a range of diverse income sources
- Monitoring key areas and consider multi-year contracts or agreements where appropriate.
- Flexible planning process – This allows considerable flexibility enabling us to vary our activities in response to unplanned financial variances.

Risk of loss or inability to retain key members of senior management staff.

Like many organisation of our size there is a reliance on a small executive team. Over the last four years we have increased the size of the team and spread the responsibilities more broadly. This linked with succession planning and development of the wider Senior Management Team has helped offset this risk.

Risk management and mitigation

- Comprehensive Business plan
- Succession Planning where possible along with the development of transparent progression routes
- Extended notice period for Directors and key management staff
- Building network of key collaborators
- Spreading of operational responsibility across the executive and senior management group

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Key Policy Statements

Investment Policy

The investment policy is set by the Trustees and reviewed annually.

In March 2013 the charity appointed JO Hambros, later renamed Waverton Investment Management, to manage the investment of the £5m Paul Hamlyn Foundation endowment fund in a mix of investments within specified ethical guidelines. An Investment Committee was set up comprising Trustees, Paul Hamlyn officials and investment experts to monitor the fund. An investment policy has been set by the Trustees targeting an annual total return of CPI plus 4% with an emphasis on ethical guidelines.

For the 2017/18 financial year the CPI+4% benchmark equated to 6.4% against which the portfolio returned 2.9%. This portfolio is managed with a long-term view and it is encouraging that overall it has performed well against the benchmark. Since inception the CPI + 4% has been 26.2% against which the portfolio has returned 47.3%. Surplus cash is invested in low risk, high interest deposit accounts or on the money market to achieve as high a return as possible whilst not risking the capital funds. The Company does not act as custodian trustee on behalf of others.

Fundraising

The Roundhouse has a professional fundraising department led by the Director of Development & Communications. The team is responsible for fundraising from individuals, events, trust and foundations and businesses and works within the guidelines set out by the Fundraising Regulator and Code of Fundraising Practice. The Roundhouse's fundraising is supported by volunteer committees including a Gala Committee who help with the organisation of the biennial gala. A new Development Board, chaired by a Trustee, was formed in 2018 with clear terms and conditions centred on fundraising for the Roundhouse's annual targets and capital campaign.

The Roundhouse does not engage any external partners or fundraising agencies to carry out fundraising on its behalf. Nor do we engage in fundraising activities that would place vulnerable people at risk.

The Roundhouse subscribes to the Fundraising Regulator and signed up to the Fundraising Preference Service. The Director of Development & Communications and the Head of Major Giving & Trusts are both members of the Institute of Fundraising.

Access for all

Our youth programmes span a range of art forms to excite, inspire and captivate young people from all backgrounds. We offer opportunities in music, theatre, circus, spoken word, and broadcast and digital, with a focus on developing skills and building confidence. One of our key roles is to engage young people who might not otherwise have access to the arts, and to challenge the growing divide in social mobility between different socio-economic groups.

Accessible tickets	We provide 16-25s access to £5 tickets for selected gigs and shows through the GET IN membership scheme. In addition to this we offered free tickets to all our open dress rehearsals. This allowed those who would not otherwise have been able to attend to experience the show.
Pastoral support	Our Information & Advice Base, led by experienced Youth Support Workers, offers pastoral support on issues such as housing, employment, mental health, training, education and other arts opportunities
Tailored activities for target groups	We reach those who are most in need by offering taster and regular sessions to schools and community groups and providing intensive programmes for young people not in education, employment or training.
Ring-fenced places on projects	We set aside places for young people from our targeted programmes or supported by our community network partners for our open access projects. The places are held until shortly before the project starts to give these young people the best possible chance of access.
Bursaries	Our bursary scheme provides access to projects for young people who cannot afford to pay themselves. A travel bursary is also available. In 2017/18 we provided 176 bursaries with the average bursary being £68.
Subsidies	Our projects are affordable and heavily subsidised through our mixed economy business model. Young people tell us there is nowhere in London that offers spaces and projects at such good value.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Volunteers

The Roundhouse relies heavily on a community of volunteers. In 2017/18 over 135 volunteers assisted with the stewarding of a variety of performances. They are a vital part of the visitors services team ensuring audiences have an enjoyable visit whilst enabling lower staff cost.

Disabilities in the workplace

As an employer we undertake not to discriminate against anyone. We conduct individual risk assessment for every applicant, employee or volunteer with a disability. This identifies any reasonable adjustments that need to be made.

Employee Involvement

Our decision-making processes include employee consultation through an Employee Forum and our line management structure. We also communicate regularly regarding the Trust's activity and financial performance through team briefings, monthly all-staff meetings and departmental updates including regular updates from the Chief Executive.

Reserves Policy

The Trustees' aim is to establish Free Reserves to a level which could support the organisation through a period of financial and operational uncertainty.

The Roundhouse has a varied source of income; this, along with a good medium-term planning horizon and long-term commitments from a number of key stakeholders, mitigates these risks. However risks still persist, and over the next four years, the Trustees are targeting a Free Reserve of £1.1million to underpin activities. This level has been arrived at following consideration of a range of potential operational risks, including income generation from current activities, significant changes to voluntary and donated income, and the costs of emergency building repairs.

As at 31st March 2018, the total unrestricted reserves were £4.9 million (see note 18). Of this £2.8 million represents amounts invested in fixed assets net of associated loans and £1million has been designated. After taking these amounts into consideration there remains £1.07 million of Free Reserves which is only slightly below the reserve target outlined above. The Trustees have considered this level of reserves and are confident the level is appropriate for the organisation at this time. This situation has been carefully considered and planned and we are mindful that through periods of significant capital expenditure it is not uncommon for a charity's reserves to fall below their long term targets. The Roundhouse's business plan anticipates that reserves will grow steadily from next year and we now anticipate that to reach our medium term Free Reserves target by March 2019.

Total funds at the 31 March 2018 were £31.5million (2017: £31.3million). This is made up of £4.9million unrestricted reserves as described above, as well as £20.9 million (2017: £21.3million) restricted capital reserves, and £5.7million (2017: £6.2million) of endowment funds. Note 18 provide more background to these reserves and funds including information on how designated funds will be spent or released.

Going Concern

We have set out above a review of The Roundhouse Trust's financial performance and the general reserves position. Our planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt The Trust's ability to continue to operate. Accordingly, the accounts have been prepared on the basis that The Roundhouse Trust is a going concern.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Structure, Governance and Management

Governing document and constitution

The governing document of the charity comprises its Memorandum and Articles of Association. The company is limited by guarantee not having a share capital, and possesses a license issued by the Department of Trade permitting the omission of the word "limited" from its name.

General Governance including Trustee recruitment, induction and training

Strong governance and management are critical to our success and reputation. We have a Board of Trustees that takes overall responsibility for the Charity and our work. It is responsible for ensuring we are effectively and properly run and that we meet our goals as a Charity. As part of our continuous learning process, every two years we internally review board performance against the criteria set out in the code. The latest review was completed in May 2018 the outcome of which was very positive. Recommendations were discussed and adopted at a Board away-day in June 2018.

Simon Turner was appointed and officially took over as Chair of the Board at the March 2017 Board meeting. A full list of other board members can be found on Page 14. This includes two Young Trustees who provide an important voice for our key stakeholder group on all matters.

The Board appoints Trustees to serve on the Nomination Committee, whose role is to keep under review the structure, size and composition of the Board. As vacancies arise, potential candidates are approached on an individual, targeted basis. Ensuring Board diversity is a key consideration when making these appointments.

Trustees are appointed for an initial period of three years and typically can serve for further three years beyond this. New Trustees are inducted into the workings of The Roundhouse Trust via various activities including briefings from the Chairman, Chief Executive and other staff as appropriate, a Trustee Induction Pack and tour of the Roundhouse site and offices. Ongoing training is provided to Trustees as required.

Three members of the Board have served longer than 6 years. Marcus Davey is on the Board by virtue of his position as Chief Executive Officer. Caspar Norman represents the Norman Trust who were founders of the Roundhouse Trust and own the underlying lease for the Roundhouse site. Nick Allot is an industry specialist who has provided important continuity across many areas.

A new Charity governance code, endorsed by the Charity Commission and other industry bodies, was launched during the year. With our Trustees we have ensured we are substantially compliant with the code. The code asks charities to "apply or explain". The following are areas where we have not applied the code's provisions and why we have taken that decision:

- At the year end The Charity had 16 serving Trustees, a larger Board size than the 12 recommended by the code. For The Roundhouse the number of board members is impacted by two factors:

Young Trustees

As highlighted on p. 14, each year the Roundhouse appoints at least two trustees who are under the age of 25. They serve for a period of one year and act as a key voice for young people at board level on all matters.

Breadth of activity

A key strength for the Roundhouse is the versatility of its operating model which is underpinned by a variety of activities. In an ever changing environment it is essential that we have the right mix of skills across the Trustees group. A wider range of expertise and experience to draw on is enabled by a larger Board.

- The Board reviews its performance and the performance of individual Trustees formally every two years. From 2019 we are planning an annual board away day to consider areas of change and to review performance against our five year ambition. External review every three years as recommended in the code will be considered in the future.
- Diversity consideration sits at the heart of all Roundhouse activity and is always considered in Trustee recruitment. We are currently reviewing the formal terms of reference for the Nominations Committee which oversees Trustee appointments. As part of this we are considering formal diversity targets.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Organisational structure

The Board of Trustees meets formally every two months to review all the activities of the charity and to provide strategic direction and guidance to the Executive team. As a Trustee, the Chief Executive attends all Board meetings along with the other members of the Executive team.

In addition to the main Board of Trustees, there are Board committees which work with the Executive team to review and provide expertise and guidance on specific areas of the charity's activities. These comprise the Business, Audit and Risk Committee, the Nominations Committee and the Investment Committee.

The Chairman of the Board and the Chief Executive meet and/or speak regularly and the Chairman of the Business, Audit and Risk Committee has regular communication with the Finance and Business Resources Director.

The Board and Executive team work together to establish and develop the charity's overarching objectives and strategic direction. Responsibility for the day to day operations of The Roundhouse Trust has been delegated by the Board to the Chief Executive, who, with the Executive team, works within the strategic framework, operational parameters and control environment established by the Board. The Directors' Group comprises the organisation's Chief Executive & Artistic Director, Commercial & Operations Director, Development and Communications Director, Finance & Business Services Director, and Programmes Director. This meets monthly, receives feedback from all other organisational meetings and responds directly to the Board. There is a monthly staff meeting to disseminate important company information and receive comments and feedback from staff.

Subsidiaries

The charity has two 100% owned subsidiary companies: Roundhouse Trading Ltd and Roundhouse Productions Ltd. Roundhouse Productions Ltd.'s main activity is the production of Artistic performances. During the year there was no activity in this company. Roundhouse Trading Ltd.'s principal activities are the sale of private hire facilities and the operation of bar and catering facilities within the Roundhouse. Note 4 to the accounts provides information on the results of the subsidiary for the year.

The financial results of the trading subsidiaries are consolidated into those of the Roundhouse Trust in these statements.

Related parties and co-operation with other organisations

Any connection between a trustee or senior manager of the charity with a contractor, consultant, production company, contracted artist, performer or exhibitors must be disclosed to the full Board of the Trustees in the same way as any other contractual relationship with a related party. Note 22 details the related party transactions reported in the year. We would like to highlight here the following:

The Norman Trust holds an endowment for the benefit of the Roundhouse. Caspar Norman is a Trustee of both The Roundhouse Trust and The Norman Trust. Further details of the relationship between these two entities are presented in Note 22 to the accounts.

None of our Trustees receive remuneration or other benefits from their work as Trustees. Marcus Davey who is a Trustee receives remuneration for his role as Chief Executive and Artistic Director; further details are provided in Note 11 to the accounts.

Pay Policy for Executive Team

The Board has delegated the responsibility for deciding on the salary of the Chief Executive and his leadership team (the Executive team) to the Chair and subset of Trustees. Outside of the Executive team a committee comprising the Executive directors and the Head of HR are responsible for setting pay across the organisation.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Reference and Administrative Details

Charity number: 1071487
Company number: 03572184
Registered Office: The Roundhouse, Chalk Farm Road London NW1 8EH

The Roundhouse Trust is incorporated and domiciled in the UK.

The charity also makes itself known as The Roundhouse.

Trustees of The Roundhouse Trust

The following have been Trustees throughout the period to the date of this report, unless otherwise stated.

S Turner – Chairman
A Elliott - Vice Chair (resigned 30 November 2017)
A Adepitan (appointed 30 November 2017)
N Allott
J Badyal (appointed 30 November 2017)
E Bennett
S Bhaskar (appointed 30 November 2017)
M Davey - Chief Executive & Artistic Director
A Gutman (appointed 30 November 2017)
E Johnson
A Knight (resigned 25 May 2017)
C J Norman
S O'Neill
M Palley (resigned 30 November 2017)
R Shennan
P Tambling
P Woolcock (resigned 25 May 2017)
S Wood

Each year the Roundhouse appoints at least two trustees who are under 25. They serve for a period of one year and act as a key voice for young people at board level on all matters. During 2017/18 the Young Trustees were;

D Farley (appointed 24 May 2018)
A Charles (appointed 24 May 2018)

M Wornell (from 25 May 2017 until 24 May 2018)
S Kilburn (from 25 May 2017 until 24 May 2018)
J Cheung (resigned 25 May 2017)
J Ball (resigned 25 May 2017)

Company secretary

Philip Watkins

Key management personnel for The Roundhouse Trust and its subsidiary

The Roundhouse Trust Executive Team at the date the report was approved

Marcus Davey – Chief Executive & Artistic Director
Tom King – Commercial and Operations Director (until 31 August 2018)
Sam Oldham - Commercial and Operations Director (from 3 September 2018)
Delia Barker – Programmes Director (from 1 April 2017)
Michaela Greene – Development & Communications Director
Michael Dixon – Finance & Business Services Director

Executive team for Roundhouse Trading Limited at the date the report was approved

Marcus Davey - Director
Caspar Norman - Director
Michael Dixon - Director

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Our Advisors

Auditors

Crowe U.K. LLP
St. Bride's House
10 Salisbury Square
London EC4Y 8EH

Bankers

Barclays Bank
Soho Square Branch
27 Soho Square
London W1D 3QR

Investment Managers

Waverton Investment Management Limited
21 St James's Square
London,
SW1Y 4HB

Solicitors

Katten Muchin Rosenman LLP
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Trustees' responsibilities in relation to the financial statements

The Trustees (who are also the directors of The Roundhouse Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Standards (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

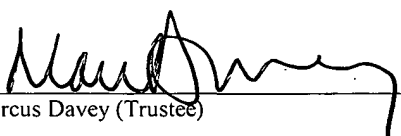
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to the disclosure to our auditors

In so far as we are aware:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The annual report and accounts, including the strategic report, was approved by the Board of Trustees and signed on their behalf by:



Marcus Davey (Trustee)

Date 18.10.2018

**THE ROUNDHOUSE TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2018**

Independent Auditor's Report to the Members of The Roundhouse Trust

Opinion

We have audited the financial statements of The Roundhouse Trust for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statements 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 the charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the

**THE ROUNDHOUSE TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2018**

course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; 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 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

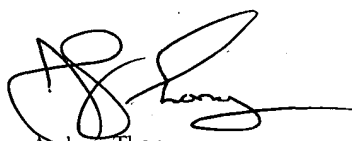
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Thomas

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 12 October 2018

THE ROUNDHOUSE TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2018

INCOME AND EXPENDITURE

		Unrestricted Funds	Restricted Programme Funds	Restricted Capital Funds	Endowment Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£	£	£
Income							
Donations	2	1,394,637	-	-	-	1,394,637	707,000
Income from charitable activity	3	5,145,839	267,974	125,000	-	5,538,813	6,793,358
Income from other trading activities :							
Commercial trading activities	4	5,044,249	-	-	-	5,044,249	4,899,383
Investment income	5	4,708	-	-	-	4,708	3,482
Total Income		11,589,433	267,974	125,000	-	11,982,407	12,403,223
Expenditure							
Cost of raising funds	6	3,622,277	-	6,250	38,063	3,666,590	3,909,872
Expenditure on charitable activities							
Roundhouse Creative Programme for Young People	7	2,356,646	89,567	44,998	-	2,491,211	2,411,286
Roundhouse Productions	7	2,848,950	196,374	35,580	-	3,080,904	3,093,165
Music Hires	7	1,617,836	-	29,330	-	1,647,166	1,714,199
Maintaining & improving the Building	7	716,984	-	389,915	-	1,106,899	1,396,821
Sub total		7,540,416	285,941	499,823	-	8,326,180	8,615,471
Total expenditure		11,162,693	285,941	506,073	38,063	11,992,770	12,525,343
Operating surplus/(deficit)		426,740	(17,967)	(381,073)	(38,063)	(10,363)	(122,120)
Gain on investments	14	134,634	-	-	92,713	227,347	933,888
Net income/(expenditure)		561,374	(17,967)	(381,073)	54,650	216,984	811,768
Transfer between funds	18	586,354	-	-	(586,354)	-	-
Net movement in funds		1,147,728	(17,967)	(381,073)	(531,704)	216,984	811,768
Reconciliation of funds							
Total Funds brought forward		3,761,890	17,967	21,277,928	6,207,023	31,264,808	30,453,040
Total funds carried forward	18	4,909,618	-	20,896,855	5,675,319	31,481,792	31,264,808

All transactions are derived from continuing activities. All recognised gains and losses are included in the statement of financial activities. The notes on pages 22 to 37 form part of these financial statements.

This statement separates the financial results into the separate funds that the charity manages. Note 18 provides more information on each of these. The majority of the charity's ongoing activity is reflected in the column marked unrestricted funds the movement on which was £1,147,728.

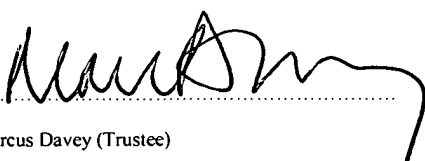
THE ROUNDHOUSE TRUST
CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2018

	Notes	2018 Group £	2018 Charity £	2017 Group £	2017 Charity £
FIXED ASSETS					
Intangible fixed assets	12	19,518	19,518	24,107	24,107
Tangible fixed assets	13	23,913,159	23,913,159	24,404,460	24,404,460
Investments	14	5,675,319	5,675,320	6,207,023	6,207,024
Total fixed assets		29,607,996	29,607,997	30,635,590	30,635,591
CURRENT ASSETS					
Stock		59,424	-	56,087	-
Trade and other debtors	15	1,960,476	3,055,219	2,245,414	3,273,917
Cash at bank and in hand		4,379,468	1,715,770	4,087,602	1,462,640
Total current assets		6,399,368	4,770,989	6,389,103	4,736,557
Creditors: Amounts falling due within one year	16	(4,275,572)	(2,647,194)	(5,259,885)	(3,607,340)
NET CURRENT ASSETS		2,623,796	2,623,795	1,629,218	1,629,217
TOTAL ASSETS LESS CURRENT LIABILITIES		31,981,792	31,981,792	32,014,808	32,014,808
Creditors: Amounts falling due in over one year	16	(250,000)	(250,000)	(500,000)	(500,000)
TOTAL NET ASSETS		31,481,792	31,481,792	31,264,808	31,264,808
FUNDS AND RESERVES					
Endowment funds	18	5,675,319	5,675,319	6,207,023	6,207,023
Restricted income funds	18	-	-	17,967	17,967
Restricted capital funds	18	20,896,855	20,896,855	21,277,928	21,277,928
Unrestricted funds	18	4,909,618	4,909,618	3,761,890	3,761,890
TOTAL FUNDS AND RESERVES		31,481,792	31,481,792	31,264,808	31,264,808

With income of £7,029,834 and expenditure of £10,152,208 the net expenditure for the year for the charitable company totalled £3,122,373 (2017: Net expenditure of £2,231,250)

The notes on pages 22 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on their behalf by:


 Marcus Davey (Trustee)

1st October 2018

THE ROUNDHOUSE TRUST
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2018

	Notes	2018 £	2017 £
Net cash provided by operating activities	A	136,318	1,538,659
Cash flows from investing activities			
Interest income		4,708	3,482
Purchase of tangible & intangible fixed assets		(358,210)	(185,112)
Withdrawals and investments fees		759,051	260,667
Net cash used in investing activities		405,549	79,037
Cash flows from financing activities			
Cash outflow from repayment of borrowings		(250,000)	(250,000)
Net cash used by financing activities		(250,000)	(250,000)
Change in cash and cash equivalents in the reporting period		291,866	1,367,696
Cash and cash equivalents at the beginning of the reporting year		4,087,602	2,719,906
Total cash and cash equivalents at the end of the reporting year	B	4,379,468	4,087,602

	2018 £	2017 £
A. Reconciliation of net movement in funds from operating activities		
Net income for the reporting period		
As reported on the statement of financial activities	216,984	811,768
Add back depreciation charge	854,101	941,671
Gains on investments	(227,347)	(933,888)
Income shown in investing activities	(4,708)	(3,482)
Increase in stock	(3,337)	(1,034)
Decrease/(increase) in debtors	284,938	(424,028)
(Decrease)/increase in creditors	(984,313)	1,147,652
Net cash provided by operating activities	136,318	1,538,659

B. Analysis of cash and cash equivalents		
Cash in hand	3,377,949	4,087,602
Notice deposits (less than 3 months)	1,001,519	-
Total cash and cash equivalents	4,379,468	4,087,602

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015) - (Charity SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Preparation of the accounts on a going concern basis

The Trustees, having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash forecasts for the 12 months from the date of signing, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

Legal Status of the Trust

The Roundhouse Trust (Charity Number 1071487, Company Number 03572184) is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The Trust's address is The Roundhouse, Chalk Farm Road, London, NW1 8EH.

Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its active subsidiary, Roundhouse Trading Limited, on a line by line basis.

As permitted by section 408 of the Companies Act 2006 the income and expenditure of the charity is not presented as part of these accounts. The profit and loss account for the trading subsidiary is presented separately in Note 4.

The parent charity has taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts and from also preparing a parent entity only cash flow statement..

Critical accounting judgements and key source of estimation uncertainties

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees the only significant estimations are those linked to the allocation of support costs across our charitable and non-charitable activities. Allocations of this nature inherently require estimation of time spent on certain activities, space used and other resources use judgements. Note 8 provides more information on the allocation methodology.

Income

All income is recognised when the charity has entitlement to funds, any performance conditions have been met, it is probable that the income will be received and the amount of the receipt can be measured with reasonable accuracy. Grant income is accounted for when the charity is entitled to recognise the monies, and is deferred if there are preconditions for use. Income from venue hires and trading activities are accounted for on a receivable basis. Income from ticket sales, included within Artistic Programme, is deferred if the performance takes place in the next accounting period.

Production costs and income

Pre-production costs incurred in respect of a theatre production are released to the Statement of Financial Activities over its run, except when it is anticipated that future production income will be insufficient to cover these costs.

Similarly production specific income or grants received in advance are also carried forward and released over the period of the production run.

Donated services and facilities

Gifts and services received in kind are included within donations and charged to the respective expenditure heading within the Statement of Financial Activities at the best estimate of their open market value or their value to the charity.

In accordance with the Charities SORP (FRS102) the volunteer time is not recognised in financial terms. See page 12 of the trustee's annual report for more information about this valuable contribution

Expenditure

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis. Costs of generating funds are those costs incurred to raise voluntary income, the costs of trading activities for the purpose of raising funds and investment management fees.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Costs of activities in furtherance of charitable objectives represent the direct costs of each activity together with an allocation of support costs. The allocation of support costs is made on the basis of a proportion of expenditure incurred in that activity or headcount whichever is the more relevant cost driver.

Governance costs are incurred in meeting the constitutional and statutory requirements of the charity.

On occasion, management decides to make redundancy or termination payments for operational reasons. These are expensed in the SOFA on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation has been charged on the renovation costs on the basis of the remaining lifetime of each individual asset and charged to the restricted capital fund. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold property and building fabric	over the period of the lease (currently 85 years remaining)
Renovation costs	over the period of the lease if linked to the leasehold property and building; others between 2 and 50 years
Furniture and equipment	various rates between 2 and 25 years

The group's policy is to capitalise all items above a value of £500. The carrying value of the leasehold property is evaluated for impairment on a regular basis. Where the carrying value of the property is considered to be impaired the difference between the existing carrying value and the written down value is taken to reserves.

Intangible fixed assets

The purchase of new computer software has been capitalised within intangible assets as they relate to specific expenditure which drives anticipated future benefits. Once brought into use intangible assets are amortised on a straight line basis over the anticipated useful life of the software, typically 3-5 years.

Fixed asset investments

Fixed asset investments are included on the balance sheet at market value. Realised and unrealised gains and losses at the year-end are credited and debited to the statement of financial activities in the year in which they arise.

Pension contributions

The charity operates two stakeholder pension schemes which are available to all employees. Pension contributions are charged to the Statement of Financial Activities as they become due.

Fund accounting

Unrestricted funds represent trading or other income received with no restriction on use. Designated funds are amounts designated by the Trustees from unrestricted reserves for the specific purposes outlined in the notes. Restricted funds are amounts received towards a particular programme or project. Capital funds are amounts received towards the purchase of capital assets. Endowment funds are amounts received for investment to produce regular income to fund activities.

Stock

Stock is valued at the lower of cost and net realisable value.

Financial instruments

The Trust has financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, other debtors and accrued income. Financial liabilities held at amortised cost comprise trade and other creditors and accruals.

Leases

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term. Where income is receivable under office space rental agreements it is recognised in the Statement of Financial Activities on a straight line basis over the lease term.

2. INCOME FROM DONATIONS

	2018	2017
	£	£
Gifts	1,284,216	588,053
Donated Services	110,421	118,947
	<u>1,394,637</u>	<u>707,000</u>

The income from donations for the year was £1,394,637; all of this was unrestricted.

The Trust is grateful to Katten Muchin Rosenman UK LLP for their ongoing legal support across a range of areas. The value of their support in the year has been estimated as £85,575 (2017: £91,944). Donated services in 2017-18 also included £13,346 (2017: £19,453) of interest costs on the loan from the Norman Trust which they have generously waived, donated circus equipment of £8,000 (2017: Nil) and £3,500 (2017: £7,550) of advice provided by RB Health and Safety Solutions Ltd. The estimated value of the support is recognised within income and an equivalent charge included within support costs.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

The Roundhouse has ongoing and very valuable support from a group of volunteers who help with visitor services for incoming music and artistic performances. In accordance with FRS 102 and the Charities SORP (FRS102) the economic contribution of general volunteers is not recognised in the accounts.

3. INCOME EARNED FROM CHARITABLE ACTIVITIES

	2018	2017
	£	£
Ticket and related income from Roundhouse commissioned work	1,103,194	1,163,270
Income from Music Hires	2,141,753	2,481,156
Biennial Fundraising Gala	-	768,601
Arts Council England - National Portfolio Funding	974,713	974,713
Arts Council England - Other	29,145	109,410
Membership Schemes	206,050	266,766
Income from Trusts & Foundations	674,155	570,141
Corporate Sponsorship (linked to charitable activity)	275,841	270,638
Course & Project fees (including related room hire income)	88,359	176,302
Other Sundry Income	45,603	12,361
	<u>5,538,813</u>	<u>6,793,358</u>

Of the total income of £5,538,813 in the year £392,974 (2017: £549,304) was restricted under agreements to support a mixture of Roundhouse Creative programmes, developing a capital project and to support our own commissions.

The Roundhouse receives a grant from Arts Council England, a government funded organisation, as one of their National portfolio organisation. 2017-18 was the third of a three year grant agreement which saw the Roundhouse receive £974,713 each year. The Roundhouse will receive a similar amount each year under a similar arrangement for the next three financial years. These grants are unrestricted funding to the organisation.

In both the 2017-18 and 2016-17 financial years Art Council England also awarded the Roundhouse additional grants to support specific programmes of work. These amounts are shown under Arts Council England Other.

The Roundhouse stages a major fundraising gala every two years with the net revenue from this earmarked for projects spanning two years. There was no Gala in 2017-18 and there is thus no income under the Biennial Fundraising Gala heading.

4. INCOME FROM OTHER TRADING ACTIVITIES

The charity has two 100% owned subsidiary companies: Roundhouse Trading Limited and Roundhouse Productions Limited. (Company number 05672688). Roundhouse Productions Ltd is currently not trading. The registered office of both companies is the same as the parent charity as detailed in note 1 and both companies are incorporated and domiciled in the UK.

Roundhouse Trading Limited's (Company number 05672691) principal activities are the sale of private hire facilities and the operation of bar and catering facilities within the Roundhouse, and the rental office rental space. Summarised financial information is set out below:

	2018	2017
	£	£
Profit and Loss		
Income from Private Hire	1,961,340	1,933,515
Income from Bar & Catering operations	2,516,183	2,644,124
Office Rental Income & Service Charge	274,522	274,522
Other Trading Income	292,204	47,222
	<u>5,044,249</u>	<u>4,899,383</u>
Cost of sales	(1,840,563)	(1,986,339)
	<u>3,203,686</u>	<u>2,913,044</u>
Gross profit	3,203,686	2,913,044
Interest receivable	1,038	831
Donation via Gift Aid	(3,204,724)	(2,913,875)
	<u>-</u>	<u>-</u>
Result for the period	-	-
Balance sheet		
Current Assets	3,665,739	3,564,102
Creditors: Amounts falling due within one year	(3,665,738)	(3,564,101)
	<u>1</u>	<u>1</u>
Net current assets	1	1
Called up share capital	1	1
Profit and loss account	-	-
	<u>1</u>	<u>1</u>
Equity Shareholders' funds	1	1

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

5. INVESTMENT INCOME

The Trust's investment income is derived from restricted endowment fund investment income and income from interest bearing deposit accounts. Interest income for the year was £4,708 (2017: £3,482)

6. ANALYSIS OF COST OF RAISING FUNDS

	Note	2018 £	2018 £	2017 £	2017 £
Commercial trading operations cost of sales	4	1,840,563		1,986,339	
Share of support costs, governance & depreciation	8	944,702		813,227	
			2,785,265		2,799,566
Investment management fees			38,063		36,672
Direct Costs of fundraising and publicity		761,890		988,359	
Share of support, governance and depreciation costs	8	81,372		85,275	
			843,262		1,073,634
			3,666,590		3,909,872

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Roundhouse Creative Programme	Roundhouse Productions	Music Hire	Maintaining & Improving the building	Total
	£	£	£	£	£
Artistic & creative fees	9,130	630,361	13,150	-	652,641
Costume & set build costs	7,126	238,633	5,939	-	251,698
Direct live streaming cost	5,909	18,960	538	-	25,407
Tutor & course leader fees	300,351	25,690	6,650	-	332,691
Direct management, producer and coordinator fees	1,301,715	894,848	536,325	382,390	3,115,278
Direct security costs	-	35,323	209,073	-	244,396
Direct insurance costs	-	5,491	-	653	6,144
Equipment hire & maintenance	22,428	107,424	207,479	7,866	345,197
Performing rights society royalties	39	7,457	149,375	1,183	158,054
Travel & subsistence	42,253	133,303	9,346	160	185,062
Direct marketing support	68,114	305,223	34,636	-	407,973
Credit card transaction fees	6	12,420	45,376	-	57,802
Other miscellaneous	34,224	24,622	35,440	68,121	162,407
Governance & support costs (See Note 8)	578,221	551,943	344,499	212,286	1,686,949
Share of depreciation charge (see Note 8)	121,695	89,206	49,340	434,240	694,481
Total	2,491,211	3,080,904	1,647,166	1,106,899	8,326,180

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

8. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The table below details the Roundhouse's support costs by area. These costs are apportioned using the basis summarised below across the charitable activities undertaken, fundraising activities and the commercial operations. The governance costs are a subset of each area and have been identified by consideration of the costs in each category and are allocated on the same basis as the support costs. Depreciation is being shown separately due to the significant effect it has on the overall apportionment. Due to the integrated nature of our support function the basis of allocation uses a number of assumptions and estimates.

	General Support Costs	Governance	Total	Basis for allocation
	£	£	£	
Senior management oversight	157,099	56,699	213,798	Allocated on time
Finance	286,491	17,500	303,991	Allocated on activity /time
HR	315,053	-	315,053	Allocated on time
IT support	342,394	-	342,394	Allocated on activity/time
Central marketing & box office Support	90,758	-	90,758	Allocated on time
Visitors services and general security	106,137	-	106,137	Allocated on time
Building operations, maintenance & cleaning	871,136	2,148	873,284	Allocated on activity
Administration office	165,719	-	165,719	Estimate of space used
Technical management support	142,269	-	142,269	Allocated on auditorium activity
Total support costs excluding depreciation	2,477,056	76,347	2,553,403	
 Total Depreciation	 854,100	 -	 854,100	 Estimate of space /Asset use
Total Support Costs	3,331,156	76,347	3,407,503	

The above Support and depreciation costs were allocated across the following areas

	General Support Costs	Depreciation	Total
	£	£	£
In support of commercial trading operations (see Note 6)	801,071	143,631	944,702
In support of fundraising and publicity (See Note 6)	65,384	15,988	81,372
In Support of charitable activities (See Note 7)	1,686,948	694,481	2,381,429
	2,553,403	854,100	3,407,503

9. NET INCOMING RESOURCES AND EXPENDITURE FOR THE YEAR

	2018	2017
	£	£
This is stated after charging:		
Depreciation	822,788	910,358
Amortisation of lease	31,313	31,313
Auditors' remuneration – audit services	17,500	17,500
Trustee Indemnity Insurance	2,148	2,120

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

10. ANALYSIS OF STAFF COSTS, STAFF NUMBERS AND THE COSTS OF KEY MANAGEMENT PERSONNEL

	2018 £	2017 £
Staff costs during the year were as follows:		
Wages and salaries	4,668,123	4,624,597
Social security costs	383,279	391,848
Other pension costs	99,731	92,863
	<u>5,151,133</u>	<u>5,109,308</u>

Pension Costs are allocated to activities in line with the related staffing costs and are wholly charged to unrestricted funds.

No Redundancy payments were paid during the year (2017: £11,372).

Ex-gratia payments totalling £5,379 (2017: £12,641) were paid during the year, relating to staff leaving the charity.

The number of employees earning over £60,000 per annum were

	2018 Number	2017 Number
£60,001 - £70,000	1	3
£70,001 - £80,000	3	2
£80,001 - £90,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1

Six employees (2017: Three) receiving remuneration of £60,000 or more participated in the charity's pension scheme. The total employer contribution for them in the year was £29,837 (2017: £29,639).

The average number of employees during the year were:

	2018	2017
Fundraising	12	12
Creative Programme & Production	76	69
Food & Beverage & Events	61	74
Technical & Build Services	51	57
Visitors Services	53	44
Other Support staff	33	34
	<u>286</u>	<u>290</u>

The key management personnel of the group and the charity comprise the Trustees and the Executive Directors. The total value of the employee benefits of the key management personnel for the year were £522,473 (2017: £483,407).

11. TRUSTEES' REMUNERATION AND EXPENSES

In accordance with the authority contained in clause 4 (b) of the charity's Memorandum and Articles of Association, one trustee who is also an employee of the company received remuneration during the year. Details of the amount paid are set out below.

Four other trustees received remuneration for their services during the year that totalled £8,903 (2017: £15,856). These services related to employment and freelance work for the charity and not for their duties as trustees, which were unpaid.

None of the Trustees were paid expenses in either 2017/18 or 2016/17.

	Salary and benefits		Pension Contributions	
	2018	2017	2018	2017
	£	£	£	£
M J Davey	126,875	125,000	20,000	20,000

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

12. INTANGIBLE FIXED ASSETS

Group & charity	System Software
Cost	£
At 1 st April 2017	29,708
Additions	1,691
At 31 st March 2018	<u><u>31,399</u></u>
Amortisation	
At 1 st April 2017	5,601
Amortisation for year	6,280
At 31 st March 2018	<u><u>11,881</u></u>
Net Book Value	
At 31 st March 2018	<u><u>19,518</u></u>
At 1 st April 2017	<u><u>24,107</u></u>

13. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Property	Renovation & Other Building Costs	Furniture & Equipment	Total
Cost	£	£	£	£
At 1 st April 2017	3,100,000	28,347,167	4,764,820	36,211,987
Additions		255,648	100,872	356,520
At 31 st March 2018	<u><u>3,100,000</u></u>	<u><u>28,602,815</u></u>	<u><u>4,865,692</u></u>	<u><u>36,568,507</u></u>
Depreciation				
At 1 st April 2017	438,381	7,613,507	3,755,639	11,807,527
Depreciation for year	31,313	559,739	256,769	847,821
At 31 st March 2018	<u><u>469,694</u></u>	<u><u>8,173,246</u></u>	<u><u>4,012,408</u></u>	<u><u>12,655,348</u></u>
Net Book Value				
At 31 st March 2018	<u><u>2,630,306</u></u>	<u><u>20,429,569</u></u>	<u><u>853,284</u></u>	<u><u>23,913,159</u></u>
At 1 st April 2017	<u><u>2,661,619</u></u>	<u><u>20,733,660</u></u>	<u><u>1,009,181</u></u>	<u><u>24,404,460</u></u>

All fixed assets are used for charitable purposes, apart from assets relating to bar and catering equipment and those relating to the construction and fit-out of the café. The cost and net book values of these are £339,974 and £34,369 respectively.

In addition to the interest held in the Roundhouse by The Norman Trust, disclosed in note 16, five funding bodies have legal charges over the Roundhouse. In total the amounts granted for the development project which are the subject of the charges amount to £11,379,000.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

14. INVESTMENTS

	2018	2017
	£	£
Market Value at 1 April 2017	6,207,023	5,533,802
Withdrawals	(721,000)	(224,000)
Investment fees	(38,051)	(36,667)
Realised gains in year	134,634	129,144
Unrealised gains in year	92,713	804,744
Market Value at 31 March 2018	<u>5,675,319</u>	<u>6,207,023</u>
UK Fixed Interest	276,286	292,207
UK Equities	288,226	462,465
Overseas Equities	3,932,976	4,431,186
Overseas Fixed Interest	506,265	731,485
Cash held for investment	671,566	289,680
Market Value at 31 March 2018	<u>5,675,319</u>	<u>6,207,203</u>
Historic Cost at 31 March 2018	<u>4,929,159</u>	<u>5,052,459</u>

No individual investment held is greater than 5% of the total portfolio

15. TRADE AND OTHER DEBTORS

	Group	Charity	Group	Charity
	2018	2018	2017	2017
	£	£	£	£
Trade debtors	1,373,180	446,897	1,364,517	548,778
Due from trading subsidiary	-	1,979,467	-	1,915,457
Accrued income and prepayments	387,967	378,940	620,699	615,858
Other debtors	199,329	192,022	260,198	193,824
VAT recoverable	-	57,893	-	-
	<u>1,960,476</u>	<u>3,055,219</u>	<u>2,245,414</u>	<u>3,273,917</u>

Amounts due from subsidiary is the amalgamation of amount payable by the subsidiary due to the gift aid donation £3,204,724 and the trade creditor balance of (£1,225,257). The 2017 comparatives were £2,913,875 and (£998,418) respectively. Note 4 provides more detail on the amounts donated under gift aid amounts.

16. CREDITORS: amounts falling due Within one year

	Group	Charity	Group	Charity
	2018	2018	2017	2017
	£	£	£	£
Loan from The Norman Trust (see below)	250,000	250,000	250,000	250,000
Trade creditors	528,809	435,816	1,131,711	993,274
Other creditors	1,425,843	1,225,844	1,606,739	1,467,838
Other taxes and social security	237,647	109,563	365,997	166,119
Accruals and deferred income	1,833,273	625,971	1,905,438	730,109
	<u>4,275,572</u>	<u>2,647,194</u>	<u>5,259,885</u>	<u>3,607,340</u>

Deferred income comprises amounts received or billed for which the service, project or expenditure occurs in a future financial year. All of the 2016-17 brought forward balances for both the group and the charity were released in 2017-18.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

**CREDITORS: amounts falling due
after one year**

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Loan from The Norman Trust	250,000	250,000	500,000	500,000

In December 2014 The Norman Trust made an unsecured loan to The Roundhouse Trust of £1,000,000. The loan was made to support the building of new administration offices at the site in Chalk Farm Road. It is repayable in equal instalments over four years with the next repayment due in July 2018. The total balance is therefore due within 1-5 years as per below:

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Loan payable falling due within 1 year	250,000	250,000	250,000	250,000
Loan payable falling due in more than 1 year but less than 5 years	250,000	250,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>750,000</u>	<u>750,000</u>

17. OPERATING LEASE COMMITMENTS

There were no outstanding operating lease commitments in either 2017 or 2018

18. ANALYSIS OF FUNDS

	1st April 2017 £	Incoming Resources £	Resources Expended £	Gain on Investment £	Transfers Between Funds £	31st March 2018 £
Unrestricted funds:						
General reserve	890,160	11,589,433	(10,895,358)	134,634	(646,281)	1,072,588
Other funds:						
Designated fixed assets	2,500,639	-	-	-	260,183	2,760,822
Designated funds other	371,091	-	(267,335)	-	972,452	1,076,208
Total Unrestricted funds	<u>3,761,890</u>	<u>11,589,433</u>	<u>(11,162,693)</u>	<u>134,634</u>	<u>586,354</u>	<u>4,909,618</u>
Restricted funds:						
Programme fund	17,967	267,974	(285,941)	-	-	-
Endowment fund	6,207,023	-	(38,063)	92,713	(586,354)	5,675,319
Restricted capital funds:						
Next Generation	100,000	125,000	-	-	-	225,000
Restricted capital funds:						
Other	21,177,928	-	(506,073)	-	-	20,671,855
	<u>31,264,808</u>	<u>11,982,407</u>	<u>(11,992,770)</u>	<u>227,347</u>	<u>-</u>	<u>31,481,792</u>

General reserve

The unrestricted general reserve fund is available to meet the targets set out in the Reserves Policy as described in the Trustees Report on page 11. The transfer between funds value is the net of the transfers (to)/from the following funds:

	£
Transfer from Endowment Fund	586,354
Transfer to Designated Fixed Asset Fund	(260,183)
Transfer to Designated Funds Other	(972,452)
	<u>(646,281)</u>

An explanation of these transfers is provided under the relevant headings below.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Designated fixed asset fund

The unrestricted designated fixed asset fund represents the portion of unrestricted funds which has been invested in the Roundhouse tangible and intangible assets net of related outstanding loans. It has been calculated as follows:

	Note	£
Total Net Value of Intangible Fixed assets	12	19,518
Total Net Value of Tangible fixed assets	13	23,913,159
Less value covered by Restricted Capital Fund (see below)	See below	(20,671,855)
Less Loan attributed to Capital investment	16	(500,000)
		<u>£ 2,760,822</u>

The transfer between funds value of £260,183 represents the amount transferred from the general reserve to bring the value of this fund up to the required level. This designated fund will be released over the life of the assets to which it relates; these assets have lives spanning up to 85 years.

Designated funds other

A total of £972,452 has been transferred to designated reserves during the year. With £371,091 brought forward from the previous year and £267,335 expended in the year, the balance at the 31 March is £1,076,208.

The balance in designated funds at the end of the year is as follows:

		£
Nicola Thorold fund	(a)	37,410
Building and IT Projects	(b)	190,810
Next Generation Capital Project	(c)	747,988
Artistic Programming	(d)	15,000
Grant Income	(e)	85,000
		<u>1,076,208</u>

- Over the last two years we received a range of unrestricted donations in memory of a much loved colleague who passed away in 2017. These amounts have been amalgamated into a single designated fund. This fund will be used to support a series of Nicola Thorold Fellowships.
- There were a number of building improvement and IT projects which either spanned or were being developed at the year-end. Funds have been designated to cover the remainder of the costs related to these. None of these amounts had been committed at the year end.
- As highlighted in the strategic report, The Roundhouse has developed plans to add additional facilities to its Camden site which we are calling the Next Generation Project. Funds have been designated to cover part of the anticipated costs linked to this. Specifically of the designated amount shown here; £601,000 has been set aside to cover the remaining costs linked to the first phase of the Next Generation Project which will see an additional floor added to our administration building (see capital commitments note 23). The balance of £146,987 has been designated to cover costs relating to other stages of the Next Generation Project.
- The Artistic programming designated amount relates to funds set aside for two specific artistic projects which were planned to be completed before March 2018 but elements of which needed to be carried forward to the 2018-19 financial year.
- The designated grant income is unrestricted and will be spent on projects in the 2018-19 financial year.

Restricted programme fund

The restricted programme funds represented funds received specifically for certain creative programmes and other operational aspects of the Roundhouse. The brought forward amount as well as additional funds received in the year were fully spent.

Endowment fund

The Endowment fund represents amounts originally received from The Paul Hamlyn Foundation. These are invested in a portfolio managed by Waverton Investment Management in order to maximise income to be applied to the Roundhouse's creative programmes for young people. Under the ongoing drawdown rules of the endowment £221,000 was made available for the Roundhouse's charitable activities and in addition a one-off withdrawal of £500,000 was agreed with the Foundation. £134,634 was earned directly from investment income with the remainder transferred through reserves.

Restricted capital fund: Next Generation

The restricted capital Next Generation represents amounts received that is restricted to expenditure on the building for which we received planning permission in May 2018. This remains unspent at 31 March 2018.

Restricted capital fund: Other

The restricted capital Other represents amounts received for the renovation of the Roundhouse (including funding to purchase the leasehold interest) as well as other funding for specific aspects of the redevelopment which have been expended in accordance with the terms and conditions of the donors.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Analysis of funds comparatives from the prior year end 31 March 2017:

	1 st April 2016 £	Incoming Resources £	Resources Expended £	Gain on Investment £	Transfers Between Funds £	31 st March 2017 £
Unrestricted funds:						
General reserve	603,908	11,853,919	(11,279,158)	129,144	(417,653)	890,160
Other funds:						
Designated fixed assets	2,439,089	-	-	-	61,550	2,500,639
Designated funds other	100,000	-	(179,863)	-	450,954	371,091
Total Unrestricted funds	3,142,997	11,853,919	(11,459,021)	129,144	94,851	3,761,890
Restricted funds:						
Programme fund	30,204	449,304	(461,541)	-	-	17,967
Endowment fund	5,533,802	-	(36,672)	804,744	(94,851)	6,207,023
Restricted capital funds:	21,746,037	100,000	(568,109)	-	-	21,277,928
	30,453,040	12,403,223	(12,525,343)	933,888	-	31,264,808

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Restricted Endowment Funds	31 st March 2018
Intangible fixed assets	19,518	-	-	19,518
Tangible fixed assets	2,760,822	21,152,337	-	23,913,159
Investments	-	-	5,675,319	5,675,319
Current assets	6,154,850	244,518	-	6,399,368
Creditors: amounts falling due within one year	(4,025,572)	-	-	(4,025,572)
Creditors: amounts falling due over one year	-	(500,000)	-	(500,000)
Total net assets	4,909,618	20,896,855	5,675,319	31,481,792

Analysis of Net Assets between funds comparatives for the prior year ending 31 March 2017:

	Unrestricted Funds	Restricted Funds	Restricted Endowment Funds	31 st March 2017
Intangible fixed assets	24,107	-	-	24,107
Tangible fixed assets	3,226,532	21,177,928	-	24,404,460
Investments	-	-	6,207,023	6,207,023
Current assets	6,271,136	117,967	-	6,389,103
Creditors: amounts falling due within one year	(5,009,885)	-	-	(5,009,885)
Creditors: amounts falling due over year	(750,000)	-	-	(750,000)
Total net assets	3,761,890	21,295,895	6,207,023	31,264,808

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

20. TAXATION

The Roundhouse Trust is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Roundhouse Trading Ltd is the wholly owned trading subsidiary of The Roundhouse Trust. Profits arising from the activity of Roundhouse Trading Ltd are passed to The Roundhouse Trust under the gift aid scheme.

21. LIABILITY OF MEMBERS

The Roundhouse Trust is constituted as a company limited by guarantee and has no share capital. The liability of each member is limited to the sum of £10 per member. At 31 March 2018 there were 16 members (2017: 18 members).

22. RELATED PARTY TRANSACTIONS

- 1) Caspar Norman is a trustee of both The Roundhouse Trust and The Norman Trust.

On 1st January 2002 The Roundhouse Trust acquired a 99 year leasehold interest in the Roundhouse from The Norman Trust for £3.1m. The funding for this purchase was provided by the DfES. As part of the funding agreement with the DfES, The Roundhouse Trust entered into a Pre-Emption Agreement with the DfES and The Norman Trust in 2005. This agreement grants certain pre-emption rights to The Norman Trust in the event that, as a result of a default by The Roundhouse Trust, the DfES exercises its rights to appoint a receiver or seeks to dispose of the 99 year leasehold interest in the Roundhouse. In July 2015 The Norman Trust extended the lease granted to The Roundhouse Trust for land adjacent to the Roundhouse from 25 years to 99 years in line with the main lease.

As noted on p13 The Norman Trust also holds an endowment for the benefit of the Roundhouse.

In December 2014 The Norman Trust loaned The Roundhouse Trust £1m to support the building of the new office accommodation. This loan will be repaid over four years starting in July 2016. As at 31 March 2018 £500,000 was outstanding.

- 2) Sally O'Neill is a Trustee of The Roundhouse Trust and was also the Chief Operating Officer of the Royal Opera House.

The Roundhouse Trust and the Royal Opera House were co-production partners for *Ulysses* which was performed at the Roundhouse in January 2018. Under the terms of the co-production agreement, the income and the cost of this venture are also being shared equally. Sally O'Neill was not involved in the negotiation of the co-production agreement.

In August 2017 The Roundhouse and Studio Wayne MacGregor co-produced +/- *Human*. Via Studio Wayne MacGregor relationship with the Royal Opera House, Dancers from the Royal Ballet will perform as part of this co-production. Sally O'Neill was not involved in the negotiation of the co-production agreement.

- 3) The total amount of donations received from Trustees during the year was £413,138 (2017: £150,516). All of these amounts in both years were donated without conditions.
- 4) The Trust has one active wholly owned subsidiary, Roundhouse Trading Limited, which is responsible for income generating activities which are incidental to the Trust's charitable purposes. These mainly relate to the organisation's food and beverage operation, events hires and office rental. During the year Marcus Davey and Michael Dixon who are key management personnel for the Trust and Caspar Norman who is Trustee were directors of the company. Roundhouse Trading Limited gifted £3,204,724 (2017: £2,913,875) to the Trust during 2017-18 (see also note 4). At the year end the company owed the Trust £1,979,467 (2017: £1,915,457).
- 5) Simon Turner, the Chair of the Board introduced the Roundhouse to Outdoor Plus Limited. This led to a commercial contract between those companies and Roundhouse Trading Limited which forms part of the consolidated accounts. Simon Turner is an investor and investment advisor to Inflexion Funds that have made a minority investment into Outdoor Plus Limited. Outdoor Plus Limited took over the rental contract of our advertising billboards on Chalk Farm Road in May 2017. This was conducted on an arm's length basis and Simon Turner was not involved in any of the negotiations for the contract.
- 6) Delia Barker joined the Roundhouse in April 2017 as part of the Executive Team (see Page 14) and as such is part of the key management personnel. Delia Barker is Chair of Studio Wayne MacGregor with whom The Roundhouse coproduced +/- *Human* in August 2017. Delia Barker took no part in the negotiations for the coproduction contract.
- 7) Jonathan Badyal is Head of Communications at Universal Music UK. He had no involvement in Universal's decision to provide funding towards the OnTrack project.

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

23. COMMITMENTS

	2018	2017
	£	£
Assets under construction	481,479	-

Included in Fixed Assets at the end of the year is £255,647 representing project management and build costs relating to phase one of the Next Generations project (see Strategic Report for more details). Under phase one of the project an additional floor of office accommodation will be added to the administration building. In addition to the costs already incurred and included in Fixed Assets additional costs of £481,479 are committed through signed contracts with contractors.

24. OPERATING LEASE

In July 2015 the Roundhouse Trust signed a space rental lease with a third party organisation. Under the terms of this lease future minimum lease receivables under non-cancellable operating leases are as follows:

	Group 2018	Charity 2018	Group 2017	Charity 2017
	£	£	£	£
Amounts receivable within 1 year	220,000	220,000	220,000	220,000
Amounts receivable in more than 1 year but less than 5 years	330,000	330,000	550,000	550,000
	<u>550,000</u>	<u>550,000</u>	<u>770,000</u>	<u>770,000</u>

25. CONTINGENT LIABILITIES

There were no contingent liabilities as at the balance sheet date

26. FINANCIAL INSTRUMENTS

At the balance sheet date the consolidated group held financial assets at amortised cost comprising cash and short term deposits, trade debtors, other debtors and accrued income of £6,339,945 (2017: £6,188,658) and financial liabilities at amortised cost, comprising trade creditors, other creditors and accruals of £1,686,416 (2017: £1,998,170). Total interest income received in respect of financial assets held at amortised cost totalled £4,708 (2017: £3,482). The group held assets at fair value through income and expenditure of £5,675,319 (2017: £6,207,023). Movements in the year through the statement of financial activities comprised gains of £227,347 (2017: £933,888).

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

		Unrestricted Funds £	Restricted Programme Funds £	Restricted Capital Funds £	Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
Income							
Donations	2	707,000	-	-	-	707,000	661,882
Income from charitable activity	3	6,244,054	449,304	100,000	-	6,793,358	6,621,927
Income from other trading activities :							
Commercial trading activities	4	4,899,383	-	-	-	4,899,383	4,149,287
Investment income	5	3,482	-	-	-	3,482	22,427
Total Income		11,853,919	449,304	100,000	-	12,403,223	11,455,523
Expenditure							
Cost of raising funds	6	3,866,950	-	6,250	36,672	3,909,872	3,599,508
Expenditure on charitable activities							
Roundhouse Creative Programme for Young People	7	2,282,778	82,647	45,861	-	2,411,286	2,236,793
Roundhouse Productions	7	2,677,827	378,894	36,444	-	3,093,165	3,256,954
Music Hires	7	1,684,005	-	30,194	-	1,714,199	1,720,750
Maintaining & improving the Building	7	947,461	-	449,360	-	1,396,821	1,681,028
Sub total		7,592,071	461,541	561,859	-	8,615,471	8,895,525
Total expenditure		11,459,021	461,541	568,109	36,672	12,525,343	12,495,033
Operating surplus/(deficit)		394,898	(12,237)	(468,109)	(36,672)	(122,120)	(1,039,510)
Gain on investments	14	129,144	-	-	804,744	933,888	159,091
Net income/(expenditure)		524,042	(12,237)	(468,109)	768,072	811,768	(880,419)
Transfer between funds	18	94,851	-	-	(94,851)	-	-
Net movement in funds		618,893	(12,237)	(468,109)	673,221	811,768	(880,419)
Reconciliation of funds							
Total Funds brought forward		3,142,997	30,204	21,746,037	5,533,802	30,453,040	31,333,459
Total funds carried forward	18	3,761,890	17,967	21,277,928	6,207,023	31,264,808	30,453,040

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

28. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES FOR YEAR ENDED 31 MARCH 2017

	Roundhouse Creative Programme	Roundhouse Productions	Music Hire	Maintaining & Improving the building	Total
	£	£	£	£	£
Artistic & creative fees	21,441	604,431	1,975	-	627,847
Costume & set build costs	12,714	259,528	10,341	-	282,583
Direct live streaming cost	6,765	46,836	386	-	53,987
Tutor & course leader fees	249,422	25,978	1,456	-	276,856
Direct management, producer and coordinator fees	1,259,519	817,363	491,201	346,369	2,914,452
Direct security costs	374	33,269	321,578	243	355,464
Direct insurance costs	-	10,300	-	-	10,300
Equipment hire & maintenance	22,121	152,233	207,684	18,420	400,458
Performing rights society royalties	76	15,954	138,418	1,072	155,520
Travel & subsistence	50,176	104,238	9,659	337	164,410
Direct marketing support	56,987	335,778	26,923	430	420,118
Credit card transaction fees	37	22,562	66,422	-	89,021
Fees and other expenditure associated with gaining planning permission	-	-	-	179,863	179,863
Other miscellaneous	29,203	23,733	46,238	86,416	185,590
Governance & support costs (See Note 8)	569,757	547,576	340,025	198,072	1,655,430
Share of depreciation charge (see Note 8)	132,694	93,386	51,893	565,599	843,572
Total	2,411,286	3,093,165	1,714,199	1,396,821	8,615,471

29. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES FOR YEAR ENDED 31 MARCH 2017

The table below details the Roundhouse's support costs by area. These costs are apportioned using the basis summarised below across the charitable activities undertaken, fundraising activities and the commercial operations. The governance costs are a subset of each area and have been identified by consideration of the costs in each category and are allocated on the same basis as the support costs. Depreciation is being shown separately due to the significant effect it has on the overall apportionment. Due to the integrated nature of our support function the basis of allocation uses a number of assumptions and estimates.

	General Support Costs £	Governance £	Total £	Basis for allocation
Senior management oversight	116,701	60,233	176,934	Allocated on time
Finance	267,676	17,500	285,176	Allocated on activity /time
HR	302,575	-	302,575	Allocated on time
IT support	315,655	-	315,655	Allocated on activity/time
Central marketing & box office Support	96,683	-	96,683	Allocated on time
Visitors services and general security	107,540	-	107,540	Allocated on time
Building operations, maintenance & cleaning	863,206	2,120	865,326	Allocated on activity
Administration office	189,662	-	189,662	Estimate of space used
Technical management support	116,282	-	116,282	Allocated on auditorium activity
Total support costs excluding depreciation	2,375,980	79,853	2,455,833	
Total Depreciation	941,671	-	941,671	Estimate of space /Asset use
Total Support Costs	3,317,651	79,853	3,397,504	

THE ROUNDHOUSE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

29. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES FOR YEAR ENDED 31 MARCH 2017 (Continued)

The above Support and depreciation costs were allocated across the following areas

	General Support Costs £	Depreciation £	Total £
In support of commercial trading operations (see Note 6)	736,478	76,749	813,227
In support of fundraising and publicity (See Note 6)	63,925	21,350	85,275
In Support of charitable activities (See Note 7)	1,655,430	843,572	2,499,002
	<u>2,455,833</u>	<u>941,671</u>	<u>3,397,504</u>