

THE ROUNDHOUSE TRUST

**Company Limited by Guarantee
Registered Charity**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 2003

Registered Charity Number: 1071487
Company Number: 03572184



THE ROUNDHOUSE TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

CONTENTS	Page
Legal and administration	2
Trustees' report	3 – 5
Auditors' report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 – 14

THE ROUNDHOUSE TRUST

LEGAL AND ADMINISTRATION

TRUSTEES

J Allen
C Amery
T Bentley
D Charles
A M M Elliott
N Jones
G M McIntosh
F Millar
S Nazerali
L Neal
C J Norman
T P A Norman (Chairman)
J Ormerod
M Semple

REGISTERED OFFICE

62 Gloucester Crescent
London
NW1 7EG

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

BANKERS

Co-Operative Bank
PO Box 101
1 Balloon Street
Manchester, M60 4EP

Cafcash Ltd
PO Box 2891
West Malling
Kent, ME19 4TA

SOLICITORS

Latham & Watkins
99 Bishopsgate, 11th Floor
London, EC2M 3XF

CHARITY INFORMATION

The Roundhouse Trust is both a company registered in England under Registration No. 03572184 and a registered charity under Registration No. 1071487.

The company is limited by guarantee not having a share capital and possessing a licence issued by the Department of Trade permitting the omission of the word "limited" from its name.

GOVERNING DEED

Memorandum and Articles of Association.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2003

The trustees who are the directors of the Roundhouse Trust present their report and financial statements for the year ended 31st December 2003.

CHARITABLE AIMS

To renovate the Roundhouse to create a unique cultural resource for London and a place of inspiration, opportunity and pride for its immediate community.

To establish one of Europe's most dynamic and inventive live performance venues, promoting a diverse programme of contemporary, multi-media, performing arts and spectacle to the widest possible audience.

To establish a state of the art creative centre where large numbers of young people will have access to high quality facilities and professional support through which to develop their creative potential.

To establish a way of working with young people that reflects their cultural interests and provides them with structured opportunities to apply their creativity in a commercial environment.

REVIEW OF ACTIVITIES

The main activities of the Roundhouse Trust are the raising of £28 million to renovate the Roundhouse, the running of educational activities by the Roundhouse Creative Centre, and the running of the Roundhouse as a venue for artistic and creative performances and as an educational space.

During the year the education work continued to expand with a creative arts programme encompassing music, theatre, film and TV, dance, creative writing and new media. The education team at the Roundhouse, together with their creative partners ran more than one hundred and twenty projects during the year involving nearly three thousand young people.

To date £24 million has been pledged for the renovation of the Roundhouse and construction work commenced in May 2004. Nearly £7.6 million was received during the year. The significant increase in donations for the renovation project received during the year is due in part to the success of the fundraising campaign but also to the proximity of the anticipated start date of the construction work. During the year approximately £4 million of the money raised was spent on the acquisition of the 99 year lease of the Roundhouse and other project costs including professional fees for the design team.

FINANCIAL REPORT FOR THE YEAR

During the year a total of £449,551 (2002: £200,283) was received in the form of grants and sponsorship. Of this £404,551 was for the educational activities of the Creative Centre and £45,000 for staff costs.

A total of £4,662,523 (2002: £1,700,262) was received in the form of donations. £4,608,495 of these donations were restricted donations and donations in kind to be applied towards the renovation of the Roundhouse and fundraising expenses. The remaining £54,028 were unrestricted donations and donations in kind.

During the year a total of £438,571 (2002: £556,679) was generated from the use of the Roundhouse as a venue for a variety of creative and artistic activities. It was originally planned that the Roundhouse would be closed for redevelopment from June 2003. Therefore the income generated from the Roundhouse's use as a venue decreased because the original marketing and advertising of the venue for 2003 had assumed that it would only be open for part of the year.

The continued development of the educational activities of the Roundhouse accounted for expenditure of £409,756 (2002: £284,946). This was funded by a number of different charities and other grant making bodies.

THE ROUNDHOUSE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

FINANCIAL REPORT FOR THE YEAR (continued)

The maintenance and running of the Roundhouse accounted for expenditure of £159,065 (2002: £342,972). The Roundhouse is a Grade 2* listed building and significant expenditure is required to maintain it as a venue and as a location for educational activities prior to the renovation.

A total of £309,431 (2002: £255,968) of fundraising and publicity expenditure was incurred during the year. In addition the Roundhouse Trust received legal services in kind relating to fundraising of £375,116. The expenditure by the Roundhouse Development team reflects the significant target of raising capital funding of £28 million for the renovation of the Roundhouse and up to £500,000 in revenue funding each year to support the educational activities. To date a total of £24 million has been pledged towards the total capital funding target of £28 million.

The management and administration expenditure of £217,569 (2002: £113,931) reflected the on-going development of the necessary infrastructure to support the aims and activities of the charity.

The balance sheet at 31st December 2003 reflects the accumulation of restricted funds prior to the start of the renovation. Total funds and reserves grew from £2,668,183 at the start of the year to £6,724,407 at the end of the year.

RESERVES POLICY

The trustee's policy is to accumulate £28 million of capital reserves to fund the renovation of the Roundhouse and also to maintain a reasonable level of revenue reserves to provide a stable base for the educational activities.

TRUSTEES

The following have been trustees throughout the year to the date of this report, unless otherwise stated:

J Allen
C Amery
T Bentley
D Charles
A M M Elliott
B Evans (resigned 18th November 2003)
B Hyman (resigned 2nd April 2004)
N Jones
G M McIntosh
F Millar (appointed 18th November 2003)
S Nazerali
L Neal
C J Norman
T P A Norman
J Ormerod (appointed 22nd July 2003)
M Semple
R de Wend Fenton (resigned 18th November 2003)

RISK ASSESSMENT

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

INVESTMENT POLICY

The investment policy set by the Trustees is to invest surplus cash 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 ROUNDHOUSE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

TRUSTEES' RESPONSIBILITIES STATEMENT

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the surplus or deficit for its financial year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



.....
T P A NORMAN

Approved by the trustees on 25th May 2004

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE ROUNDHOUSE TRUST

We have audited the financial statements of The Roundhouse Trust for the year ended 31 December 2003 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of The Roundhouse Trust for the purposes of Company Law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or apparent material inconsistencies with the financial statements.

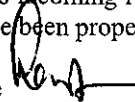
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st December 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

haysmacintyre 
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

26 May 2004

THE ROUNDHOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2003

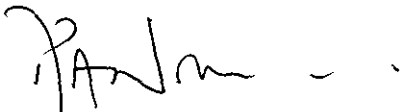
INCOME AND EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	Total 2003 £	Total 2002 £
Incoming resources					
Donations, gifts and covenants		54,028	4,608,495	4,662,523	1,700,262
<i>Activities in furtherance of the charity's objects:</i>					
Grants		-	449,551	449,551	200,283
<i>Activities for generating funds:</i>					
Income from events and hire of space		438,571	-	438,571	556,679
Investment income		124,453	-	124,453	56,910
Total incoming resources		617,052	5,058,046	5,675,098	2,514,134
Resources expended	5				
<i>Cost of generating funds:</i>					
Fundraising and publicity		-	309,431	309,431	255,968
Services in kind relating to fundraising		-	375,116	375,116	-
<i>Charitable expenditure</i>					
<i>Cost of activities in furtherance of the charity's objectives:</i>					
Educational activities		27,674	382,082	409,756	284,946
Maintenance and running of the Roundhouse		118,711	40,354	159,065	342,972
Management and administration		127,306	90,263	217,569	113,931
Development project costs		-	147,937	147,937	-
Total resources expended		273,691	1,345,183	1,618,874	997,817
Net incoming resources					
Before transfers		343,361	3,712,863	4,056,224	1,516,317
Transfer between funds		23,484	(23,484)	-	-
		366,845	3,689,379	4,056,224	1,516,317
Fund balances brought forward		25,849	2,642,334	2,668,183	1,151,866
Balances carried forward at 31st December 2003		£392,694	£6,331,713	£6,724,407	£2,668,183

- All transactions are derived from continuing activities.
- All recognised gains and losses are included in the statement of financial activities.


THE ROUNDHOUSE TRUST
BALANCE SHEET
AS AT 31ST DECEMBER 2003

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	6		5,034,676		1,186,914
CURRENT ASSETS					
Debtors	7	413,005		184,764	
Cash at bank and in hand		4,905,079		1,764,548	
		<u>5,318,084</u>		<u>1,949,312</u>	
CREDITORS: Amounts falling due within one year	8	<u>(272,603)</u>		<u>(468,043)</u>	
NET CURRENT ASSETS			5,045,481		1,481,269
CREDITOR: Amounts falling due within more than one year	9		(3,355,750)		-
TOTAL NET ASSETS			<u>£6,724,407</u>		<u>£2,668,183</u>
FUNDS AND RESERVES					
Unrestricted fund			82,694		25,849
Designated Fund	12		310,000		-
Restricted funds	11		6,331,713		2,642,334
			<u>£6,724,407</u>		<u>£2,668,183</u>

Approved by the trustees on 25/5/04 and signed on their behalf by:



 T P A NORMAN



 A M M ELLIOTT

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000). In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities', (SORP 2000) issued in October 2000.

Incoming resources

Incoming resources represent the total income receivable during the year. No account is made of monies that have been pledged until receipt.

Resources expended

Expenditure including irrecoverable VAT is charged to the Statement of Financial Activities on an accruals basis.

Charitable expenditure

Charitable expenditure comprises expenditure, including staff costs, directly attributable to the educational activities and maintenance and running of the Roundhouse.

Management and administration

Management and administration costs comprise those costs that cannot be directly attributed to charitable activities. These costs are incurred in connection with the management of the charity, its organisational administration, and ensuring compliance with constitutional and statutory requirements.

Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold property	Over the period of the lease
Improvements to property	50% straight line
Furniture and equipment	33 1/3% straight line

No depreciation has been charged on renovation costs during the year. When the renovation project is completed the total costs will be written off over the estimated useful life of the building and related equipment.

Pension contributions

The charity contributes to the personal pension of one employee. Pension contributions are charged to the Statement of Financial Activities as they become due.

Gifts and services received in kind

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.

Designated funds

Designated funds are amounts which have been set aside at the discretion of the trustees for a specific but not legally binding purpose. Where such funds are no longer required they are released to free reserves.

2. NET MOVEMENT OF FUNDS FOR THE YEAR

	2003	2002
	£	£
This is stated after charging:		
Staff costs	467,571	438,000
Depreciation	31,955	41,537
Amortisation of lease	23,484	-
Auditors' remuneration – audit services	4,250	3,600
Trustee Indemnity Insurance	2,310	-
	<u>529,570</u>	<u>483,137</u>

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

3. EMPLOYEES AND STAFF COSTS FOR THE YEAR

	2003 £	2002 £
Staff costs during the year were as follows:		
Wages and salaries	417,851	395,605
Social security costs	45,734	38,599
Other pension costs	3,986	3,796
	<u>£467,571</u>	<u>£438,000</u>

One employee received emoluments in the bracket £70,000 to £80,000 during the year (2002 : One). No other employees received remuneration of £50,000 or more in 2003 or 2002.

	2003 Number	2002 Number
The average number of persons employed by the charity during the year	<u>16</u>	<u>14</u>

4. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES

In accordance with the authority contained in clause 4 (b) of the charity's Memorandum and Articles of Association, one trustee, C J Norman received consultancy fees of £9,024 to 30 June 2003 and a salary of £12,742 from 1 July to 31 December 2003 (2002: consultancy fees of £22,912) for his services. No other trustee received remuneration for their services during the year. He also received reimbursed expenses of £594 (2002: £1,299). No other trustee received any reimbursed expenses.

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation/ Amortisation £	Total £
Costs of generating funds:				
Fundraising and publicity	197,646	106,427	5,358	309,431
Services in kind relating to fundraising	-	375,116	-	375,116
Charitable expenditure:				
Educational activities	89,687	310,895	9,174	409,756
Maintenance and running of the Roundhouse	65,799	57,369	35,897	159,065
Management and administration	114,439	98,120	5,010	217,569
Development project costs	-	147,937	-	147,937
	<u>£467,571</u>	<u>£1,095,864</u>	<u>£55,439</u>	<u>£1,618,874</u>

Other costs comprise:

	2003	2002
Direct project costs	258,951	178,877
Direct costs of hires	16,558	54,809
Other staff costs, travel and hospitality	64,378	53,948
Professional fees	32,993	81,033
Printing, postage, stationery etc	40,434	28,905
Premises and equipment costs	108,774	119,433
Development project costs	147,937	-
Bank Charges	723	1,275
Gifts/services in kind – office space	50,000	-
Gifts/services in kind - legal services relating to fundraising	375,116	-
	<u>£1,095,864</u>	<u>£518,280</u>

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

6. TANGIBLE FIXED ASSETS

Cost	Leasehold Property £	Renovation Costs £	Improvements to property £	Furniture & Equipment £	Total £
At 1st January 2003	-	1,132,036	72,880	78,596	1,283,512
Additions	3,100,000	791,839	914	12,226	3,904,979
Disposals	-	-	-	(15,858)	(15,858)
	<u>3,100,000</u>	<u>1,923,875</u>	<u>73,794</u>	<u>74,964</u>	<u>5,172,633</u>
Depreciation/Amortisation					
At 1st January 2003	-	-	50,368	46,230	96,598
Depreciation for the year	23,484	-	12,195	19,760	55,439
Relating to disposals	-	-	-	(14,080)	(14,080)
	<u>23,484</u>	<u>-</u>	<u>62,563</u>	<u>51,910</u>	<u>137,957</u>
Net Book Value					
As at 31st December 2003	<u>£3,076,516</u>	<u>£1,923,875</u>	<u>£11,231</u>	<u>£23,054</u>	<u>£5,034,676</u>
As at 1st January 2003	<u>-</u>	<u>£1,132,036</u>	<u>£22,512</u>	<u>£32,366</u>	<u>£1,186,914</u>

All fixed assets are used for charitable purposes.

There is a charge over the Roundhouse to secure funding for the redevelopment as described in Note 9. In addition the Norman Trust has the right to repurchase the lease of the Roundhouse in certain circumstances as described in Note 15.

7. DEBTORS

	2003 £	2002 £
Revenue debtors	33,828	101,682
Tax recoverable	39,291	49,516
Due from the Norman Trust	288,948	687
Other debtors and prepayments	50,938	32,879
	<u>£413,005</u>	<u>£184,764</u>

8. CREDITORS: amounts falling due within one year

Expense creditors	214,958	279,610
Other creditors and accruals	36,509	167,668
Other taxes and social security	21,136	20,765
	<u>£272,603</u>	<u>£468,043</u>

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

9. CREDITORS: amounts falling due within more than one year

	2003 £	2002 £
Accruals and deferred income – DFES grant	£3,355,750	-

During the year the Roundhouse Trust received funding from the Department for Education and Skills (“DFES”) of £3,355,750 which included £3.1m to purchase the leasehold interest in the Roundhouse Trust. The monies were subject to the Roundhouse Trust obtaining planning permission and engaging contractors to complete the redevelopment, together with other terms and conditions that cover a period of 25 years from the date of official opening. In the event of default the amounts will be repayable together with interest to the DFES. At the year end the planning application had not been approved and the contractors had not been engaged. The monies have therefore been treated as a liability in these accounts.

Post year end the planning application has been submitted and approved and contractors have been engaged within the dates set in the DFES agreement. The Trustees believe that the other terms and conditions contained within the DFES funding agreement will be met and therefore no interest has been provided. As the terms and conditions are expected to be met, maturity dates for the loan are not practicable to disclose.

The DFES has a legal charge over the 99 year lease of the Roundhouse. The charge is to secure the repayment of the £3,355,750 grant in the event of it becoming repayable in whole or in part under the terms of the funding conditions.

10. OPERATING LEASE COMMITMENTS

	2003 £	2002 £
Office equipment – expiring in one year	£2,092	£2,092
Rental – expiring within one to five years	£10,000	£10,000

11. RESTRICTED FUNDS

	1st January 2003 £	Incoming Resources £	Resources Expended £	Transfers Between funds £	31st December 2003 £
The Roundhouse Restoration Fund	2,471,554	4,608,495	(828,847)	(23,484)	6,227,718
Educational Activities Funds	72,371	279,551	(207,261)	-	144,661
Community Fund 1999 MF242235	43,473	-	(43,473)	-	-
Community Fund 2003 MJ/1/010050626	-	125,000	(131,348)	-	(6,348)
Others	54,936	45,000	(134,254)	-	(34,318)
	<u>£2,642,334</u>	<u>£5,058,046</u>	<u>£(1,345,183)</u>	<u>£(23,484)</u>	<u>£6,331,713</u>

The Roundhouse Restoration Fund represents funds received for the renovation of the Roundhouse. It includes 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 donor.

The Educational Activities Funds, The Community Fund 1999 and Community Fund 2003 represent funds to be applied towards educational activities.

The transfer between funds represents the amortisation charge for the Roundhouse. This has been charged to the

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

unrestricted fund initially to reflect the operational costs of running the Roundhouse as a venue and reallocated to the Roundhouse Restoration Fund to reflect the restricted nature of the charge.

Post year end incoming resources have included amounts in respect of the debit balances on restricted funds at the year end.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2003 £
Tangible fixed assets	10,853	5,023,823	5,034,676
Current assets	463,236	4,854,848	5,318,084
Creditors: amounts falling due within one year	(81,395)	(191,208)	(272,603)
Creditors: amounts falling due in more than one year	-	(3,355,750)	(3,355,750)
Total net assets	<u>£392,694</u>	<u>£6,331,713</u>	<u>£6,724,407</u>

Included within unrestricted funds is a designated fund totalling £310,000. This fund has been established at an amount equal to the cost incurred in fundraising and publicity in 2003. Total fundraising expenditure in 2003 was charged to restricted funds. This fund has been set aside towards funding the cost of the redevelopment of the Roundhouse.

13. 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.

14. LIABILITY OF MEMBERS

The charity 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.

15. RELATED PARTY TRANSACTIONS

The Roundhouse Trust received a grant of £NIL (2002: £110,000) from The Norman Trust in the year, a charity of which C J Norman and T P A Norman are Trustees.

During the year the Roundhouse Trust acquired a 99 year leasehold interest in the Roundhouse from the Norman Trust for £3.1m. At the same time the Norman Trust guaranteed the Roundhouse Trust obligation to the DFES of £3,355,750 pending the grant of planning permission and the entering into the building contract for the renovation of the Roundhouse. The Roundhouse Trust has now received planning permission and entered into a building contract for the renovation of the Roundhouse. In connection with this guarantee the Roundhouse Trust deposited £255,750 with the Norman Trust. Interest of £5,136 due from the Norman Trust in respect of this deposit has been included in investment income.

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 2003. 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.

THE ROUNDHOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 2003

In March 2004 the Norman Trust granted to the Roundhouse Trust a 25 year lease at a nominal rent of land adjacent to the Roundhouse.

At the year end the Norman Trust owed the Roundhouse Trust £283,812 (2002- £687).

16. PENSIONS

During the year the charity contributed to a defined contribution pension scheme for one employee. The charge for the year amounted to £3,986 (2002: £3,796).

17. POST BALANCE SHEET EVENTS

In May 2004 the Roundhouse Trust entered into a contract for the redevelopment of the Roundhouse for a principal contract sum of £16.4m. Construction work has begun and it is anticipated that it will be completed by autumn 2005.

Post year end the Roundhouse Trust received confirmation of funding from The Arts Council England. As part of the funding agreement the Arts Council England requires a legal charge over the lease of the Roundhouse to secure the repayment of a £3.7m grant in the event of it becoming repayable in whole or in part under the terms of the grant conditions. The exact terms of the charge are currently being negotiated with the Arts Council England. The Roundhouse Trust has not yet received any of this grant.

Post year end the Roundhouse Trust finalised a contract with the The National Heritage Memorial Fund for a grant of £3.62m. The National Heritage Memorial Fund also requires a charge over the lease of the Roundhouse to secure the repayment of the grant in the event of it becoming repayable in whole or in part under the terms of the grant conditions. The exact terms of the charge are currently being negotiated with The National Heritage Memorial Fund. The Roundhouse Trust has not yet received any of this grant.

18. CONTINGENT LIABILITY

In the event of the funding from the DFES becoming repayable, the funding conditions require that interest on the full amount of the funding be paid to the DFES at the rate of 2% per annum above the base rate of the National Westminster Bank plc. As described in Note 9, the trustees believe that the terms and conditions contained within the DFES funding agreement will be met and therefore no interest has been provided for in the accounts.