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ROUND SQUARE LIMITED
(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2004



haysmacintyre
Chartered Accountants
London WC1V 6AY

Company Registration No: 2011514
Registered Charity No: 327117

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2004

STATUS AND ADMINISTRATION

The company is a registered charity and a company limited by guarantee. The company registered number is 2011514.

OBJECTS AND ACTIVITIES

The object of the charity is to advance education anywhere in the world. Subscriptions are paid by each member school in proportion to the number of its pupils and are utilised to fund projects and to further the education of the participants - pupils, governors and staff to the member schools - and spread the Kurt Hahn philosophy.

DIRECTORS

The directors who are also the charity trustees were as follows:-

King Constantine	J Long	
	H Macdonnell	
Mr N Becker	Malcolm Mckenzie	
	Mr G Mclean	
Miss W Ellis	Mr B S Bhatnagar	Appointed 19 September 2003
Ms T Fairbairn	Mr P Pelham	
R Fraser	Mr M Guest	Appointed 19 September 2003
Mrs P Gordon-Duff		
J Hamilton	A Ross	Resigned 19 September 2003
Mrs Poonam Kunar		

PROFESSIONAL ADVISERS AND KEY PERSONNEL

EXECUTIVE DIRECTOR

J T M Guest

SECRETARY AND TREASURER

Mrs J Howison

ACCOUNTANTS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

Barclays Bank Plc
24 Lowfield Street
Dartford
Kent DA1 1HE

FINANCIAL RESULTS AND RESOURCES

The result of the year shows net outgoing resources of £1,853 (2003: £3,636). The total unrestricted resources carried forward are held in order to ensure the continued ability to finance the charity's objectives including future international projects.

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2004

STATEMENT OF DIRECTORS RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the directors for the purposes of company law, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the financial activities of the company for that year. In preparing those financial statements, the directors 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 company will continue in business;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK REVIEW

The trustees have reviewed the activities of the organisation and have determined the strategy to be adopted in terms of health & safety on RSIS projects.

Safety checklist documents are now in use for all RSIS projects

The Board has agreed that a full audit of the Company records will be undertaken in the financial year 2004/5.

The Board has put in place limited Trustee/Director indemnity insurance in order to both protect assets, and ensure that suitably qualified Trustees can be recruited.

The Board has also adopted a disclaimer policy for students taking part in projects

INVESTMENT/RESERVES POLICY

Round Square will endeavour to maximise investment income. The policy of the Finance Committee will be to minimise risk, investing surplus funds only in a prudent fashion. The Finance Committee will review its investment portfolio at least annually and make decisions accordingly.

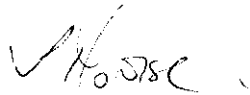
Reserves built up in the organisation are intended to cover any period where due to the objectives of the Board as a whole decisions are taken which may involve using reserves. It is not the intention of the Board to supplement normal operating expenditure through use of reserves.

Investment income may be used to support elements of Round Square work, especially in relation to projects where this is deemed appropriate.

INDIAN FUNDS

The surplus which had been generated in the Indian region has now been utilised in the region, this fund was used to support project activity, both by the Indian Co-Ordinator travelling to establish the suitability of projects and for the 'bricks and mortar' element of projects which have taken place in the region.

Braemar Lodge
Castle Hill, Hartley
Kent DA3 7BH


BY ORDER OF THE BOARD
J A HOWISON
Secretary

28..... September 2004

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF
THE ROUND SQUARE LIMITED**

We have examined, without carrying out an audit, the accounts for the year ended 31 July 2004 set out on pages 4 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 2 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION

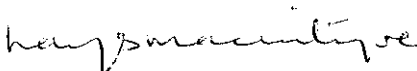
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

OPINION

In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act;
- c) having regard only to, and on the basis of, the information contained in those accounting records, the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1) (a) to (f).



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Chartered Accountants

Fairfax House
15 Fulwood Place
London
WC1V 6AY

28
..... September 2004

THE ROUND SQUARE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2004

		Unrestricted Funds	Restricted Funds	2004 Total	2003 Total As restated
	Notes	£	£	£	£
INCOMING RESOURCES					
Prince Alexander fundraising		-	23,584	23,584	-
Hill Trust		-	2,500	2,500	-
Subscriptions and sales		111,276		111,276	100,203
Bank interest received		6,543	-	6,543	4,875
Other income	2	77,854	-	77,854	59,952
		<u>195,673</u>	<u>26,084</u>	<u>221,757</u>	<u>165,030</u>
RESOURCES USED					
Charitable expenditure	3	215,610	8,000	223,610	168,666
Net (outgoing)/incoming resources		<u>(19,937)</u>	<u>18,084</u>	<u>(1,853)</u>	<u>(3,636)</u>
Balance brought forward at 1 August 2003		202,409	18,877	221,286	224,922
Balance carried forward at 31 July 2004		<u>£182,472</u>	<u>£36,961</u>	<u>£219,433</u>	<u>£221,286</u>

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes form part of these financial statements.

THE ROUND SQUARE LIMITED

BALANCE SHEET

AS AT 31 JULY 2004

	Notes	2004 £	2003 As restated £
FIXED ASSETS			
Office equipment at cost		4,590	3,694
Less: depreciation		(3,918)	(3,694)
		<u>672</u>	<u>-</u>
CURRENT ASSETS			
Debtors	4	17,192	16,437
Stock		5,008	5,050
Cash at bank		240,903	241,098
		<u>263,103</u>	<u>262,585</u>
CREDITORS: Amounts falling due within one year	5	44,342	41,299
Net Current Assets		<u>218,761</u>	<u>221,286</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£219,433</u></u>	<u><u>£221,286</u></u>
FUNDS			
Unrestricted	9	182,472	202,409
Restricted	9	36,961	18,877
		<u><u>£219,433</u></u>	<u><u>£221,286</u></u>

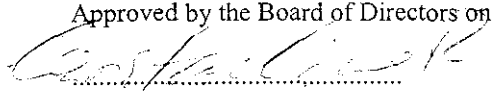
The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 July 2004 and of its surplus for the year then ended in accordance with the requirement of section 226, and which otherwise comply with the requirements of the companies Act 1985 relating to accounts, so far as applicable to the company.

In preparing these financial statements advantage has been taken of the special exemptions provided in Companies Act 1985 Schedule 8 Part II. In the opinion of the directors the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247

Approved by the Board of Directors on 28th September 2004.


King Constantine - Director

The accompanying notes form part of these financial statements.

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000, the Companies Act 1985 and applicable accounting standards. The particular accounting policies adopted are described below.

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Accounting Basis

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation on fixed assets is charged so as to write off their full cost over their expected useful lives at the following rates. Office equipment – 25% cost.

Cash Flow Statement

In accordance with the exemption allowed for small companies under Financial Reporting Standard No. 1, the company has not prepared a cash flow statement.

Funds

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds arise when funds can be used only for a specific purpose, either as specified by the donor or in accordance with the terms for which they were raised.

2. OTHER INCOME

	2004 £	2003 £
Project monies received	72,350	58,377
Sales of ties, scarves and cards	740	1,475
Conference	3,994	-
Fund raising	770	100
	<u>£77,854</u>	<u>£59,952</u>

3. CHARITABLE EXPENSES

These relate to the costs of the annual conference and expenditure in administering the activities of the charity. The costs include salaries totalling £37,763 (2003: £15,532) to employees who carry out significant work on behalf of the charity.

4. DEBTORS

	2004 £	2003 £
Outstanding subscriptions	4,950	12,295
Director's expenses – float	5,121	834
Other debtors	5,000	158
Conference prepaid	2,121	3,150
	<u>£17,192</u>	<u>£16,437</u>

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2004

5. CREDITORS: Amounts falling due within one year	2004	2003 As restated
	£	£
Subscriptions received in advance	12,601	23,799
Other creditors	858	858
Accruals	7,604	7,059
Project monies in advance	23,279	9,583
	<u>£44,342</u>	<u>£41,299</u>

6. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year, they received reimbursed expenses relating to the work of the charity which totalled £7,710 (2003: £3,395). The executive director received emoluments of £55,000 (2003: £55,000) during the year.

7. TAXATION

The company is a registered Charity (No. 327117) and is not liable to tax on its surpluses.

8. CONSTITUTION

The company is limited by guarantee. The maximum liability of each member is £1.

9. FUNDS

	Balance at 1 August 2003 As restated	Income	Expenditure	Balance at 31 July 2004
	£	£	£	£
Unrestricted funds	202,409	195,673	215,610	182,472
Restricted funds:				
Hill Trust	4,786	2,500	-	7,286
Prince Alexander	14,091	23,584	8,000	29,675
Balance at 31 July 2004	<u>£221,286</u>	<u>£221,757</u>	<u>£223,610</u>	<u>£219,433</u>

A prior period adjustment was made to include the restricted funds above that were hitherto incorrectly disclosed in the accounts under creditors.

The Hill Trust relates to donations received towards the Scottish environmental project which normally takes place annually in June/July. This year's project was postponed, a project is scheduled for June 2005.

The Prince Alexander fund has been created to generate funds for the bricks and mortar element of RSIS projects, it is not used for administrative purposes.

Since the company is a Charitable Trust, the accumulated funds do not belong to the members. If, upon the winding up or dissolution of the Trust there remains, after satisfaction of all debts and liabilities, any property whatsoever, then, under the terms of the company's memorandum, this must be transferred to some other charitable institution having similar charitable objects to the company. All unrestricted reserves are held for supporting the charitable objectives of the company.

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2004

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Total
	£	£	£
Unrestricted Funds	672	181,800	182,472
Restricted Funds	-	36,961	36,961
	<u>£672</u>	<u>£218,761</u>	<u>£219,433</u>