

COMPANIES  
HOUSE

**ROUND SQUARE LIMITED**  
**(A Charitable Company Limited by Guarantee)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2008**



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 2008

The Directors present their annual report and the company's financial statements for the year ended 31 July 2008.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Directors

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

King Constantine	Mr C Hunter	(appointed October 2006)
Mrs T Balch	Mrs P Kumar	
	Mr H Matthews	
Mrs E Dase	Mr H Macdonnell	
Ms T Fairbairn	Mr M McKenzie	(resigned October 2007)
Mr B Fenner (appointed October 2007)	Mr G McLean	
Mr R Fraser	Mrs S Pollitt	
Mr D Golden (appointed October 2006)	Mr S Singh	
Mr P Habberton (appointed October 2007)	Mr C Tudor	(resigned October 2007)
Mr J Hamilton (appointed March 2008)		

**Executive Director** Position vacant (Brian Dawson appointed August 2008)

**Secretary and Treasurer** Mrs J Howison

**Registered Office** Braemar Lodge  
Castle Hill, Hartley  
Dartford DA3 7BH

**Auditors** haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**Bankers** Barclays Bank Plc  
24 Lowfield Street  
Dartford  
Kent DA1 1HE

**Solicitors** Farrer & Co  
66 Lincoln Inns Fields  
London WC2A 3LH

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities" issued in March 2005, applicable law and the company's governing document.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The Round Square is a company limited by guarantee governed by its Memorandum and Articles of Association dated April 1986 and amended by special resolution September 2001.

The Round Square is registered as a charity with the Charity Commission.

## **THE ROUND SQUARE LIMITED**

### **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 JULY 2008**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

##### **Appointment of Trustees**

The trustees have a detailed appointment process as outlined in the organisation's strategic plan. All members are circulated with terms and periods of office on an annual basis.

Members are invited to nominate trustees twice annually and forward their nominations to the Chairman. The Board of Trustees, actively recruits to meet skill set needs with due regard to the need to increase the number of U.K. based Trustees.

##### **Trustee induction and training**

New trustees are provided with an information pack detailing relevant information. This pack includes copies of governing documents, The Memorandum and Articles of Association, the Annual Report, Minutes of Trustee Meetings and reports including Committee reports, and budget information.

Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

##### **Organisation**

The Trustees, who can number up to twenty, comprise of individuals with specific skill sets who are able to bring their expertise from wide ranging backgrounds and geographical locations throughout the World.

The Trustees operate a Committee Structure, the committees and their responsibilities are shown below

##### **Executive and Governance Committee**

Members Committee, school membership, management of school recruitment

External Operations Committee, projects, organisation and oversee

Finance Committee, budgeting and finance matters

Advancement Committee, raising profile and funds for the organisation

The full Board, meet at a minimum, three times a year; in addition Committees communicate by teleconference.

The post of Executive Director has now been filled following a period where the Executive Committee has been providing wider operational support than might otherwise be the case.

The newly appointed Executive Director will, in conjunction with the Board, identify organisational priorities for the coming twelve month period and communicate accordingly.

##### **Risk Review**

Over the last twelve months the Board have been pro-active in establishing a clear path with regard to Round Square projects.

The Board have identified the new British Standard, BS8848, under which projects will operate.

The Board are working towards all projects being accredited under this standard.

Insurance for staff and leaders has been reviewed and appropriate action taken.

Financial risk management is overseen by The Finance Committee who have developed policies regarding financial control, internal audit and overall expenditure.

##### **Status and Administration**

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

## **THE ROUND SQUARE LIMITED**

### **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 JULY 2008**

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#### **OBJECTIVES 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.

#### **ACHIEVEMENTS AND PERFORMANCE**

The Board have successfully appointed new Staff members, Mr B Dawson takes up his post as International Executive Coordinator in August 2008, and Ms E Gray has been appointed to Head the project arm of the organisations activities. The programme of International projects has been extremely well supported, a project took place in Guatemala in the summer of 2007 for the first time and was highly successful.

There has been some success in attracting further corporate funding.

A highly successful International Conference was held at Daly College, Indore, India, this being the first Conference held on this Continent since 1991.

The organisation has attracted considerable interest from schools in parts of the World not currently represented, it is hoped that this interest may translate into a greater number of member schools.

Regional Conferences have taken place in India, Australia, the U.K., and Africa; Young Round Square organisations have been set up in Canada and the U.K.

#### **FINANCIAL RESULTS AND RESOURCES**

The results for the year show a surplus of £127,434. This surplus should be considered in the context of a one off receipt following the Daly Conference which returned £72,993 to the organisation after paying the charge of £8,000. This surplus has been designated to support the organisation meet its objectives in the further development of projects and the objective of achieving the appropriate recognition of safety standards through BS8848.

Additionally, the organisation has been through a transitional phase during which staffing costs have been not viable. New important appointments have been made which will allow Round Square to further develop in areas of the World currently underrepresented and to provide appropriate support to Member schools.

The surplus follows two years of deficits and this year's surplus has allowed the Board to recover from these deficits.

#### **Investments Policy and Performance**

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 cash position at least annually and make decisions accordingly. Currently, investments are held in cash and the Directors are satisfied with the returns in the year.

#### **Reserves Policy**

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. Free reserves (unrestricted funds not tied up in fixed assets or designated) at the year end was £175,772 and this is considered as sufficient but not excessive for the on going work of the charity given the Board's target of 12 months expenditure (approximately £300,000).

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

## THE ROUND SQUARE LIMITED

### DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2008

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### PLANS FOR THE FUTURE (continued)

The appointment of key members of staff will facilitate the continued growth of the organisation, and underpin the support provided to member schools through the provision of further educational activities whether these are through exchange or participation in designated activities organised directly or indirectly by Round Square.

The Trustees will continue to seek new schools in strategic areas which are currently either under represented or not currently represented at all within the Round Square community.

The Trustees are pleased to acknowledge that there has been continued growth in the number of Regional schools; the Members Committee is currently undertaking work clarifying the facilities available to regional member schools.

The Trustees have undertaken an evaluation of subscriptions, there is a plan to move to collect subscriptions based upon fee income, considered to be more equitable for member schools, over the next twelve months.

### 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting policies or practice.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and;
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Braemar Lodge  
Castle Hill, Hartley  
Kent DA3 7BH

BY ORDER of the BOARD  
J A HOWISON  
Secretary

2nd October 2008



**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF  
THE ROUND SQUARE LIMITED**

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We have audited the financial statements of Round Square Limited for the year ended 31 July 2008 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 directors and auditors**

As described in the Statement of Directors Responsibilities the charity's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of Round Square Limited for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and whether the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 July 2008 and of its incoming resources and application of resources in the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre  
Chartered Accountants  
Registered Auditors

2 October 2008

Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY

**THE ROUND SQUARE LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 JULY 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	2008 Total £	2007 Total £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income:</i>					
Donations		74,134	58,676	132,810	25,197
Subscriptions		151,087	-	151,087	165,343
<i>Activities for generating funds:</i>					
Bank interest received		9,866	-	9,866	7,644
<b>Incoming resources from charitable activities:</b>	2	136,007	-	136,007	146,190
Other income		1,702	-	1,702	1,538
		<u>372,796</u>	<u>58,676</u>	<u>431,472</u>	<u>345,912</u>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds:</i>					
Fundraising and publicity		546	-	546	2,869
<i>Charitable activities:</i>		225,724	50,010	275,734	331,614
<i>Governance costs:</i>		27,758	-	27,758	16,027
	3	<u>254,028</u>	<u>50,010</u>	<u>304,038</u>	<u>350,510</u>
Net incoming/(outgoing) resources		118,768	8,666	127,434	(4,598)
Balance brought forward at 1 August 2007		142,177	31,998	174,175	178,773
Balance carried forward at 31 July 2008		<u>£260,945</u>	<u>£40,664</u>	<u>£301,609</u>	<u>£174,175</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 2008**

	Notes	2008 £	2007 £
<b>FIXED ASSETS</b>			
Office equipment at cost		5,676	5,676
Less: depreciation		(5,405)	(5,133)
		<u>271</u>	<u>543</u>
<b>CURRENT ASSETS</b>			
Debtors	5	60,610	70,732
Stock		540	2,078
Cash at bank		382,601	193,603
		<u>443,751</u>	<u>266,413</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	<u>(142,413)</u>	<u>(92,781)</u>
<b>Net Current Assets</b>		<u>301,338</u>	<u>173,632</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£301,609</u>	<u>£174,175</u>
<b>FUNDS</b>			
Unrestricted:			
General Funds	9	176,043	131,409
Designated Funds	9	84,902	10,768
Restricted	9	40,664	31,998
		<u>£301,609</u>	<u>£174,175</u>

Approved by the Board of Directors and authorised for issue on 2 October 2008

  
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 2008

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### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, the Companies Act 1985 and applicable accounting standards.

The particular accounting policies adopted are described below.

#### Accounting Basis

The financial statements are prepared under the historical cost convention.

#### Income

Incoming resources are included on a receivable basis.

#### Expenditure

Expenditure is accounted for on an accruals basis and is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Costs of generating funds are those costs incurred to raise voluntary income and costs of trading activities for the purpose of raising funds. Charitable activities relates to costs incurred in delivering the charity's activities and services to its beneficiaries. Governance costs are costs incurred in meeting the constitutional and statutory requirements.

#### 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% on 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. Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes.

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.

#### Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Any exchange differences arising from the translation are dealt with in the profit and loss account.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	2008 £	2007 £
Project monies received	128,015	138,190
Conference	7,992	8,000
	<u>£136,007</u>	<u>£146,190</u>

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2008

3. ANALYSIS OF RESOURCES EXPENDED	Direct Costs £	Allocated Costs £	Total 2008 £	Total 2007 £
<b>Direct and allocated costs</b>				
<i>Cost of generating funds:</i>				
Fundraising and publicity	546	-	546	2,869
<i>Charitable activities:</i>				
Conference expenditure	17,586	25,184	42,770	57,300
Project costs	129,411	103,553	232,964	274,314
<i>Governance costs</i>	27,758	-	27,758	16,027
	<u>£175,301</u>	<u>£128,737</u>	<u>£304,038</u>	<u>£350,510</u>

3.	Office Costs £	Management Costs £	Total 2008 £	Total 2007 £
<b>Allocated costs</b>				
<i>Cost of generating funds:</i>				
Fundraising and publicity	-	-	-	-
<i>Charitable expenditure:</i>				
Conference expenditure	23,833	1,351	25,184	38,650
Project costs	98,004	5,549	103,553	158,929
<i>Governance costs</i>	-	-	-	1,339
	<u>£121,837</u>	<u>£6,900</u>	<u>£128,737</u>	<u>£198,918</u>

Support costs are allocated on the basis of direct costs under each activity heading.

The costs include salaries totalling £49,707 (2007: £114,602) to employees who carry out significant work on behalf of the charity (see note 4).

	2008 £	2007 £
Net incoming/(outgoing) resources is stated after charging:		
Auditor's remuneration (excl VAT)		
- Audit fees	2,900	2,750
Depreciation	271	272
	<u>2,900</u>	<u>2,750</u>

4. STAFF COSTS AND DIRECTORS EMOLUMENTS	2008 £	2007 £
Wages and salaries	47,062	112,015
Social security costs	2,645	2,587
	<u>£49,707</u>	<u>£114,602</u>

The average number of employees was 2 (2007: 4).

**THE ROUND SQUARE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2008**

**4. STAFF COSTS AND DIRECTORS EMOLUMENTS (continued)**

The directors received no emoluments during the year. They received reimbursed expenses relating to the work of the charity which totalled £23,816 (2007: £11,633). No employee received emoluments exceeding £60,000 (2007: Nil).

**5. DEBTORS**

	2008 £	2007 £
Other debtors	15,897	24,948
Prepayments	44,713	45,784
	<u>£60,610</u>	<u>£70,732</u>

**6. CREDITORS: Amounts falling due within one year**

	2008 £	2007 £
Subscriptions received in advance	61,535	-
Project monies in advance	39,270	51,034
Other taxes and social security	4,566	3,359
Other creditors, accruals and deferred income	37,042	38,388
	<u>£142,413</u>	<u>£92,781</u>

**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 2007 £	Income £	Expenditure £	Balance at 31 July 2008 £
<b>Unrestricted funds:</b>				
General funds	131,409	298,662	254,028	176,043
<b>Designated funds:</b>				
Governors Bursary Fund	5,522	700	-	6,222
Peter Pelham Bursary	5,246	441	-	5,687
Project Development Fund	-	72,993	-	72,993
<b>Restricted funds:</b>				
Hill Trust	6,111	-	-	6,111
Prince Alexander	25,887	58,676	50,010	34,553
Balance at 31 July 2008	<u>£174,175</u>	<u>£431,472</u>	<u>£304,038</u>	<u>£301,609</u>

# THE ROUND SQUARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2008

### 9. FUNDS (continued)

#### Restricted Funds:

The Hill Trust relates to donations received towards the Scottish environmental project which normally takes place annually in June/July. There was no project in the year.

The Prince Alexander fund has been created to generate funds for the building materials (bricks and mortar) element of the Round Square International Service (RSIS) projects. It is not used for administrative purposes.

#### Designated Funds:

The following designations were agreed by the directors during the year:

The Governors fund represents monies donated by Member schools governors who have kindly supported the initiative by contributing to this designated fund used to fund student bursaries on RSIS projects. The recipients are students who could otherwise not afford this opportunity and who are in geographic areas where Friends of Round Square is not established. This fund is administered by the Executive Director and the Secretary/Treasurer.

The Peter Pelham Fund represents monies donated by the Board of Directors and set aside to fund student bursaries on RSIS projects. The recipients are students from financially disadvantaged RS member schools. This fund is administered by the Executive Director and the Secretary/Treasurer.

The Project Development Fund represents surpluses from the Annual Conference 2007 held at Daly College in India which the trustees have earmarked for project development.

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.

### 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Net current Assets £	Total £
Unrestricted funds:			
- General	271	175,772	176,043
- Designated funds	-	84,902	84,902
Restricted funds	-	40,664	40,664
	<u>£271</u>	<u>£301,338</u>	<u>£301,609</u>