

ROUND SQUARE LIMITED
(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011

WEDNESDAY



L17KXJWG

LD5

25/04/2012

#49

COMPANIES HOUSE

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 2011

The Directors present their annual report and the company's financial statements for the year ended 31 July 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

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

King Constantine (President)	Mr J Hamilton
Mr R Fraser (Chairman)	Mrs S Ispahani
Mrs T Balch	Mr H Macdonnell
Mr A Barr (retired March 2011)	Mr J O'Connor (appointed October 2010)
Mr S Bruce Lockhart	Mr R Otero
Mrs E Dase	Mr G McLean
Mr D Golden	Mr S Singh
Mr P Habberton (retired October 2010)	Mr R Summerton

Executive Director

Mr Brian Dawson

Secretary and Treasurer

Mrs J Howison

Registered Office

Fairfax House
15 Fulwood Place
London WC1V 6AY

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers

Barclays Bank Plc
24 Lowfield Street
Dartford
Kent DA1 1HE

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2011

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

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, meets at a minimum, three times a year, in addition Committees communicate by teleconference.

The Board delegates day to day management of the organisation to the Executive Director.

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2011

Status and Administration

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

Risk Review

Projects

1 August 2010 to 31 July 2011

During this time period, seven Round Square International Service (RSIS) Projects took place. In December 2010 four Projects ran in Thailand, Kenya, India and Honduras with 65 students, 9 adults and 20 schools taking part. In July 2011, three Projects ran in Peru, Ladakh and South Africa with 87 students, 13 adults and 30 schools taking part.

In March 2011, RSIS Projects undertook an interim audit of all operating procedures and Projects and was re-confirmed to operate in full compliance with the British Standard 8848 "Specification for the provision of visits, fieldwork, expeditions and adventurous activities outside the United Kingdom".

One Leader Training Workshop also took place during this time - in the UK (November 2010). The RSIS Project Co-ordinator conducted a research visit to the Thailand Project in October 2010, and to Canada in June 2011.

Other matters

The organisation has assessed and improved insurance available to provide enhanced cover for the organisation and for participants on projects.

Financial risk management is overseen by The Finance Committee who have developed policies regarding financial control, internal audit and overall expenditure. Additional control measures have been put in place in respect of the operation of bank accounts.

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 their fee income, and are utilised to support the organisation's objectives. The organisation seeks to enhance the education of all constituents at member schools - pupils, governors and staff to the member schools - and spread the Kurt Hahn philosophy.

The Kurt Hahn philosophy identifies the need to educate students to reach their potential beyond academic excellence focusing on personal development and responsibility through service, challenge, adventure and international understanding.

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2011

PUBLIC BENEFIT

The organisation specifically identifies the advancement of education in its governing documents

The organisation, as one of its cornerstones recognises and promotes the importance of educating students to provide service to others and to participate in voluntary work in education, social service and similar activities in various parts of the World

The organisation provides opportunities for students to participate in events including conferences, projects and exchanges. Specifically the organisation provides young people with opportunities to work together as an international group promoting understanding

The organisation raises funds to enable students to attend projects. Additionally each school raises funds to support the Prince Alexander Project fund, this fund is used specifically for building materials on projects

Member schools provide support to students at International Schools

Round Square directly sponsors students to attend International and Regional Conferences and provides allocated funding to meet this commitment. Round Square has identified in its strategic plan, the wish to further advance the diversity of membership by enabling schools from disadvantaged parts of the world to seek and become members of the organisation

The trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit in reviewing the charity's aims, objectives and future plans

ACHIEVEMENTS AND PERFORMANCE

The organisation has enjoyed a very successful year

The Conference held in Thailand in October 2010 was outstanding, bringing together over 700 individuals from all over the World

The number of member schools continues to grow, there are now 85 global member schools with 31 regional members

Staff appointments have been made, administrative support for the Executive Director, a marketing assistant, and administrative support has been provided for the Round Square International Service Coordinator

Regional Board members have worked to promote the organisation within their regions and have extended their outreach to areas previously under represented. Development work on a regional basis continues, opportunities for students to enjoy activities collectively within their regions mean greater accessibility to more students

A greater emphasis has been placed on involving staff representatives and providing both training opportunities and an insight into the work of the organisation as a whole

The Round Square International Service Coordinator has been successful in identifying new project opportunities for participants, these will come on stream from 2011

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2011

FINANCIAL RESULTS AND RESOURCES

The results for the year show an increase in resources of £100,186. The total unrestricted reserves of the organisation are £426,989. 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.

Investments Policy

Round Square will ensure that a conservative approach to the investment of surplus funds continues to form the basis of the investment policy. The Committee will seek to look at opportunities to invest funds where there is the minimum risk to capital.

The Finance Committee will review its cash position at least annually and make decisions accordingly.

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 £320,420 and this is considered as sufficient for the on going work of the charity given the Board's target of 12 months expenditure.

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

PLANS FOR THE FUTURE

There are a number of new initiatives planned. These include the launch of a new website and new projects providing greater range in terms of potential participants from more schools. 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 ROUND SQUARE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2011

PLANS FOR THE FUTURE (CONTINUED)

The Chairman has commenced a review of the organisations governing documents. It is proposed that the membership will be consulted at the forthcoming Conference prior to the implementation of amendments likely to be executed over the next twelve months.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- 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 that disclose with reasonable accuracy at any time of the financial position of the charitable company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.



BY ORDER of the BOARD
J A HOWISON
Secretary

19th October 2011

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

We have audited the financial statements of Round Square Limited for the year ended 31 July 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' Report, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial, and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.


Tracey Young (Senior Statutory Auditor)
for and on behalf of Haysmacintyre, Statutory Auditor

Fairfax House
15 Fulwood Place
London WC1V 6AY

16 April 2012

THE ROUND SQUARE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2011

INCOME AND EXPENDITURE		Unrestricted Funds £	Restricted Funds £	2011 Total £	2010 Total £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations		17,397	41,670	59,067	38,750
Subscriptions		379,554	-	379,554	314,427
Bank interest received		261	-	261	244
Incoming resources from charitable activities	2	225,926	-	225,926	220,534
Other income		1,462	-	1,462	802
		<u>624,600</u>	<u>41,670</u>	<u>666,270</u>	<u>574,757</u>
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Fundraising and publicity		5,583	-	5,583	9,757
Charitable activities		501,004	24,619	525,623	492,847
Governance costs		34,878	-	34,878	30,542
	3	<u>541,465</u>	<u>24,619</u>	<u>566,084</u>	<u>533,146</u>
Net incoming resources		83,135	17,051	100,186	41,611
Balance brought forward at 1 August 2010		<u>343,854</u>	<u>41,310</u>	<u>385,164</u>	<u>343,553</u>
Balance carried forward at 31 July 2011		<u>£426,989</u>	<u>£58,361</u>	<u>£485,350</u>	<u>£385,164</u>

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

All transactions are derived from continuing activities

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 31 JULY 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Office equipment at cost		8,727	7,858
Less depreciation		(7,422)	(6,767)
		<u>1,305</u>	<u>1,091</u>
CURRENT ASSETS			
Debtors	5	49,651	21,108
Stock		2,130	8,522
Cash at bank		508,387	467,930
		<u>560,168</u>	<u>497,560</u>
CREDITORS: Amounts falling due within one year	6	(76,123)	(113,487)
NET CURRENT ASSETS		<u>484,045</u>	<u>384,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£485,350</u>	<u>£385,164</u>
FUNDS			
Unrestricted			
General Funds	9	321,725	255,986
Designated Funds	9	105,264	87,868
Restricted	9	58,361	41,310
		<u>£485,350</u>	<u>£385,164</u>

The financial statements were approved and authorised for issue by the Board of Directors on 19th October 2011 and were signed below on its behalf by


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 2011

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 2006 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

	2011 £	2010 £
Project monies received	217,932	202,384
Conference	7,994	18,150
	<u>£225,926</u>	<u>£220,534</u>

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2011

3. ANALYSIS OF RESOURCES EXPENDED	Direct Costs £	Allocated Costs £	Total 2011 £	Total 2010 £
Direct and allocated costs				
<i>Cost of generating funds</i>				
Fundraising and publicity	5,583	-	5,583	9,757
<i>Charitable activities.</i>				
Conference expenditure	10,900	61,991	72,891	68,128
Projects and educational activities	197,821	254,911	452,732	424,719
<i>Governance costs</i>	34,878	-	34,878	30,542
	<u>£249,182</u>	<u>£316,902</u>	<u>£566,084</u>	<u>£533,146</u>
	Office Costs £	Management Costs £	Total 2011 £	Total 2010 £
Allocated costs				
<i>Cost of generating funds</i>				
Fundraising and publicity	-	-	-	-
<i>Charitable expenditure.</i>				
Conference expenditure	57,155	4,836	61,991	56,606
Projects and educational activities	235,027	19,884	254,911	232,771
<i>Governance costs</i>	-	-	-	-
	<u>£292,182</u>	<u>£24,720</u>	<u>£316,902</u>	<u>£289,377</u>

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

The costs include salaries totalling £182,711 (2010 £173,263) to employees who carry out significant work on behalf of the charity (see note 4)

	2011 £	2010 £
Net incoming resources is stated after charging		
Auditor's remuneration (excl VAT)		
- Audit fees	3,350	3,200
Depreciation	655	545
	<u>3,350</u>	<u>3,200</u>
4. STAFF COSTS AND DIRECTORS EMOLUMENTS	2011 £	2010 £
Wages and salaries	176,327	167,006
Social security costs	6,384	6,257
	<u>£182,711</u>	<u>£173,263</u>

The average number of employees was 4 (2010 4)

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2011

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 £30,328 (2010: £26,782). The number of employees who received emoluments exceeding £60,000 was

	2011	2010
£70,001 - £80,000	1	1

5. DEBTORS

	2011 £	2010 £
Trade debtors	22,629	-
Other debtors	6,050	8,084
Prepayments	20,972	13,024
	<u>£49,651</u>	<u>£21,108</u>

6 CREDITORS Amounts falling due within one year

	2011 £	2010 £
Subscriptions received in advance	15,599	48,370
Project monies in advance	24,563	12,800
Other taxes and social security	2,443	9,049
Other creditors, accruals and deferred income	33,518	43,268
	<u>£76,123</u>	<u>£113,487</u>

7 TAXATION

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

8 CONSTITUTION

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

9 FUNDS

	Balance at 1 August 2010 £	Income £	Expenditure £	Balance at 31 July 2011 £
Unrestricted funds				
General funds	255,986	607,204	541,465	321,725
Designated funds				
Governors Bursary Fund	8,176	796	-	8,972
Peter Pelham Bursary	6,699	100	-	6,799
Project Development Fund	72,993	16,500	-	89,493
Restricted funds:				
Hill Trust	6,111	-	-	6,111
Prince Alexander	35,199	41,670	24,619	52,250
	<u>£385,164</u>	<u>£666,270</u>	<u>£566,084</u>	<u>£485,350</u>

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2011

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 Bursary 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 Bursary 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 2010 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	1,305	320,420	321,725
- Designated funds	-	105,264	105,264
Restricted funds	-	58,361	58,361
	<u>£1,305</u>	<u>£484,045</u>	<u>£485,350</u>