

THE ROUND SQUARE
(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

Company Registration No: 2011514
Registered Charity No: 327117

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THE ROUND SQUARE

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 JULY 2014

Round Square is at an exciting stage in its development. With a strategic planning process now leading into global and regional implementation, the organisation is strong, well respected, financially stable and growing. It benefits from a committed, enthusiastic and dynamic membership of schools that are operating on the leading edge of education throughout the world.

Our challenge now is to ensure that the next stage of Round Square's development cherishes and builds on the strong founding principles on which it was established whilst also maximising and delivering on the organisation's enormous future potential.

The reported year has been another period of solid growth for Round Square. During the 2013/14 year the number of member schools increased to 146, representing 10% growth year on year.

Against this backdrop, the Round Square Board has sought the engagement, guidance and input of the organisation's members in a strategic development process. The resulting Strategic Plan has given rise to Regional Implementation Plans and a Worldwide Implementation Plan, designed to support all Members in reaching their aspirations in line with our overall strategic objectives. This includes some exciting developments and forward planning around Projects, Conferences, Alumni and adult professional development opportunities.

Development of an entirely new, integrated and responsive website, including intranet, for Round Square has begun and work will continue through into the first quarter of 2015 when we expect to launch. We understand how important a fully functional website is to Members, allowing effective communication, sharing of best practice and the development of common approaches and initiatives across the world and we are very excited at the potential this important new tool will bring.

In addition, we have initiated some ground-breaking research development to craft and articulate the Round Square philosophical approach to teaching and learning. At the other end of the spectrum, next year will see an evaluative research programme launched with our Alumni to track and trace where they go after their time in a Round Square school, and develop case studies around the individual impact of the Round Square experience.

The results for the year show a decrease in resources of £30,641 due to the Board's decision to invest from reserves in the development of the organisation. The total unrestricted reserves of the organisation are now £342,658. 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. In addition to the investment made from reserves during the reported year, the coming year will see further significant investment made in developing Round Square's infrastructures, in particular through the creation of the new web site.

I would like to take this opportunity to thank the heads, teachers, governors and pupils of our many member schools for their dedication, enthusiasm and achievement in delivering this solid year of activity. Equally, the Regional Trustees are to be congratulated for their tremendous commitment and determination to build strong Round Square regional networks. Finally, but by no means least, I would like to thank my Board colleagues and the Worldwide Management Team for their leadership and effective running of our organisation.

Round Square is on the cusp of a very exciting time as we move into a new year that will be marked by major steps in organisational development and innovation.



Roderick D Fraser
Chairman

6th October 2014

THE ROUND SQUARE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2014

Trustees

HM King Constantine	President	
Roderick Fraser	Chairman	
Tracey Balch	Advancement Committee	
Simon Bruce Lockhart	Americas Regional Representative	Resigned 9.10.2013
Paul Crouch	RS School Reps Representative	Resigned 16.03.2014
Eleanor Dase	Members Committee	
Mark Eagers	European Regional Representative,	Appointed 9.10.2013
		Resigned 30.12.2013
Doug Golden	RS School Governors' Representative	
John Hamilton	External Operations Committee	
Shereen Ispahani	Advancement Committee	
Hugh Macdonnell	Finance Committee	
John O'Connor	Africa Regional Representative	
Raul Otero	Advancement Committee	
Guy McLean	Finance Committee	
Sumer Singh	South Asia & Gulf Regional Representative	
Chris Shannon	Americas Regional Representative	Appointed 9.10.2013
Mike Walton	Australasia & East Asia Regional Representative	Resigned 16.03.2014

Secretary and Treasurer

Jane Howison

Worldwide Management Team

Brian Dawson	Executive Director
Rachael Westgarth	Director of Strategy and Operations
Suzanne Bookless	Marketing and Communications Manager
Clare Coverdale	RSIS Assistant
Julie Driver	Accountant
Liz Gray	RSIS Manager
Jane Howison	Business Manager
Ann West	Guardian

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Bankers

Barclays Bank Plc
24 Lowfield Street
Dartford
Kent DA1 1HE

Solicitors

Bates, Wells & Braithwaite
2-6 Cannon Street
London
EC4M 6YH

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

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 resolutions on 25 September 2001 and 28 September 2012.

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

Appointment of Trustees

As part of the requirements of the Articles of Association, near to one-third of the Board of Trustees must retire at each Annual General Meeting (Article 3.5). Members of the Board of Trustees are, subject to any restrictions specified in the Rules of Governance (or in the case of Regional Trustees, in the Regional Charters), eligible for re-election (Article 3.6).

Nominations for positions on the Board of Trustees will, over time and as Terms of Office expire, come from a variety of sources and stakeholders of the Round Square Organisation.

Regional Trustees are elected by the Region through the process as designated in the specific Regional Charter for each Round Square Region. These positions are to be ratified at an Annual General Meeting by the Members.

The nomination process for the Staff Regional Representative is set out according to the procedure agreed to by the Staff Representatives from Global Member Schools. This position, as nominated and elected by all eligible Staff Representatives, would be approved by the Board of Trustees and ratified by Members at an Annual General Meeting.

The Governor's Representative will be nominated according to the criteria established and agreed to by the Governors from time to time. This position, as nominated and elected by eligible Governors, would be approved by the Board of Trustees and ratified by Members at an Annual General Meeting.

The Executive and Nomination Committee of the Board will nominate, after consultation, candidates for election to positions of the Board of 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.

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Organisational Structure

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 Nomination Committee
- Members Committee, school membership, management of school recruitment
- External Operations Committee, projects, organisation and oversight
- Finance Committee, budgeting and finance matters
- Advancement Committee, raising profile and funds for the organisation

The full Board meets, at a minimum, twice a year; in addition both the full board and its Committees communicate by teleconference and group email.

The Board delegates day to day management of the organisation to the Worldwide Management Team, led by the Chairman.

Status and Administration

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

Risk Review

Round Square has thorough processes in place for risk management of student-based activities including projects and conferences. In addition, the charity's organisational risk management has been considered in the development of the new strategic plan and will be formally reviewed again at the conclusion of that strategic planning process in 2015.

Financial risk management is overseen by the Finance Committee which has developed policies regarding financial control, internal audit and overall expenditure.

OBJECTIVES AND ACTIVITIES

Round Square (RS) is a not-for-profit network of more than 140 schools on five continents with a stated object to advance education anywhere in the world.

Its proposition is based on the theories of Kurt Hahn who believed that schools should have a greater purpose beyond preparing young people for college and university. Together, the schools in the Round Square network share a belief in six pillars, or IDEALS, inspired by Hahn's beliefs. These are:

International understanding, empathy and tolerance

Democratic governance and justice

Environmental stewardship

Adventure, motivating self-discovery

Leadership, with courage and compassion

Service to others

RS schools carry this belief into their practices and pedagogy, offering a holistic and collaborative approach to learning that develops students into well-rounded, informed, responsible, principled and confident Global Citizens.

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Students at Round Square schools instigate, and engage in, practical initiatives that develop their skills and understanding both of themselves and others, on an International scale. They are challenged to seek out issues that have resonance locally, regionally and internationally and form their own opinions and ideas about these in the context of the RS IDEALS.

Subscriptions are paid by each member school in proportion to their fee income, and are utilised to support the organisations objectives. The organisation seeks to enhance the education of all constituents at member schools - pupils, governors and staff - and propagate a style of education built around the six IDEALS and Kurt Hahn's philosophy.

Member schools demonstrate their commitment to Round Square IDEALS through activities run within their schools, through sharing good practice and knowledge, and through participation in international Round Square initiatives such as conferences and projects.

STRATEGIC INTENTIONS

Organisational

1. To be a major global educational influencer, advocating and promoting the philosophy of Kurt Hahn as the basis for excellence in education around the world;
2. To place students at the heart of our organisation, and to define our role, ambitions and activities by a compulsion to guide and support their educational, ethical and social journeys;
3. To strive for the broadest possible reach, engaging with schools and young people throughout the world, irrespective of background and circumstance;
4. To engender a culture within our schools that encourages and expects students to be active, informed and responsible participants in shaping and improving our world both now and in their future lives

Individual

5. To provide young people with the appropriate environment and opportunities for self-discovery and personal growth, through physical and mental challenge and **ADVENTURE** and through active participation in the **DEMOCRATIC** process of school leadership and governance;
6. To guide and support students in discovering their own inner strengths and developing a sense of personal responsibility, understanding that true **LEADERSHIP** is rooted in kindness, empathy and justice and that the best leaders know how to be of **SERVICE** to others;
7. To engender and nurture **INTERNATIONAL** understanding and global-mindedness through encouraging students to understand and appreciate the physical and social world around them and recognise the need to care for it through effective **ENVIRONMENTAL** stewardship.

Operational

8. To harness and invest in all available technologies and social media to facilitate and enhance opportunities for teaching and learning, sharing good practice, organisational development and communications;
9. To operate with the utmost professionalism: prioritising consistency of approach, method and implementation; delineating the roles of RS Central (infrastructure and enabling) and RS Schools (delivery and programme activity); setting standards rather than following them; and encouraging the elevation of the status of Round Square membership within all schools;
10. To develop and promote the Round Square brand including codification of Intellectual Property, measurement and protection of what it means to be a Round Square member school.

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

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.

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 continues to grow, both in terms of member schools and the opportunities afforded to school communities within the Association.

Today 146 schools and colleges around the globe are members of the Round Square network and at the 2014 Conference three new global members will be recognised.

Conferences and International Service Projects

In October 2013 an International Conference was hosted by St Andrew's School in Miami. Another was hosted by Dainfern College in South Africa in April 2014, this time extending Round Square's offering to younger students aged 12 to 14.

During the reported year, seven Round Square International Service Projects took place. In December 2013, four Projects ran in Kenya, India, Cambodia and Thailand with a total of 66 students, 14 adults and 37 schools taking part. In addition to these four Projects, a Leader Training Project took place in Cambodia with a total of 22 adults from 18 schools taking part. In July 2014, three Projects ran in Peru, Romania and South Africa with a total of 64 students, 9 adults and 31 schools taking part.

Strategic and Implementation Planning

Since September 2013, the Round Square network has been engaged in the significant development of plans for the future based on a shared Strategic Framework. Following workshops at the 2013 International Conference, a series of regional meetings brought the organisation's membership together to draft objectives that each Regional Trustee then presented to the Worldwide Board in March.

In the latter part of the year, each region engaged in further discussions to agree and plan detailed practical actions, which they began to implement as the year ended. Each region will be providing an update on progress towards their ambitions at the 2015 International Conference.

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Supporting the Round Square Membership Network

The Round Square Worldwide Management Team has begun to introduce improvements in support of these regional objectives. Administrative developments include a new process for managing enquiries and tracking membership applications and new systems to aid internal communication.

On Service Projects, Round Square has once again successfully retained the BS8848 standard at the Interim Audit, and has introduced a more flexible booking process. Following the research carried out earlier in the year, work has also begun to restructure projects from July 2015 onwards to make them more cost effective and flexible.

Alongside Project delivery, building on last year's Project Leader Training, work has also begun to develop a programme of training courses and workshops that member schools can access either for individuals or as a whole school.

Web Site Development

As a result of the Strategic Planning Process, a clear need was identified to invest in the development of a new web site for Round Square that will become the hub for all activity. During the 2013/14 year a web development company was appointed to design and build the new site.

In addition to a public element the web site will mainly offer a private, protected Intranet where the Round Square network can better collaborate, pool statistics and research data, and share resources and ideas. Work has begun during the 2013/14 year, though the majority of this development and the, necessary investment from reserves, will take place in 2014/15.

Infrastructure Development

The year has not been without its challenges. Energy has been invested in reviewing and renewing Round Square's policies and procedures, governance structure, legal frameworks and documentation. In addition, Round Square has invested in ensuring that its brand is adequately protected, with Trademark registrations now established across a number of countries.

Looking ahead, this year's restructuring in the Worldwide Team and the departure of the Executive Director will next lead to the creation of new roles and the establishment of a new Worldwide Central Office in the UK in Windsor.

FINANCIAL RESULTS AND RESOURCES

A financial review is summarised in the Chairman's Report.

Investments Policy

Round Square has reviewed its cash balances and has made some investment decisions based on the need to ensure funds are held in accounts producing investment returns whilst ensuring funds are held securely.

A conservative approach to the investment of surplus funds continues to form the basis of the investment policy. The Committee will seek to make further investments where there is the minimum risk to capital.

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

Reserves Policy

Reserves built up in the organisation are intended for investment, by Board decision, in the development of a specific initiative or area of the business. It is not the intention of the Board to supplement normal operating expenditure through use of reserves. In line with Round Square's Implementation plans for the 2013/14 and 2014/15 years the Board has determined to make a proactive investment from reserves in both years in order to develop the infrastructures of the organisation.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Free reserves (unrestricted funds not tied up in fixed assets or designated) at the year-end were £342,658 and this is considered as sufficient for the on-going work of the charity given the Board's target of 12 months expenditure.

PLANS FOR THE FUTURE

With the Strategic Development process now leading into global and regional implementation Round Square is creating a solid foundation for future growth and development.

Strategic Themes

Three strategic themes emerged through the planning process. These encapsulate our Guiding Principles and provide a touchstone for shaping current and future ambitions. Our themes are:

- A World Class Educational Approach
- A Vibrant Connected Network
- A Platform for Future Leaders

Strategic Outcomes

The Strategic Planning Process identified five Strategic Outcomes for the organisation:

- 1) A meaningful Round Square value system
The Ebb & Flow of Learning in the organisation
- 2) A whole new standard of educational value
BEING Round Square not DOING Round Square
- 3) The development of better human beings
The Vision and purpose to the curriculum shared by Round Square schools
- 4) Advancement of critical skills and qualities for lifelong learning
Propagating the Round Square approach
- 5) Attraction and retention of exemplary Round Square schools
Seeking out those schools that excel and innovate in areas that we are passionate about

Worldwide Implementation Plan

Flowing from the Strategic Plan, schools in each Round Square Region have come together to create implementation plans for their region that will deliver our shared strategic outcomes. With the Worldwide organisation's infrastructures stabilised and strengthened, four key areas have also been identified for the coming year in support of regional ambitions:

Communications with the immediate priority being construction of a new web site.

Core Programme Development to include the future development of Projects, Conferences and a new Alumni programme.

Membership Support including the enquiry, member school recruitment and support processes but also Professional Development, Training and Mentoring for Adults and schools.

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Infrastructure Development which encompasses some restructuring in the roles undertaken by members of the worldwide staff team, the establishment of a new central office and continuing review and improvement in our systems and processes.

Alumni Research Programme

During the coming year, Round Square has ambitious plans to reinvigorate its Alumni programme. In addition to targeting growth in membership via the new web site, plans are in place to commission external evaluative research in order to gather evidence of "distance travelled" in terms of students' learning. This will assist Round Square in understanding and improving how the organisation communicates the learning outcomes of RS activity to its stakeholders.

Inter-school Collaboration

In order to increase access for a greater number of students, Round Square's Regional networks and individual schools have agreed to work more collaboratively to deliver an increasing number of regional and local projects, and to open up existing school projects to each other. This recognises that organisation's greatest strength is the ability of its network to share resources and learn from, through and with each other.

In support of this, Round Square Worldwide will step-up its training and project mentoring whilst at the same time moving to transition some of the centrally-run projects to regional "hubs".

In 2014/15 Round Square Worldwide will operate four International Service Projects. Each will include elements of leadership development for students that want to participate for longer at a higher level and will also experiment with different models in order to guide and support innovation in Round Square's regional offering.

Whilst reducing direct project delivery from the centre, Round Square will be up-scaling its training and professional development offering. A menu of courses and workshops will initially be centred on the activities of being an exemplary Round Square school, but will in future expand to include unique opportunities for networking and collaborative learning on other topics. Round Square will establish, in the next 12 to 18 months, the foundations for a world-class programme of professional development.

Conferences

The 2015 Round Square International Conference will take place in Singapore in September/ October. The programme will include a Professional Development element for adult delegates. In addition, a younger age-range conference is once again planned, this time to be hosted in India.

Round Square Learner Profile

A key area of focus for Round Square in the coming year is the development of a single consistent learner profile framework. A multitude of excellent tried-and-tested approaches and extensive research and evaluation drawn from within the organisation's membership will be used to inform a definitive statement of Round Square learning. This promises to be an exciting and critical initiative for the 2014/15 year and beyond.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

THE ROUND SQUARE

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2014

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and 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 trustees 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 Trustees 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 trustees 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 trustees 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.

Approved by the trustees on 6 October 2014 and signed on their behalf by:



HM King Constantine
President
Round Square



Roderick D Fraser
Chairman
Round Square

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF

THE ROUND SQUARE

We have audited the financial statements of The Round Square for the year ended 31 July 2014 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9 and 10, 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.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of the charitable company's incoming resources and application of resources, including the 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.

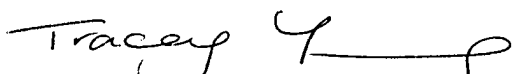
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustee' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.



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

**26 Red Lion Square
London WC1R 4AG**

31 October 2014

THE ROUND SQUARE

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2014

INCOME AND EXPENDITURE		Unrestricted Funds £	Restricted Funds £	2014 Total £	2013 Total £
	Notes				
INCOMING RESOURCES					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations		357	40,371	40,728	38,072
Bank interest received		2,051	-	2,051	2,092
Incoming resources from charitable activities	2	739,553	-	739,553	729,404
Other incoming resources		991	-	991	2,358
		<u>742,952</u>	<u>40,371</u>	<u>783,323</u>	<u>771,926</u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and publicity		1,354	-	1,354	1,711
Charitable activities		696,152	29,158	725,310	687,154
Governance costs		87,300	-	87,300	71,862
	3	<u>784,806</u>	<u>29,158</u>	<u>813,964</u>	<u>760,727</u>
Net (outgoing incoming) / incoming resources		(41,854)	11,213	(30,641)	11,199
Balance brought forward at 1 August 2013		567,611	82,524	650,135	638,936
Balance carried forward at 31 July 2014		<u>525,757</u>	<u>93,737</u>	<u>619,494</u>	<u>650,135</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.

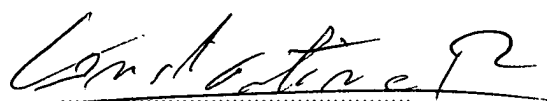
The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 31 JULY 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	5	2,721	4,071
CURRENT ASSETS			
Debtors	6	117,019	118,157
Stock		5,433	7,481
Cash at bank		773,471	657,359
		895,923	782,997
CREDITORS: Amounts falling due within one year	7	(279,150)	(136,933)
NET CURRENT ASSETS		616,773	646,064
TOTAL ASSETS LESS CURRENT LIABILITIES		619,494	650,135
FUNDS			
Unrestricted:			
General Funds	10	342,658	376,802
Designated Funds	10	183,099	190,809
Restricted	10	93,737	82,524
		619,494	650,135

The financial statements were approved and authorised for issue by the Board of Directors on 6 October 2014 and were signed below on its behalf by:



King Constantine - Director

The accompanying notes form part of these financial statements.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

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. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. Any exchange differences arising from the translation are dealt with in the Statement of Financial Activities.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014 £	2013 £
Subscriptions	492,227	455,649
Project monies received	180,700	268,475
Conferences	66,626	5,280
	<u>739,553</u>	<u>729,404</u>

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

3. ANALYSIS OF RESOURCES EXPENDED

	Direct costs	Allocated support costs	Total 2014	Total 2013
	£	£	£	£
Direct and allocated costs				
Cost of generating funds:				
Fundraising and publicity	1,354	-	1,354	1,711
Charitable activities:				
Conference expenditure	29,378	94,826	124,204	85,871
Projects and educational activities	211,174	389,932	601,106	601,283
Governance costs	87,300	-	87,300	71,862
	<u>329,206</u>	<u>484,758</u>	<u>813,964</u>	<u>760,727</u>
	Office costs	Management costs	Total 2014	Total 2013
	£	£	£	£
Allocated support costs				
Cost of generating funds:				
Fundraising and publicity	-	-	-	-
Charitable activity:				
Conference expenditure	82,203	12,623	94,826	67,925
Projects and educational activities	338,025	51,907	389,932	279,310
Governance costs	-	-	-	-
	<u>420,228</u>	<u>64,530</u>	<u>484,758</u>	<u>347,235</u>

The costs include salaries totalling £317,294 (2013: £254,529) to employees who carry out significant work on behalf of the charity (see Note 4).

	2014	2013
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration (excl VAT)		
- Audit fees	4,150	3,850
Depreciation	1,350	1,101
	<u>5,500</u>	<u>4,951</u>

4. STAFF COSTS AND TRUSTEES EMOLUMENTS

	2014	2013
	£	£
Wages and salaries	298,391	240,158
Social security costs	18,903	14,371
	<u>317,294</u>	<u>254,529</u>

The average number of employees was 6 (2013: 5).

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

4. STAFF COSTS AND TRUSTEES EMOLUMENTS (continued)

The Trustees received no emoluments during the year. They received reimbursed expenses relating to the work of the charity which totalled £53,595 (2013: £65,105). The number of employees who received emoluments exceeding £60,000 was:

	2014	2013
£70,001 - £80,000	-	1
£100,001 - £110,000	1	-
	<u>1</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Office equipment £
Cost or valuation	
At 1 August 2013	13,659
Additions	-
Disposals	(1,955)
At 31 July 2014	<u>11,704</u>
Depreciation	
At 1 August 2013	9,588
Charge for year	1,350
Disposals	(1,955)
At 31 July 2014	<u>8,983</u>
Net book value	
At 31 July 2014	<u>2,721</u>
At 31 July 2013	<u>4,071</u>

All assets are used for charitable purposes.

6. DEBTORS

	2014 £	2013 £
Trade debtors	72,830	59,258
Other debtors	-	10,525
Prepayments and accrued income	44,189	48,374
	<u>117,019</u>	<u>118,157</u>

7. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	15,115	36,713
Subscriptions received in advance	94,706	26,377
Project monies in advance	64,515	58,825
Other taxes and social security	6,242	4,049
Other creditors	31,269	-
Accruals	67,303	10,969
	<u>279,150</u>	<u>136,933</u>

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2014

8. TAXATION

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

9. CONSTITUTION

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

10. FUNDS	Balance at 1 August 2013 £	Income £	Expenditure £	Transfers between funds £	Balance at 31 July 2014 £
Unrestricted funds:					
General funds	376,802	742,595	776,739	-	342,658
Designated funds:					
Governors' Bursary Fund	8,917	357	-	-	9,274
Peter Pelham Bursary	8,100	-	-	-	8,100
Project Development Fund	173,792	-	8,067	-	165,725
Restricted funds:					
Global Forum Fund	6,148	-	-	-	6,148
Hill Trust	6,111	-	-	-	6,111
Prince Alexander	70,265	40,371	29,158	-	81,478
	<u>650,135</u>	<u>783,323</u>	<u>813,964</u>	<u>-</u>	<u>619,494</u>

Restricted Funds:

The Global Forum Fund represents amounts received enabling the organisation to create a Global Academic forum for Member schools. The forum is designed to promote international perspectives across a range of academic subjects which will engage staff and students alike.

The Hill Trust relates to donations received towards the Scottish environmental project which has historically taken place in June/July. There was no project in the year.

The Prince Alexander Project 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 or staff 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 may not be established. This fund is administered by the Executive Director, The Project Manager and the Business Manager.

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, The Project Manager and the Business Manager.

The Project Development Fund represents surpluses from the Conference held at Daly College in India and the 2012 Conference held at Wellington College England, 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.

THE ROUND SQUARE**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 JULY 2014****11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Fixed assets	Net current	
	£	Assets	Total
		£	£
Unrestricted funds:			
- General	2,721	339,937	342,658
- Designated funds	-	183,099	183,099
Restricted funds	-	93,737	93,737
	<u>2,721</u>	<u>616,773</u>	<u>619,494</u>