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THE ROUND SQUARE
(A Charitable Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019



Company Registration No: 2011514
Registered Charity No: 327117

THE ROUND SQUARE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2019

Trustees

HM King Constantine	President	
Roderick Fraser	Chair	
Simona Baci	Deputy Chair	
Christine Ashton	RS Schools' Reps' Representative	Retired March 2019
Richard Bradley	RS Schools' Governors' Representative	
Papri Ghosh	Regional Trustee South Asia & Gulf Region	
Murray Guest	Regional Trustee Australasia & East Asia Region	
Hugh Macdonnell		
Richard McDonald	Regional Trustee Europe and the Mediterranean Region	
John O'Connor	Membership Committee Chair	
Sue Redelinghuys	Regional Trustee Africa Region	Retired March 2019
Nick Richardson		
Chris Shannon	Regional Trustee Americas Region	Retired March 2019
Siddarth Singh Girnar		Appointed September 2018

Company Secretary

Jane Howison

Worldwide Management Team

Rachael Westgarth	Chief Executive	
Craig Carolan	Schools' Support Director – Africa	Joined January 2019
Samantha Currie	Key Initiatives Manager	Left January 2019
Katie Di Felicianonio	Digital Communications Manager	
Emma Fordham	Conference and Projects Manager	
Jane Howison	Executive Assistant to the CEO	
Duncan Hossack	Schools' Support Director – USA and Canada	
Raksana Khan	Finance Manager	
Florencia Marante	Schools' Support Director – Latin America	
Andrew Matthews	Schools' Support Director – Europe & the Mediterranean	Joined January 2019
Rajbir Sandhu	Schools' Support Director – South Asia & the Gulf	
Aimee Theodore	Head of Programme Development	
Stuart Walls	Schools' Support Director – Australasia & East Asia	
Sandy Watt	Membership Secretary	

Auditors Haysmacintyre LLP
10 Queen Street Place, London, EC4R 1AG

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

Solicitors Bates Wells Braithwaite
10 Queen Street Place, London, EC4R 1BE

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102)

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, 28 September 2012 and 20 May 2015.

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).

Over time and as terms of office expire, nominations for positions on the Board of Trustees come from a variety of sources and stakeholders of the Round Square Organisation.

Regional Trustees are selected by nomination and vote by the Heads of School in their Region through a process designated in their Regional Charter and then put forward to the full Global membership for election via the AGM.

The RS Schools' Global Reps' Representative is nominated and selected by a vote of the Reps' Representatives from all Global Member Schools. The chosen candidate, once approved by the Board of Trustees, is put forward for election by full-membership vote via the AGM.

The RS Schools' Governors' Representative is nominated and selected by a vote of the School Governor Representatives from all Global Member Schools. The chosen candidate, once approved by the Board of Trustees, is put forward for election by full-membership vote via the AGM.

All Round Square Heads of School are invited, from time to time, by the RS Chairman, to put forward to the Nominations Committee of the Board of Trustees, further candidates for election to the Board.

Trustee Induction and Training

New Trustees are provided with access to an information Dropbox 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. An induction workshop for new Trustees is led by the RS Chairman and CEO.

Organisational Structure

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

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

The Trustees operate a committee structure, the committees and their responsibilities are shown below:

- Nominations Committee
- Membership Committee: School membership, management of school recruitment
- Finance & General Purposes Committee: Operational, budgeting and finance matters

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.

Status and Administration

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

Principal Risks and Uncertainties

Round Square has thorough processes in place for risk management of student-based activities including projects and conferences. In addition, the charity has produced and maintains a risk register, which was reviewed by the Board during the reported year at its March 2019 meeting.

The top three risks identified through this process, on the basis of assessment of severity of impact and likelihood are:

- a Direct Child Protection breach during Round Square activity e.g. At a RS Conference; on an RSIS project; during a RS exchange. Mitigating factors and actions already being taken include adherence to a formal Child Protection Policy & Safeguarding code of behaviour. Written guidance on behaviour is provided both to pupils and adults. Background checks are carried out on all adults participating in RSIS Projects. Policies & standards for behaviour are shared with Conference Hosts. Exchanges are organised independently of Round Square via a direct agreement between schools which Round Square is not party to. Round Square recommends that schools share behaviour standards with each other before embarking on an exchange.
- a major accident, natural disaster or fatality during an RSIS Project, including criminal or negligent actions or failure by Project Manager or Leader or 3rd party provider resulting in negative impact on students and adult participants. Mitigating factors and actions already being taken include Round Square's care to ensure that RSIS Projects are BS8848 compliant & assessed annually. In-house audits of RSIS Projects are conducted twice annually and extensive comprehensive policies & procedures are in place to manage quality. All Project Leaders & Managers are thoroughly interviewed and trained. A Critical Incident Management Plan is in place. Every trip has a minimum of a Project leader and Deputy Leader. All trips are fully insured.
- sudden loss/ alienation of a significant number of member schools, impacting on the quality of interaction within the network, leading to reputational damage and potentially unsustainable loss of income. Mitigating factors were identified as the significant energy invested in maintaining and developing Round Square's responsiveness to the needs of its Member Schools as well as building the engagement & commitment of the network (for example via a collaborative Strategic Planning Process). In addition the introduction of Candidate and Membership agreements has formalised relationships and expectations.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

OBJECTIVES AND ACTIVITIES

Round Square (RS) is a not-for-profit network of schools in 50 countries on six 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.

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;

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TRUSTEES' REPORT (continued)

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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.

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 and service projects. Specifically the organisation provides young people with opportunities to work together as an international group promoting understanding. Individual schools in the Round Square network also arrange exchanges of students and staff between themselves.

Each Round Square Member School raises funds to support Round Square's charitable activities. During the reported year donations made to the organisation were designated by the Board of Trustees to the Round Square Discovery Fund, which is used to support Round Square's charitable activities including, for example, in purchasing materials for International Service Projects, or in providing bursaries to enable participation in projects and conferences for students whose financial circumstances would otherwise prevent them from taking part. In this way, Round Square directly supports students in participating in Round Square Conferences and on RSIS Projects, 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 – ANALYSIS OF OPERATING COSTS

As a registered charity, Round Square is aware of the need to manage its resources to the best possible effect on behalf of its stakeholders, balancing in-house activities most effectively and efficiently delivered by the Management Team with initiatives that are outsourced to specialist suppliers and consultants. Note 3 of the accounts details the allocation of staff and governance costs, between the following areas:

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Membership – Support and Recruitment

Round Square continues its strategy for measured growth, both in terms of the opportunities afforded to school communities within the Association and in the number of Member Schools.

Today 207 schools and colleges around the globe are part of the Round Square network and at the 2019 Conference eight new Global Member Schools will be recognised. The combined addition of new Candidate and Global Member schools, along with changes in the exchange rate and local increases in school-fee income, has resulted in an increase in subscription income of £58,233 during the year (Note 2a refers).

Interest in – and engagement with – Round Square continues to go from strength to strength both within and beyond our network. Feedback via this year's ARMs confirms that the majority of Candidate and Member Schools are generally both contented and increasing engagement, embracing the new opportunities on offer.

- Interest in the RS Discovery Framework, Research Initiatives and Futures projects is strong, and this year's Conferences and RSIS Projects have been well attended.
- Awareness of Round Square and interest in RS Candidacy is stronger than ever, and Round Square is increasingly being invited to lend its voice and expertise to broader discussions around character and values-based education.
- Membership growth is steady and bringing in new schools in new/ underrepresented areas, and of different types and profiles to form stronger clusters in more established areas.
- Initiatives designed to "get the network networking" continue. Coordinated good practice sharing and collaboration opportunities led by RS have started to inspire more school-initiated opportunities.

The Round Square Worldwide Management Team has continued to introduce improvements in support of Round Square Regional activities. During the reported year the appointment process for six new Schools' Support Directors has completed, with the final two joining the team in January 2019. Together these posts provide direct on-the-ground support to existing member schools, incoming Candidate Schools, and those transitioning into Global Membership.

The total manpower invested in direct services and support to Candidate and Member Schools by members of the Worldwide Management Team and Board of Trustees amounted to expenditure of £396,607 during the year (as disclosed in General Support costs and Governance costs in Note 3).

Research & Development

During the reported year, ongoing development and implementation of the Round Square Discovery Framework (RSDF) by Member and Candidate Schools continued to establish a simple shared framework for the Round Square approach to character education.

The RSDF offers a structure for teaching and learning, both inside and beyond the curriculum, that connects the *Spirit* inherent in each of the Round Square IDEALS (International Understanding, Democracy, Environmental Stewardship, Adventure, Leadership and Service) with twelve *Discoveries* that students explore on their learning journey: inquisitiveness, tenacity, courage, compassion, inventiveness, ability to solve problems, self-awareness, sense of responsibility, appreciation for diversity, commitment to sustainability, communication and team-working skills.

Within this Framework, Students and Faculty in RS Member Schools are encouraged to discover and develop their own capabilities through a range of experiences, activities, taught lessons, collaborative projects and challenges.

In the reported year, development began on an initiative to create classroom resources and programmes based on the RSDF for Early Years and Primary/ Elementary students.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

The RSDF was first rolled out at the RSIC2015 and is now in use in more than 130 Round Square schools.

Utilising the 12 Discoveries from the RS Discovery Framework, a long-term research project with Research Schools International, led by researchers from the Harvard Graduate School of Education continued during the year, concluding in July 2019, with the final report due to be published in October 2019.

More than 130 Round Square schools took part with over 13,000 student and 2,250 teacher surveys completed. Round Square Research Fellow and Ambassador schools also participated in online training in research skills and conducted interviews with fellow students and teachers at their schools. The project is investigating how Round Square schools approach the development of International Understanding/ Global Competence in their students.

The reported year also saw the start of a new research project into Leadership in Round Square schools, which will continue in the coming year.

The direct cost to the organisation in the reported year of these combined initiatives was £28,546 as disclosed in Note 3 of the accounts.

Digital & Other Communications

August 2018 saw the launch of a new Round Square Web Site which focuses on storytelling with dynamic content in the form of case studies, movies, social media feeds, alumni stories and school and student generated articles replacing or enhancing the static content.

As part of the new RS web site a redesigned and repopulated resource library structured around the RS Discovery Framework offers all teachers in RS schools a wide range of searchable resources, lesson plans, units of work and case studies. In addition, dedicated areas allow for wider good practice sharing including case studies, resources and templates for conference hosting, IDEALS weeks, risk assessments, safeguarding, exchange planning, assembly ideas, pre and post conference activities and lessons in celebration of different International Days.

In June 2019 a new online Collaboration platform was released, providing teachers in RS Candidate and Member Schools with a facility through which to find, and connect with, collaboration partners in other schools around the world, and to advertise their collaboration ideas and projects. This release completes the latest development of the RS web site.

RSIS Project Expenditure

During the reported year, two Round Square International Service Projects took place.

In December 2018, a combined Round Square Big Build and Environmental Service Project took place in Sri Lanka, with 59 students from 22 schools taking part.

In July 2019, the Big Build in Morocco involved 62 students from 32 schools. Together these service projects and associated support personnel represented £161,381 of Round Square's direct expenditure and £125,505 of income (as disclosed in Notes 3 and 2 of the accounts).

In total across the Round Square network of schools, more than 70,000 students took part in a service project activity, benefiting 2,000+ communities throughout the world, and more than 16,300 students attended a conference.

Conferences Expenditure

In September 2019 the Round Square International Conference was co-hosted in Canada by Lower Canada College, Ashbury College and Appleby College, bringing together more than 360 adults and 780 students from schools throughout the world.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

In addition, in March 2019, a Global Conference for 13 to 15 year-olds was hosted by Rockport School in Northern Ireland with 160 student delegates in attendance from RS Schools in 13 countries representing all five regions: UK, Denmark, Germany, Romania, India, China, USA, Tanzania, Bangladesh, South Korea, Australia, Canada and Peru.

Following successful Introductory Workshops for the Round Square Discovery Framework held in 2017 and 2018, and the first RSDF Praxis collaborative working party in April 2018 at MLC in Sydney, Australia, further Praxis sessions were run during 2019 at St Stithians School in Johannesburg in September 2018 and at The British School New Delhi in April 2019. A RSDF Service Learning Workshop was hosted in May 2019 at Prem Tinsulanonda International School, in Chang Mai, Thailand. In November 2018 Round Square hosted a 2-day workshop at YKPao for RS schools in China, Korea and Japan, to deepen understanding of Round Square principles and processes, share good practice (including the RSDF) and consider solutions to challenges particular to RS schools in this part of the world.

Round Square has also fielded speakers and workshop presenters at external conferences during the year, including the Latin American Heads' Conference in Mexico in March 2019, and within each RS Region Heads and Reps from Round Square Schools came together for five Annual Regional Meetings.

In 2018/19 a total of £68,355 was directly invested in these conference activities (as disclosed in Note 3 of the accounts).

Leadership, Staffing & Infrastructure

Two new Schools' Support Directors joined the Round Square Worldwide Management Team in January 2019, completing the team of six SSDs and a full Worldwide Team of 13. With the team now complete, further time will be invested in teambuilding the coming year.

The combined cost to the organisation of the key personnel that made up the Worldwide Management Team during 2018/19 (names and start/ finish dates listed on page 2) is £651,552 (2018 £523,912).

The pay of all employed members of the Worldwide Management Team is reviewed annually and, as required, is increased in accordance with average earnings. Remuneration of all members of the Worldwide Management Team is bench-marked with other UK-based charities whose activities are similar to those of Round Square, with market forces for the individual roles, and with roles of equivalent status in the education sector in the territory in which each team member is based. This is done to ensure that the remuneration is set fair and not out of line with that generally paid for similar roles requiring similar skills sets and levels of experience.

In March 2019 Round Square moved its registered office to Morgan House in Windsor.

During the reported year operating leases for office premises totalled £44,922 (£20,160 in 2018).

ADDITIONAL GOVERNANCE COSTS

Common Standards and Protocols

Round Square schools are encouraged to connect with other schools in the network to create exchange opportunities that enable students to visit or study at another Round Square school for a short period of time.

These exchange experiences operate between a variety of schools around the world with varying legal requirements, guidance and regulations governing exchange activity from country to country. In the reported year, Round Square undertook a review of exchanges between schools and developed best practice protocols that are now mandatory as a minimum standard in order to use the Round Square branding in relation to exchange activity.

In addition, a review of Conference provision across the Round Square network has resulted in the development and introduction of a new structure and hosting agreement for all Round Square Conferences that sets out minimum

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

standards for schools hosting conferences under the Round Square banner and widens access to all Round Square Conferences to all RS schools worldwide.

The direct legal costs to the organisation in the reported year of important legal work relating to conferences and exchanges was £9,368 as disclosed in Note 3 of the accounts.

FINANCIAL RESULTS AND RESOURCES

The total income for the year was £1,215,750 and total expenditure was £1,198,057. At the year-end on 31st July 2019 Round Square was holding a total of £736,192 in reserves, made up of £369,938 in unrestricted, £41,759 in restricted and £324,495 in designated funds.

Fundraising Disclosure

Round Square does not undertake any direct fundraising activity, and as such has received no complaints and worked with no 3rd party fundraising partners in the past year. Students in Round Square schools undertake fundraising activities as part of their education and many choose to make donations from these funds to Round Square.

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.

During the year the Round Square Board reviewed and adopted a revised reserves policy for Round Square, taking into account the main financial risks for the organization, the levels of secure and reliable income, and committed expenditure over a 12-month period. The aim of the policy is that Round Square should hold £364,310 in free reserves (unrestricted funds not tied up in fixed assets or designated). At the year-end free reserves amounted to £369,938 which is in line with the reserve policy.

PLANS FOR THE FUTURE

Strategic Themes

Three strategic themes continue to form the central framework of our plan. 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

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

Strategic Outcomes

The Round Square Strategic Plan identifies 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

The Worldwide organisation continues to focus on four key areas in support of the strategic plan:

Membership Support including on-the-ground support, good practice sharing, Professional Development, training and mentoring for Candidate and Member School faculty, as well as the school recruitment and onboarding process.

Round Square Voice including the continuing development of our conference-speaker, outreach, web site and social media platforms.

Core Programme Development including the development of the Round Square Discovery Framework, online resources, Service Projects and Conferences.

Infrastructure Development which encompasses a programme of continuous improvement in our systems and processes as well as the structure of support services provided by the Worldwide Management Team in encouraging and enabling network collaboration and whole-school engagement.

The Round Square Discovery Framework

Implementation of the Round Square Discovery Framework is gaining momentum throughout the RS network with an increasing number of schools using it as the basis for developing and structuring their individual approaches to values-based education.

Building on the success of the 2018/19 RSDF Praxis sessions, in 2020 Round Square Forums in three regions will focus on the RS Discovery Framework and will provide the opportunity for schools to develop understanding of its application within their schools.

Research and Development

The coming year will see the publication of the final research report on International Understanding in Round Square schools by a team from Research Schools International and Harvard Graduate School of Education and formal launch of Round Square's next research project, this time looking at the Leadership pillar.

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TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2019

In 2020 we will also begin development of a certificate for teachers in Round Square schools in partnership with University College London.

Further development of the Round Square Discovery Framework and its application for Early and Primary Years will see the launch of a suite of programmes and materials during 2020.

Work will continue to create a series of presentation and induction packages for RS Schools, and these will be rolled out during the coming year including:

- New RS School induction/ whole school overview of Round Square for all Faculty
- Induction/ training for Students and the RS Student Committee
- Briefings for Parents and Governors
- Resources and approaches for Marketing/ Open Days

Networking

With a focus on maximising the potential of networking within Round Square for all Candidate and Member schools, resource will continue to be directed towards encouraging, supporting and facilitating greater communication, good practice sharing and collaboration in the coming year.

In January 2020 Round Square will host its first symposium for Heads of Round Square Schools, bringing the network together in London for a 2-day gathering themed around values-based education and addressing some of the challenges of leading an international school.

Round Square's traditional format of Annual Regional Meetings will be replaced in 2020 with five Round Square Forums to which both Round Square Reps and other members of faculty from their schools will be invited.

Building on the success of 2018's 2-day workshop for RS schools in China, Korea and Japan, plans are underway to hold a similar gathering for schools in Latin America during 2020.

Diversity and Quality of Membership

In line with the Strategic Plan objectives indicated by all regions, diversity remains a key focus in the consideration of new Candidate School applications, and attention will be focused once again towards growing interest in Round Square in unrepresented or under-represented parts of the world.

Global Voice

Round Square's continuing development of its presence and voice on a global platform will continue during the coming year with more speaker opportunities secured and plans for conference workshops at a number of education conferences including the EARCOS (East Asia Regional Council of Schools) conference in October 2019.

With the publication of our research report into International Understanding, Round Square will be working with a PR agency to develop press releases and seek media coverage for the outcomes of the study and its recommendations in the context of developing Global Competency in students.

Round Square International Service Projects

Following the overwhelming success of the RSIS Projects in Sri Lanka (December 2018) and Morocco (July 2019), further RSIS projects in the coming year will see students undertake service work in Borneo (December 2019), Tanzania (April 2020) Laos (July 2019) and Madagascar (also July 2019).

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This doubles the number of project destinations during the year with two destinations running simultaneously in July 2020 (one environmental and one big build) and for the first time the addition of an April RSIS project - an experiment to determine whether this will become a regular fixture in the Round Square calendar.

Bursary monies will once again be directed towards RSIS in 2019/20, with the aim of enabling participation by students who could not otherwise find the means to attend.

Conferences

The 2019 Round Square International Conference will be hosted by Emerald Heights International School in Indore, India with 1,000 delegates expected to attend. Building on the positive feedback from the Good Practice Carousel and Discussion Group workshops held during the adults' programme at the RSIC2018, more of these are planned for 2019.

2020 will see the implementation of the new approach to Round Square Conferences and as a result a further 14 Round Square Conferences will be hosted over the course of the year for students ranging from 10 years old through to 18 years. Registration for schools within the region in which the host is located will open at the beginning of September 2019, and widened to all RS schools throughout the world from at the beginning of October.

In 2020 Round Square Conferences will be hosted Elaraki School (Morocco), St George's Diocesan School (Namibia), CheongShim International Academy (Korea), Craighouse School (Chile), Modern School (India), Brookhouse School (Kenya), Prem Tinsulanonda International School (Thailand), St Cyprian's School (South Africa), Glenlyon Norfolk School (Canada, Westfield (UK), KC Public School (India), St Mary's Colchester (UK) and Daly College (India). In addition, the 2020 Round Square International Conference will be hosted in Australia in by Ivanhoe Grammar School, Ballarat Grammar School and Scotch Oakburn College in September 2020.

In the 2019/20 year bursary monies from the RS Discovery Fund will once again be utilised to enable conference participation by students who could not otherwise find the means to attend.

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TRUSTEES' REPORT (continued)

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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).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

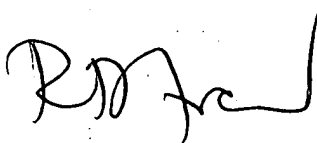
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

In preparing this report, the trustees have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees on 1 October 2019 and signed on their behalf by:



Roderick D Fraser AM
Chairman
Round Square

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUND SQUARE

FOR THE YEAR ENDED 31 JULY 2019

Opinion

We have audited the financial statements of Round Square for the year ended 31 July 2019 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of the charitable company's net movement in funds, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 14 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROUND SQUARE (continued)

FOR THE YEAR ENDED 31 JULY 2019

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

Use of our report

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.



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

4 November 2019

Haysmacintyre LLP,
10 Queen Street Place, London, EC4R 1AG

THE ROUND SQUARE
STATEMENT OF FINANCIAL ACTIVITIES (incorporates the income and expenditure account)
FOR THE YEAR ENDED 31 JULY 2019

INCOME & EXPENDITURE	Notes	Unrestricted Funds £	Restricted Funds £	2019 Total £	2018 Total £
Income from:					
Charitable activities	2a	1,136,505	-	1,136,505	1,016,505
Donations	2b	58,234	-	58,234	59,655
Investment Income	2c	2,633	-	2,633	1,325
Other	2d	18,378	-	18,378	22,219
		1,215,750	-	1,215,750	1,099,704
Expenditure on:					
Raising Funds					
Charitable activities	3	1,167,270	30,787	1,198,057	1,072,001
		1,167,270	30,787	1,198,057	1,072,001
Net income		48,480	(30,787)	17,693	27,703
Transfer between funds		2,000	(2,000)	-	-
Net movement in funds		50,480	(32,787)	17,693	27,703
Reconciliation of funds:					
Total funds brought forward		643,953	74,546	718,499	690,798
Total funds carried forward		694,433	41,759	736,192	718,499

All transactions are derived from continuing activities

There are no other gains and losses other than these shown above.

The comparative Statement of Financial Activities is shown in note 17.

The accompanying notes form part of these financial statements

**THE ROUND SQUARE
BALANCE SHEET
AS AT 31 JULY 2019**

	NOTES	2019 £	2018 £
FIXED ASSETS			
Tangible Assets	5	70,148	-
CURRENT ASSETS			
Debtors	6	70,973	46,436
Stock		17,476	24,880
Cash at bank		806,108	903,361
		894,557	974,677
<i>Liabilities</i>			
CREDITORS: Amounts falling due within one year	7	(228,513)	(256,178)
NET CURRENT ASSETS		666,044	718,499
TOTAL ASSETS LESS CURRENT LIABILITIES		736,192	718,499
FUNDS			
Unrestricted:			
General Funds	11	369,938	349,287
Designated Funds	11	324,495	294,666
Restricted	11	41,759	74,546
Total Charity Funds		736,192	718,499

The financial statements were approved and authorised for issue by the Board of Directors on 1 October 2019 and were signed on its behalf by:



Rod Fraser AM - Chairman

The accompanying notes form part of these financial statements

Company Registration No: 2011514

**THE ROUND SQUARE
STATEMENT OF CASH FLOWS**

FOR YEAR ENDING 31 July 2019

	2019 £	2018 £
Cash Flows from Operating Activities		
<i>Net cash (used in) /provided by activities</i>	(26,713)	113,673
Cash flows from investing activities:		
Purchase of fixed assets	(73,173)	-
Bank interest	2,633	1,325
Change in cash & cash equivalents in the reporting period	(97,253)	114,998
Cash and Cash equivalents at the beginning of the reporting period	903,361	788,363
Cash and cash equivalents at the end of the reporting period	806,108	903,361

Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per Statement of Financial Activities)	17,693	27,703
Adjustments for:		
Depreciation Charges	3,025	-
Bank interest	(2,633)	(1,325)
Decrease in stocks	7,404	20,028
(Increase)/decrease in debtors	(24,537)	35,952
(Decrease)/ increase in creditors	(27,665)	31,315
Net cash (used in)/ provided by operating activities	(26,713)	113,673

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES

(a) Basis of preparation and going concern

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined in FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy below.

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the charity's ability to do so.

The particular accounting policies adopted are described below.

(b) Income

Income is recognised when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be reliably measured.

Donations are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

All subscription income relating to the financial period covered by this report is recorded in the Statement of Financial Activities. Any membership income relating to the subsequent financial year is treated as deferred income.

Project income is recognised in the Statement of Financial Activities when the project occurs. Any project income relating to the subsequent financial year is treated as deferred income.

Income from other trading activities is recognised as earned as the related goods are provided.

Investment income is bank interest and is recognised on a receivable basis once the amounts can be measured reliably.

(c) Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

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. Charitable activities relates to costs incurred in delivering the charity's activities and services to its beneficiaries. General support costs include the salaries and office costs. Governance costs are costs incurred in meeting the constitutional and statutory requirements.

General support costs and Governance costs have been allocated to each of the Charitable activities based on an apportionment of time. This is disclosed in Note 3 of the accounts.

(d) Stock

Stock is valued at the lower of cost and net realisable value.

(e) Financial instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(f) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(g) Cash at bank and in hand

Cash at bank and in hand includes cash and short-term deposits with a short maturity of three months or less from the date of opening of the deposit or similar account.

(h) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) Employee benefits

Short term benefits: Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits: Termination benefits are accounted for on an accruals basis and in line with FRS 102.

The Charity operates a NEST pension plan. Contributions to the scheme are recognised as they fall due.

(j) Operating lease rentals

Rentals under operating leases are charged to the profit and loss account as they fall due.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Any rent-free periods are allocated over the life of the lease and the creditor released annually.

(k) Fixed assets and depreciation

Individual fixed assets costing £1,500 or more are capitalised at cost and depreciated over their useful economic life on a straight-line basis as follows:

Office equipment	10% per annum
------------------	---------------

Where the purchase price is below £1,500 the item will be written off in full during the reported year.

(l) 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.

(m) 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.

(n) Accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions in the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates, assumptions and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable. The trustees do not consider there to be any significant estimates and judgements.

2a. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Subscription Income	936,470	878,236
RSIS Project Income	125,505	101,102
Conference Income	74,530	37,167
	1,136,505	1,016,505

2b. DONATIONS

	2019	2018
	£	£
Donations (Discovery Fund)	58,234	59,655

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

2c. INVESTMENT INCOME

	2019 £	2018 £
Bank interest	2,633	1,325

	2019 £	2018 £
2d. INCOME FROM OTHER TRADING ACTIVITIES		
Sale of merchandise	18,378	22,219

3. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Activity Costs	General Support	Governance	Total	Basis of apportionment	
Charitable activities						
Membership – Support & Recruitment	42,987	361,511	35,096	439,593	Resource	45%
Research & Development	28,546	88,369	8,579	125,495	Resource	11%
Digital & Other Communications	15,439	112,470	10,919	138,828	Resource	14%
RSIS Project Expenditure	161,382	160,671	15,598	337,651	Resource	20%
Conference Expenditure	68,355	80,336	7,799	156,490	Resource	10%
	<u>316,709</u>	<u>803,357</u>	<u>77,991</u>	<u>1,198,057</u>		

For comparative figures from 2018 see note 14.

The General Support costs include salaries to employees and payments to contractors who carry out significant work on behalf of the charity totaling £651,552 (2018 £523,912). (see NOTE 4.)

ANALYSIS OF GOVERNANCE COSTS

	2019	2018
Board meeting expenses	58,275	62,420
Audit and accountancy	5,720	5,697
Legal fees relating to exchanges	9,368	-
Other legal costs	4,628	9,307
	<u>77,991</u>	<u>77,424</u>

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

3. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (continued)	2019	2018
	£	£
Net movement in funds is stated after charging:		
Operating leases – premises	44,922	20,160
Audit fees	5,750	5,697
Depreciation	3,025	-
4. STAFF COSTS AND TRUSTEES EMOLUMENTS		
	2019	2018
	£	£
Wages and salaries	432,329	411,629
Social Security Costs	46,987	45,071
Pension Costs	24,776	23,312
	<u>504,092</u>	<u>480,012</u>
Contractor costs	147,560	43,900
	<u>651,652</u>	<u>523,912</u>

The pension costs include contributions to NEST pension plan (auto-enrolment) and to one employee's personal pension plan.

The average number of employees during the year was 8 (2018: 8) with all employee time involved in providing support services to the charitable activities.

The number of employees who received emoluments exceeding £60,000 was:

	2019	2018
£130,000 - £140,000	1	1

Related Party Transactions

The Board considers its key management personnel comprise the Worldwide Management team and the total emoluments for these individuals were £651,552 (2018 £523,912).

Up until 31 March 2019 Round Square rented office space at a rate of £20,160 per annum from the Duke of Edinburgh's Award whose CEO is married to the CEO of Round Square. This rental agreement ended on 1 April 2019 when Round Square moved to new premises at Morgan House.

The Round Square Board of Trustees received reimbursed expenses relating to the work of the Charity £5,668 (2018 £14,023).

At the year-end, two members of the Round Square Board of Trustees owed money to the organisation. Both debts, one amounting to £9,137, and the other to £150, were settled in full within one month of the year-end.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

5. TANGIBLE FIXED ASSETS

Office Equipment, Fixtures and Fittings	2019 £	2018 £
Cost		
At 1 August 2018	11,704	11,704
Additions	73,173	-
Disposals	(11,704)	-
At 31 July 2019	<u>73,173</u>	<u>11,704</u>
Depreciation		
At 1 August 2018	11,704	11,704
Depreciation	3,025	-
Disposals	(11,704)	-
At 31 July 2019	<u>3,025</u>	<u>11,704</u>
Net book value		
At 31 July 2019	<u>70,148</u>	<u>-</u>
At 31 July 2018	<u>-</u>	<u>-</u>

6. DEBTORS

	2019 £	2018 £
Trade debtors	26,569	20,038
Less Provision for bad debts	(1,314)	(2,664)
Other debtors	943	191
Prepayments and accrued income	44,775	28,871
	<u>70,973</u>	<u>46,436</u>

7. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	25,513	64,067
Subscriptions received in advance	120,433	116,501
Project monies in advance	-	1,260
Other taxes and social security	15,211	12,381
Pension	10	24
Other creditors	9,514	14,086
Accruals	57,832	47,859
	<u>228,513</u>	<u>256,178</u>

Prior year's subscription and project income of £117,761 were all released to SOFA this year. Deferred subscription received in advance during this year £120,433 will be released on an activity basis.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

8. FINANCIAL INSTRUMENT NOTE

		2019 £	2018 £
Cash		806,108	903,361
Financial assets held at amortised cost	a)	43,674	17,565
Financial liabilities held at amortised cost	b)	(92,859)	(126,036)
Net financial assets		<u>756,923</u>	<u>794,890</u>

a) Financial assets held at amortised cost include trade debtors, stock and other debtors but excludes prepayments.

b) Financial liabilities held at amortised cost includes trade creditors, accruals, and other creditors but excludes deferred income and other taxes and social security.

9. TAXATION

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

10. CONSTITUTION

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

11. FUNDS

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers between Funds £	Balance at 31 July 2019 £
Unrestricted Funds					
General Funds	349,287	1,157,516	1,140,810	3,945	369,938
Designated Funds					
Project Development Fund	115,835	-	9,368	-	106,467
Discovery Fund	178,831	58,234	17,092	(1,945)	218,028
Restricted Funds					
Hill Trust	4,111	-	-	(2,000)	2,111
Prince Alexander	70,435	-	30,787	-	39,648
	<u>718,499</u>	<u>1,215,750</u>	<u>1,198,057</u>	<u>-</u>	<u>736,192</u>

Please refer to note 15 for comparison figures.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

Restricted Funds:

The Hill Trust relates to donations received towards provision of bursary support for students that could not otherwise afford to participate in RSIS projects.

The Prince Alexander Project fund was created to generate funds for the building materials (bricks and mortar) element of the Round Square International Service (RSIS) projects, and is no longer receiving income donations and will be spent out over the coming years. It is not used for administrative purposes.

Designated Funds:

The Project Development Fund represents monies that the trustees have earmarked for organisational development projects.

The Discovery Fund has been designated to accept donations from Member Schools to Round Square, and from other income sources, and will be used to fund a variety of support programmes e.g. RSIS Project and Conference activity including building materials and tools, transport of those materials and tools to project sites and bursaries for students that could not otherwise afford to participate in RSIS projects or the RSIC.

As Round Square 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.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed assets £	Net Current Assets £	Total £
Unrestricted funds:			
- General	70,148	299,790	369,938
- Designated	-	324,495	324,495
Restricted Funds	-	41,759	41,759
	<u>70,148</u>	<u>666,044</u>	<u>736,192</u>

Please refer to note 16 for comparison figures.

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

13. OPERATING LEASES

The Charity entered into an operating lease rental agreement on 22 February 2019. The term ends on 21 February 2029. The outstanding commitment at 31 July 2019 is £522,330, which is the entire commitment over the life of the lease (with an annual rent of £54,504).

14. COMPARATIVE ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	2018 Activity Costs	2018 General Support	2018 Governance	2018 Total	Basis of apportionment	
Charitable activities						
Membership – Support & Recruitment	22,558	275,960	34,840	333,358	Resource	45%
Research & Development	19,221	67,457	8,517	95,194	Resource	11%
Digital & Other Communications	105,617	85,854	10,839	202,310	Resource	14%
RSIS Project Expenditure	126,721	122,649	15,485	264,855	Resource	20%
Conference Expenditure	107,217	61,324	7,742	176,284	Resource	10%
	381,334	613,244	77,423	1,072,001		

15. COMPARATIVE ANALYSIS OF FUNDS

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers between Funds £	Balance at 31 July 2018 £
Unrestricted Funds					
General Funds	346,989	1,040,049	1,037,751	-	349,287
Designated Funds					
Project Development Fund	115,835	-	-	-	115,835
Discovery Fund	124,426	59,655	5,250	-	178,831
Restricted Funds					
Hill Trust	6,111	-	2,000	-	4,111
Prince Alexander	97,435	-	27,000	-	70,435
	690,797	1,099,704	1,072,001	-	718,499

THE ROUND SQUARE

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2019

16. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2018 Fixed assets £	2018 Net Current Assets £	2018 Total £
Unrestricted funds:			
- General	-	349,287	349,287
- Designated	-	294,666	294,666
Restricted Funds	-	74,546	74,546
	<u>-</u>	<u>718,499</u>	<u>718,499</u>

17. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £
Income from:			
Donations	59,655	-	59,655
Charitable activities	1,016,505	-	1,016,505
Investment Income	1,325	-	1,325
Other trading activities	22,219	-	22,219
Total Income	<u>1,099,704</u>	<u>-</u>	<u>1,099,704</u>
Expenditure on:			
Charitable activities	<u>1,043,001</u>	<u>29,000</u>	<u>1,072,001</u>
Total expenditure	<u>1,043,001</u>	<u>29,000</u>	<u>1,072,001</u>
Net movement in funds	56,703	(29,000)	27,703
Reconciliation of funds:			
Total funds brought forward	<u>587,250</u>	<u>103,546</u>	<u>690,076</u>
Total funds Carried Forward	<u>643,953</u>	<u>74,546</u>	<u>718,499</u>