

ROUND SQUARE LIMITED
(A Charitable Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003



haysmacintyre
Chartered Accountants
London WC1V 6AY

Company Registration No: 2011514
Registered Charity No: 327117

THE ROUND SQUARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2003

STATUS AND ADMINISTRATION

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

OBJECTS AND ACTIVITIES

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

DIRECTORS

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

King Constantine		J Long	Appointed 13 October 2002
Prince Alexander du Schleswig Holstein – Resigned 13 October 2002		H Macdonnell	Appointed 13 October 2002
Nico Becker		Malcolm Mckenzie	
S Eardley	Resigned 13 October 2002	Mr G Mclean	
Miss W Ellis		Alan Patterson	Died November 2002
Mrs M Farndale	Resigned 13 October 2002	Peter Pelham	
R Fraser		G Plessing	Resigned 13 October 2002
Mrs P Gordon-Duff	Appointed January 2003	S Pollitt	Resigned 13 October 2002
J Hamilton	Appointed 13 October 2002	A Ross	Appointed 13 October 2002
Mrs Poonam Kunar			

PROFESSIONAL ADVISERS AND KEY PERSONNEL

EXECUTIVE DIRECTOR

J T M Guest

SECRETARY AND TREASURER

Mrs J Howison

ACCOUNTANTS

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

BANKERS

Barclays Bank Plc
24 Lowfield Street
Dartford
Kent DA1 1HE

FINANCIAL RESULTS AND RESOURCES

The result of the year shows net outgoing resources of £1,396 (2002: £4,331 surplus). The total unrestricted resources carried forward are held in order to ensure the continued ability to finance the charity's objectives including future international projects.

THE ROUND SQUARE LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2003

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK REVIEW

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

Mr J Hamilton is working in conjunction with the RSIS Co-Ordinator to ensure that appropriate risk assessments are carried out for all project activity including that carried out overseas.

The Board has concluded that it wishes to investigate the possibility of conducting full audits of the accounts as it feels that this would be prudent financial management.

The Board is in the process of obtaining Trustee/Director indemnity insurance in order to both protect assets, and ensure that suitably qualified Trustees can be recruited.

INVESTMENT/RESERVES POLICY

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

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

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

ACCUMULATED INDIAN FUNDS

Historically, subscriptions paid in India have supported the Indian Regional Co-Ordinator through his work in attending Board meetings, setting up and negotiating projects and in the production of the Echo publication for the organisation as a whole.

Monies could not be transferred to the UK central office as exchange control regulations made this impossible.

An accumulated surplus has build up in the region, which will be used again to support the Indian operation, primarily the project work which is so vital in the region.

This accumulated surplus is now 1,053,371 rupees and will continue to be managed by the Board through the Treasurer, Project Co-Ordinator and the new Project Manager for the region.

Braemar Lodge

BY ORDER OF THE BOARD

J. A. H. 2003

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

We have examined, without carrying out an audit, the accounts for the year ended 31 July 2003 set out on pages 3 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

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

BASIS OF OPINION

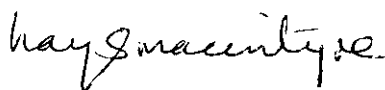
We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company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

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

OPINION

In our opinion:

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



haysmacintyre
Chartered Accountants

Fairfax House
15 Fulwood Place
London
WC1V 6AY

18 September 2003

THE ROUND SQUARE LIMITED**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31 JULY 2003**

	Notes	2003 £	2002 £
INCOMING RESOURCES			
Subscriptions and donations		100,203	96,106
Bank interest received		4,875	5,397
Other income	2	59,952	38,981
		<u>165,030</u>	<u>140,484</u>
RESOURCES USED			
Charitable expenditure	3	166,426	136,153
		<u>(1,396)</u>	<u>4,331</u>
Net (Outgoing)/ Incoming Resources		203,805	199,474
Balance brought forward at 1 August 2002		<u>203,805</u>	<u>199,474</u>
Balance carried forward at 31 July 2003		<u>202,409</u>	<u>£203,805</u>

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

The accompanying notes form part of these financial statements.

THE ROUND SQUARE LIMITED

BALANCE SHEET

AS AT 31 JULY 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Office equipment at cost		3694	3,694
Less: depreciation		(3,694)	(1,840)
Written back		-	(917)
		<u>-</u>	<u>937</u>
CURRENT ASSETS			
Debtors	4	16,437	19,812
Stock		5,050	5,450
Cash at bank		241,098	218,115
		<u>262,585</u>	<u>243,377</u>
		<u>262,585</u>	<u>244,314</u>
CREDITORS: Amounts falling due within one year	5	60,176	40,509
NET CURRENT ASSETS		<u>£202,409</u>	<u>£203,805</u>
UNRESTRICTED RESERVES	9	<u>£202,409</u>	<u>£203,805</u>

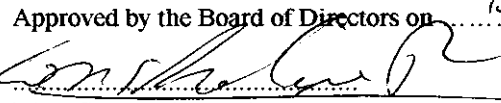
The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 July 2003 and of its surplus for the year then ended in accordance with the requirement of section 226, and which otherwise comply with the requirements of the companies Act 1985 relating to accounts, so far as applicable to the company.

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

Approved by the Board of Directors on 12 September 2004 2003 King Constantine


King Constantine - Director

The accompanying notes form part of these financial statements.

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2003

1. ACCOUNTING POLICIES

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

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Accounting Basis

The financial statements are prepared under the historical cost convention.

Depreciation

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

Cash Flow Statement

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

2. OTHER INCOME

	2003 £	2002 £
Project monies received	58,377	31,747
Sales of ties, scarves and cards	1,475	364
Fund raising	100	6,870
	<u>59,952</u>	<u>£38,981</u>

3. CHARITABLE EXPENSES

These relate to the costs of the annual conference and expenditure in administering the activities of the charity. The costs include salaries totalling £15,532 (2002: £11,001) to employees who carry out significant work on behalf of the charity.

4. DEBTORS

	2003 £	2002 £
Outstanding subscriptions	12,295	14,767
Director's expenses – float	834	4,782
Other debtors	158	263
Conference prepaid	3,150	-
	<u>16,437</u>	<u>£19,812</u>

THE ROUND SQUARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2003

5. CREDITORS: Amounts falling due within one year	2003	2002
	£	£
Subscriptions received in advance	23,799	-
Hill Memorial Trust	4,786	6,275
Other creditors	14,949	15,700
Accruals	7,059	8,629
Project monies in advance	9,583	9,905
	<u>£60,176</u>	<u>£40,509</u>

6. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year, they received reimbursed expenses relating to the work of the charity which totalled £3,395. The executive director received emoluments of £55,000 (2002 £55,000) during the year.

7. TAXATION

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

8. CONSTITUTION

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

9. UNRESTRICTED RESERVES

Since the company is a Charitable Trust, the accumulated reserves 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.