

**Report of the Directors and
Financial Statements for the period 2 July 2008 to 31 July 2009
for
Georgetown University (USA) UK
Initiatives Organisation**

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**Georgetown University (USA) UK
Initiatives Organisation**

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for the period 2 July 2008 to 31 July 2009**

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**Georgetown University (USA) UK
Initiatives Organisation**

**Company Information
for the period 2 July 2008 to 31 July 2009**

DIRECTORS:

C Augostini
E Quinn
J Areen

SECRETARY:

Hogan Lovells Corporate Services
Limited

REGISTERED OFFICE:

21 Holborn Viaduct
London
EC1A 2DY

REGISTERED NUMBER:

06635942 (England and Wales)

AUDITORS:

PricewaterhouseCoopers LLP
2 Humber Quays
Wellington Street West
Hull
HU1 2BN

**Georgetown University (USA) UK
Initiatives Organisation**

**Report of the Directors
for the period 2 July 2008 to 31 July 2009**

The directors present their report with the financial statements of the company for the period 2 July 2008 to 31 July 2009

INCORPORATION

The company was incorporated on 2 July 2008 as a company Limited by Guarantee

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of advancing and promoting the education of students of any nationality enrolled by Georgetown University and universities throughout the world, including supporting and facilitating international educational initiatives undertaken by Georgetown University established to advance the education of students of any nationality. Georgetown University is an accredited institution of higher education offering numerous undergraduate and graduate degree programs. It is based in Washington, D C in the United States.

REVIEW OF BUSINESS

The company operates a study abroad program, called the Centre for Transnational Legal Studies, that brings together faculty and students from premier law schools around the world, including Georgetown University, to study transnational legal issues in a multicultural and transnational setting. It is a global education centre where highly qualified students pursue legal studies together under outstanding faculty from the participating schools. The period covered by this report was the first year of the company's existence, and during that period, ten law schools and 110 law students participated in the program.

Inherent risks to the company include those ordinarily facing academic study abroad programs, such as whether the academic program and location attract sufficient numbers of students to make the program viable. In addition, if any of the participating schools would withdraw from the program, the company's cash flow/liquidity would be reduced and the number of students and faculty participating in the program would decrease. Reasonable steps have been taken to minimize the foreseeable risks in the company's programmatic and administrative operations. Representatives of the company and Georgetown University engage in discussions with other potential participating schools, which would assist in improving the company's cash flow and liquidity. In the second year of the program (following the period covered by these financial statements), student enrolment increased and additional educational institutions joined the program.

The company's loss for this period resulted from start-up costs associated with the company's first year of operation.

DIVIDENDS

No dividends will be distributed for the period ended 31 July 2009.

DIRECTORS

The directors who have held office during the period from 2 July 2008 to the date of this report are as follows:

A Aleinikoff - appointed 2 July 2008

C Augostini - appointed 2 July 2008

E Quinn - appointed 2 July 2008

J Areen was appointed as a director after 31 July 2009 but prior to the date of this report.

A Aleinikoff ceased to be a director after 31 July 2009 but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

**Georgetown University (USA) UK
Initiatives Organisation**

**Report of the Directors
for the period 2 July 2008 to 31 July 2009**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

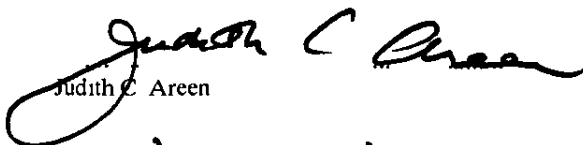
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

PricewaterhouseCoopers LLP were appointed auditors in respect of the period. Their reappointment will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD.


Judith C. Areen

Date

May 11, 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GEORGETOWN UNIVERSITY (USA) UK INITIATIVES ORGANISATION

We have audited the financial statements of Georgetown University (USA) UK Initiatives Organisation for the period ended 31 July 2009 which comprise the Profit and Loss Account, 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

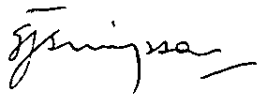
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Simpson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull
13 May 2010

**Georgetown University (USA) UK
Initiatives Organisation**

**Profit and Loss Account
for the period 2 July 2008 to 31 July 2009**

	Notes	\$
TURNOVER		1,117,687
Administrative expenses		<u>1,771,816</u>
		(654,129)
Other operating income		<u>327,302</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(326,827)
Tax on loss on ordinary activities	4	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION		<u><u>(326,827)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than the loss for the current period

**Georgetown University (USA) UK
Initiatives Organisation**

**Balance Sheet
31 July 2009**

	Notes	\$	\$
FIXED ASSETS			
Tangible assets	5		741,281
CURRENT ASSETS			
Debtors	6	939,898	
CREDITORS			
Amounts falling due within one year	7	<u>2,008,006</u>	
NET CURRENT LIABILITIES			<u>(1,068,108)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(326,827)</u>
RESERVES			
Profit and loss account	8		<u>(326,827)</u>
	11		<u>(326,827)</u>

The financial statements were approved by the Board of Directors on
its behalf by

May 11, 2010

and were signed on


Judith C. Areen

Georgetown University (USA) UK Initiatives Organisation
Registered no 06635942

**Georgetown University (USA) UK
Initiatives Organisation**

**Notes to the Financial Statements
for the period 2 July 2008 to 31 July 2009**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and are in accordance with the Companies Act 2006 and all applicable accounting standards

Going concern

The financial statements have been prepared on a going concern basis as the parent undertaking has indicated its willingness to provide the necessary financial support to enable the company to meet its liabilities for a period of at least twelve months from the date of approval of these financial statements

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the ultimate controlling party includes the subsidiary in its published financial statements

Turnover

Turnover represents income receivable for the year, excluding value added tax

Tangible fixed assets

Depreciation has been provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life as follows

- Buildings and improvements 20-50 years
- Plant and machinery 5-10 years
- Fixtures and equipment 5-20 years

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it can be regarded as more likely than not that future taxable profits will be available against which the unused tax losses can be utilised

Foreign currencies

Assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Reporting Currency

The financial statements have been prepared in US dollars ("\$\$"). The exchange rate at the balance sheet date was \$1 = £0.60791

Operating leases

Amounts payable under Operating leases are charged to the Profit and Loss account on a straight line basis over the period of the lease

The notes form part of these financial statements

**Georgetown University (USA) UK
Initiatives Organisation**

**Notes to the Financial Statements - continued
for the period 2 July 2008 to 31 July 2009**

2 STAFF COSTS

	\$
Wages and salaries	279,612
Social security costs	<u>74,525</u>
	<u>354,137</u>

The average monthly number of employees during the period was as follows

Administration	<u>2</u>
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3 OPERATING LOSS

The operating loss is stated after charging

	\$
Directors' remuneration	-
Auditors' remuneration	20,000
Operating lease payments/other	311,827

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period

The company is in the process of preparing an application for charitable status with the Charity Commission. Provided the company is granted charitable status it will form a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 ("ICTA 1988"). Accordingly the Company would be exempt from taxation in respect of income or capital gains within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pending the application to the Charity Commission, disclosure is made below in the form applicable to a normal company within the charge to corporation tax.

Profit & loss account disclosure.

Current tax charge	\$0
Deferred tax charge	\$0

Reconciliation of current tax:

Loss on ordinary activities at the UK tax rate 28%	(\$91,512)
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Effects of

Expenses not deductible for tax purposes	\$81,651
Trade losses not utilised	\$9,861
Total current tax charge/credit	\$0

Balance sheet disclosure:

Deferred tax provision/asset	\$0
(Unprovided deferred tax asset - Losses)	(\$9,861)
Corporation tax payable/recoverable	\$0

The notes form part of these financial statements

**Georgetown University (USA) UK
Initiatives Organisation**

**Notes to the Financial Statements - continued
for the period 2 July 2008 to 31 July 2009**

5 TANGIBLE FIXED ASSETS

	Improvements to property \$	Plant and machinery \$	Fixtures and fittings \$	Totals \$
COST				
Additions	<u>437,359</u>	<u>98,107</u>	<u>205,815</u>	<u>741,281</u>
At 31 July 2009	<u>437,359</u>	<u>98,107</u>	<u>205,815</u>	<u>741,281</u>
NET BOOK VALUE				
At 31 July 2009	<u>437,359</u>	<u>98,107</u>	<u>205,815</u>	<u>741,281</u>

6 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	\$
Trade debtors	514,730
Accrued income	327,302
Prepayments	<u>97,866</u>
	<u>939,898</u>

7 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	\$
Amounts owed to group undertakings	2,001,090
Accrued expenses	<u>6,916</u>
	<u>2,008,006</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

8 RESERVES

	Profit and loss account \$
Deficit for the period	<u>(326,827)</u>
At 31 July 2009	<u>(326,827)</u>

9 RELATED PARTY DISCLOSURES

Georgetown University (USA) UK Initiatives Organisation has received net funding totalling \$2,001,090 from Georgetown University, a non-profit institution of higher education organised under the laws of the District of Columbia, U S A as at 31st July 2009

10 ULTIMATE CONTROLLING PARTY

The directors regard Georgetown University, a non-profit institution of higher education organised under the laws of the District of Columbia, U S A, to be the ultimate parent undertaking and the ultimate controlling party

The notes form part of these financial statements

**Georgetown University (USA) UK
Initiatives Organisation**

**Notes to the Financial Statements - continued
for the period 2 July 2008 to 31 July 2009**

11 RECONCILIATION OF MOVEMENTS IN RESERVES

	\$
Loss for the financial period	<u>(326,827)</u>
Net reduction of reserves	(326,827)
Opening reserves	<u>-</u>
Closing reserves	<u>(326,827)</u>

12 COMPANY LIMITED BY GUARANTEE

The company was incorporated on 2 July 2008 as a company Limited by Guarantee

13 OPERATING LEASE COMMITMENTS

Amounts payable under non-cancellable operating leases are as follows

	Land and Buildings
	\$
2-5 years	<u>277,146</u>
	<u>277,146</u>

The notes form part of these financial statements

**Georgetown University (USA) UK
Initiatives Organisation**

**Profit and Loss Account
for the period 2 July 2008 to 31 July 2009**

	\$	\$
Turnover		
Tuition and fees	503,787	
Contributions	614,400	
Room costs	<u>(500)</u>	
		1,117,687
Other income		
Pledge contributions		<u>327,302</u>
		1,444,989
Expenditure		
Wages	279,612	
Social security	74,525	
Rent	311,827	
Insurance	8,877	
Light and heat	1,920	
Telephone	31,930	
Post and stationery	6,440	
Travelling	324,215	
General office supplies	18,024	
Repairs and renewals	1,390	
Refreshments	631	
Computer supplies	96	
Consumables	7,717	
Security	3,403	
Teaching services	45,051	
Temporary services	8,722	
Sundry expenses	6,083	
Other	180,640	
Courier costs	10,494	
Catering	34,022	
Procurement card	12,917	
Consultancy fees	128,499	
Legal fees	<u>274,781</u>	
		<u>1,771,816</u>
NET LOSS		<u>(326,827)</u>

This page does not form part of the statutory financial statements