

REGISTERED NUMBER 06635942 (England and Wales)

**Report of the Directors and
Financial Statements for the year ended 31 July 2010
for
Georgetown University (USA) UK
Initiatives Organisation**

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**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

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for the year ended 31 July 2010**

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

**Company Information
for the year ended 31 July 2010**

DIRECTORS:

C Augustin
E Quinn
W Treanor
J Areen (resigned 17 May 2010)

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 (Registered number: 06635942)**

**Report of the Directors
for the year ended 31 July 2010**

The directors present their report with the financial statements of the company for the year ended 31 July 2010

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was 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 second year of the company's existence, and during this period, 14 law schools and 112 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 have engaged in discussions with other potential participating schools resulting in an increase of 10 additional collaborating educational institutions in the third year of the program. In addition, during that year, student enrolment increased by 33% for a total of 149 students. These two factors will assist in improving the company's cash flow and liquidity.

RESULTS AND DIVIDENDS

The loss for the year of \$666,614 (2009 \$326,827) has been transferred to reserves. No dividend is declared for the year under review (2009 \$nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2009 to the date of this report.

C Augostini
E Quinn

Changes in directors holding office are as follows:

A Aleinikoff - Resigned 17 May 2010
J Areen - Appointed 17 May 2010, Resigned 8 November 2010
W Treanor - Appointed 10 November 2010

**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Report of the Directors
for the year ended 31 July 2010**

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.

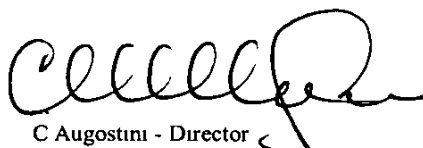
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD



C Augostini - Director

Date 8/15/2011

**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 year ended 31 July 2010 which comprise of 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 2010 and of its loss the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

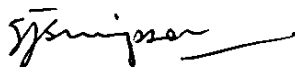
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Steve Simpson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Date 17 March 2011

**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Profit and Loss Account
for the year ended 31 July 2010**

		year ended 31 7 10 \$	period 2 7 08 to 31 7 09 \$
	Notes		
TURNOVER		909,561	1,117,687
Administrative expenses		<u>1,576,175</u>	<u>1,771,816</u>
		(666,614)	(654,129)
Other operating income		<u>-</u>	<u>327,302</u>
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(666,614)	(326,827)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u>(666,614)</u>	<u>(326,827)</u>

CONTINUING OPERATIONS

All amounts relate to continuing operations

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than the losses for the current year and previous period, above

The notes form part of these financial statements

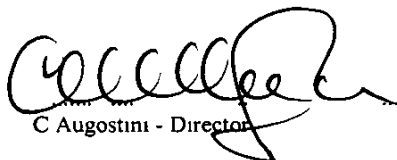
**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Balance Sheet
31 July 2010**

	Notes	2010 \$	2009 \$
FIXED ASSETS			
Tangible assets	5	518,897	741,281
CURRENT ASSETS			
Debtors	6	247,302	939,898
Cash at bank		<u>190,383</u>	<u>-</u>
		437,685	939,898
CREDITORS			
Amounts falling due within one year	7	<u>1,950,023</u>	<u>2,008,006</u>
NET CURRENT LIABILITIES		<u>(1,512,338)</u>	<u>(1,068,108)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(993,441)</u>	<u>(326,827)</u>
RESERVES			
Profit and loss account	8	<u>(993,441)</u>	<u>(326,827)</u>
	11	<u>(993,441)</u>	<u>(326,827)</u>

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

March 15, 2011 and were signed on


C Augustini - Director

The notes form part of these financial statements

**Georgetown University (USA) UK
Initiatives Organisation (Registered number. 06635942)**

**Notes to the Financial Statements
for the year ended 31 July 2010**

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

Basis of preparing the financial statements

As a small entity, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1

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 tax

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 Company'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

Operating lease

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

Reporting Currency

The financial statements have been prepared in US dollars ("\$\$"). The exchange rate at the balance sheet date was \$1 = £0.63923

**Georgetown University (USA) UK
Initiatives Organisation (Registered number. 06635942)**

**Notes to the Financial Statements - continued
for the year ended 31 July 2010**

2 STAFF COSTS

	year ended 31 7 10	period 2 7 08 to 31 7 09
	\$	\$
Wages and salaries	309,740	279,612
Social security costs	67,231	74,525
Other pension costs	<u>5,575</u>	<u>-</u>
	<u>382,546</u>	<u>354,137</u>

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

	year ended 31 7 10	period 2 7 08 to 31 7 09
Administration	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging

	year ended 31 7 10	period 2 7 08 to 31 7 09
	\$	\$
Operating lease payments	354,740	311,827
Depreciation – leasehold improvements	222,384	-
Auditors' remuneration - Audit fees	26,000	20,000
Auditors' remuneration - Non audit fees	<u>35,000</u>	<u>15,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2010 nor for the period ended 31 July 2009

**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Notes to the Financial Statements - continued
for the year ended 31 July 2010**

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 467 of the Corporation Taxes Act 2010 ("CTA 2010"). Accordingly the Company would be exempt from taxation in respect of income and capital gains within categories covered by Chapters 2 and 3 of Part 11 CTA 2010 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.

	2010	2009
Current tax charge	-	-
Deferred tax charge	-	-
	<u>-</u>	<u>-</u>
Reconciliation of current tax:		
Loss on ordinary activities at the UK tax rate 28%	(\$186,652)	(\$91,512)
Effects of		
Expenses not deductible for tax purposes	\$24,660	\$81,651
Accelerated capital allowances	\$29,023	-
Trade losses not utilised	<u>\$132,969</u>	<u>\$9,861</u>
Total current tax charge/credit	<u>-</u>	<u>-</u>
Balance sheet disclosure:		
Deferred tax provision/asset	-	-
(Unprovided deferred tax asset - Losses)	(\$132,969)	(\$9,861)
(Unprovided deferred tax asset Excess of depreciation over capital allowances)	(\$29,023)	-
Corporation tax payable/recoverable	-	-

5 TANGIBLE FIXED ASSETS

	Improvements to property \$	Plant and machinery \$	Fixtures and fittings \$	Totals \$
COST				
At 1 August 2009 and 31 July 2010	<u>437,359</u>	<u>98,107</u>	<u>205,815</u>	<u>741,281</u>
DEPRECIATION				
Charge for year	<u>131,208</u>	<u>29,432</u>	<u>61,744</u>	<u>222,384</u>
At 31 July 2010	<u>131,208</u>	<u>29,432</u>	<u>61,744</u>	<u>222,384</u>
NET BOOK VALUE				
At 31 July 2010	<u>306,151</u>	<u>68,675</u>	<u>144,071</u>	<u>518,897</u>
At 31 July 2009	<u>437,359</u>	<u>98,107</u>	<u>205,815</u>	<u>741,281</u>

**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Notes to the Financial Statements - continued
for the year ended 31 July 2010**

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	\$	\$
Trade debtors	50,000	514,730
Accrued income	197,302	327,302
Prepayments	<u>-</u>	<u>97,866</u>
	<u>247,302</u>	<u>939,898</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	\$	\$
Amounts owed to group undertakings	1,910,778	2,001,090
Accrued expenses	<u>39,245</u>	<u>6,916</u>
	<u>1,950,023</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 \$
At 1 August 2009	(326,827)
Deficit for the year	<u>(666,614)</u>
At 31 July 2010	<u>(993,441)</u>

9 RELATED PARTY DISCLOSURES

Georgetown University (USA) UK Initiatives Organisation have received net funding totalling \$1,910,778 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 2010

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

11 RECONCILIATION OF MOVEMENTS IN RESERVES

	2010	2009
	\$	\$
Loss for the financial year	<u>(666,614)</u>	<u>(326,827)</u>
Net reduction of reserves	(666,614)	(326,827)
Opening reserves	<u>(326,827)</u>	<u>-</u>
Closing reserves	<u>(993,441)</u>	<u>(326,827)</u>

**Georgetown University (USA) UK
Initiatives Organisation (Registered number: 06635942)**

**Notes to the Financial Statements - continued
for the year ended 31 July 2010**

12 COMPANY LIMITED BY GUARANTEE

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