

Company Number: 3688493
Registered Charity Number: 1075405

**UNIVERSITY OF CALIFORNIA TRUST (UK) LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

30th JUNE 2003



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University of California Trust (UK) Limited
(Limited by Guarantee)

Trustees and Directors

Professor D.W. Crawford	
Professor A. Zwerdling	(resigned 15th July 2002)
Professor S. Schwarz	
Professor J. L. Heilbron	
Dr. M.K. Duggan	(appointed 15th July 2002)
Mr. A. Buch	(appointed 15th July 2002)
Mr. B.B. Barber	(appointed 15th July 2002)

Registered Office

Dr. M.K. Duggan
8 St. James's Place, London SW1 1NP

Bankers

Barclays Bank Plc
31 St. James's Street, London SW1 4HE

Solicitors

Kingsley Napley
14 St. John's Lane, London EC1M 4AJ

Auditors

Moore Stephens
St. Paul's House, Warwick Lane, London, EC4P 4BN

University of California Trust (UK) Limited
(Limited by Guarantee)

Report of the Trustees and Directors

The Trustees present their report and accounts for the year ended 30 June 2003.

Objects of the charity

The Trust is a company limited by guarantee.

The University of California Trust (UK) was incorporated in December 1998 for the purpose of furthering the mission of the University of California in the United Kingdom by (1) advancing the education of and providing assistance to University of California students in the United Kingdom, and students in the United Kingdom with which University of California has co-operative agreements, (2) maintaining and developing relations between institutions of higher education in the United Kingdom and the University of California, (3) planning and implementing joint academic programmes between University of California and institutions of higher education in the United Kingdom, and (4) enhancing relations with University of California alumni and friends in the United Kingdom.

In order to further these goals, a number of activities have been undertaken: arranging receptions for and briefings by visiting University of California professors and officials, developing relations with United Kingdom educational and research organisations, providing resources for University of California researchers to plan joint research activities, identifying "lost" University of California alumni and hosting receptions for alumni and special guests who are part of the University of California community in the United Kingdom.

Organisational structure

The Trust is a registered charity under the laws of England and Wales, which is overseen by the United Kingdom Charities Commission. A Management Board is responsible for the activities of the Trust. The Board ensures that the mission of the Trust is implemented and that the financial and management matters adhere to English and Welsh law.

Review of activities

Educational:

In accordance with the Trust's objects, it has continued to develop relations with UK educational institutions in order to explore potential cooperative instructional and research activities. The Trust has continued to develop relations with the Royal Society, the Royal Institution, the Department of Trade and Industry, the Foreign and Commonwealth Office, the United States Embassy, the Courtauld Institute of Art, and the London Goodenough Trust. The Allen Buch Scholarship was inaugurated in support of University of California undergraduates attending UK universities under the UC Education Abroad Program. The Trust supported the UC Study Centre-California House in a project to develop internships for UC students who are in the UK for year-long studies at universities. The mailing list of the California Technology, Trade and Commerce Association was successfully used to inform companies and associations of the internship program and invite their participation.

University of California Trust (UK) Limited
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Report of the Trustees and Directors (Continued)

Alumni Development:

The database for alumni (a significant number of whom are United Kingdom citizens) continues to be updated.

Events of the year 2002-2003

- **September 18** - the Trust hosted a reception at California House for President Emeritus Jack Peltason and his wife Susie. This provided Jack with an opportunity to connect with a number of UC alumni, and in particular alumni from his home campus at Irvine. Joining the event from California were Deputy Associate Provost Don Crawford (who was the founding UC officer at California House in 1999), Assistant Vice President Brad Barber, and Alan Bennett, Director of the Universitywide Office of Technology Transfer.
- **October 7** - the Trust in cooperation with Harper-Collins launched the latest book by best-selling author and UCLA supporter Adeline Mah, "A Thousand Pieces of Gold". This event, held at the London Goodenough College, was attended by about 70 people, both UC alumni as well as friends of the author and representatives from the press and publishing industry. Niall Mateer convened the event, and the introduction of the author was given by Baroness Howe. Dr Mah gave an enthralling talk about the relationship between language and culture and how these linguistic differences have shaped China's relations with the West. For more information on Mah, visit www.adelineyenmah.com
- **October 24** - UC Davis professor Conrad Atkinson opened his highly acclaimed exhibition at the Courtauld Institute of Art, the culmination of his year as the first Courtauld Distinguished Visiting Professor. Over 100 invited guests of UC and the Courtauld attended the opening, which included speeches by the Courtauld director and Davis Chancellor Larry Vanderhoef. Robert Mondavi kindly provided the wines for this important occasion. The London Times said that "His searing yet disciplined intervention at the Courtauld ... prompts us to see even the most familiar images in a raw and disconcerting light." It adds that "The Courtauld should be congratulated for allowing [Atkinson] such freedom." And urges that the Courtauld continue this experiment of engaging contemporary artists to comment on the collections.
- **October 25** - The Davis campus hosted a magnificent dinner at Claridges to celebrate its 20-year collaboration with Granada for the artist-in-residence programme for directors and choreographers. The evening was hosted by Chancellor Vanderhoef and his team: Dean Elizabeth Langland, Vice Chancellor William Lacy, Assistant Vice Chancellor Babs Sandeen, Director Robert Kerr, Dance Department Chair Barbara Sellars-Young.
- **November 21** - The Change Manifesto co-founded by Berkeley graduate Innes Henry, co-sponsored with the Trust a seminar on managing career change for expatriates. This event was held at the Institute of Directors, Pall Mall. £25. Contact the UC Trust at 020 7495 2774.
- **Fall 2002** - The Allen Buch Scholarship was announced in support of UC undergraduates attending UK universities under the Education Abroad Program.
- **June 18** - Berkeleyans in Britain met in the Conference Room, California House, for a planning review, followed by refreshments provided by the Trust.

University of California Trust (UK) Limited
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Report of the Trustees and Directors (Continued)

Management:

Professor A. Zwerdling rotated off the Management Board 15 July 2002. Mr B. Barber, Mr A. Buch, and Professor M.K. Duggan joined the Management Board 15 July 2002. The Executive Director and secretary of the Trust, Mr N. Mateer, resigned effective 30 November 2002, and Professor M.K. Duggan was appointed secretary and chair effective on that date. Members of the Board met on that date at California House and an electronic meeting of the Board was convened on 25 June 2003.

Plans for next academic year:

Because of the continuing adverse economic situation in California from where a majority of the Trust's funds originate, the activities of the Trust will continue to be reduced in scope. In addition to receiving funds for student exchange between the United Kingdom and California, hosting receptions for visiting Californian dignitaries, and maintaining communications with and sponsoring events for University of California alumni, the Trust will explore ways to assist the University of California's British Studies Program in its educational activities in the UK. The Trust will sponsor a meeting at California House by the California Council on Science and Technology (Susan Hackwood, Executive Director) on education for science and technology in the US and the UK.

Trustees:

The Trustees, who are also the directors for the purpose of company law, who served during the year, are:

B B Barber
A Buch
D W Crawford
M K Duggan (Chair, Secretary)
J L Heilbron
S Schwarz

None of the Trustees has any beneficial interest in the company.

Review of financial position

The net resources retained for the year amounted to £48,660 (2002 - £7,004) leaving retained funds at 30th June 2003 of £103,082.

Management and administration expenditure was reduced in the year to £171,701 (2002: £304,013).

Tax status

The company has a charitable status and is exempt from corporation tax on its income arising from its activities.

University of California Trust (UK) Limited
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Report of the Trustees and Directors (Continued)

Risk management

The Board of Trustees is responsible for the management of the risks faced by the Trust. Detailed consideration of such risks has been made with appropriate controls established to mitigate the risks identified. A review and assessment of these controls is undertaken on an annual basis.

Through risk management processes for the Trust, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



M.K. DUGGAN

Trustee
Dated: 2 Feb. 2004

University of California Trust (UK) Limited
(Limited by Guarantee)

Statement of Directors' Responsibilities
For the year ended 30th June 2003

Company law requires the directors 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 profit or loss of the company for that period. 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**Independent Auditors' Report to the Members of
University of California Trust (UK) Limited (Limited by Guarantee)**

We have audited the financial statements of University of California Trust (UK) Limited (Limited by Guarantee) for the year ended 30th June 2003 set out on pages 8 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
London, EC4P 4BN

In February 2004


MOORE STEPHENS

Registered Auditor
Chartered Accountants

University of California Trust (UK) Limited
(Limited by Guarantee)

Statement of Financial Activities
Year ended 30th June 2003

	<u>Note</u>	<u>2003</u> <u>Total</u>	<u>2002</u> <u>Total</u>
Incoming Resources			
Grants received		125,695	193,383
Gifts and donations		(186)	735
Reimbursed expenses		25,070	29,704
Rents received		68,791	69,137
Contributions towards events/activities		877	3,965
Interest receivable and similar income		114	85
Total Incoming Resources		£ <u>220,361</u>	£ <u>297,009</u>
Resources Expended			
Other Expenditure			
Management and administration		(171,701)	(304,013)
Total Resources Expended		£ <u>(171,701)</u>	£ <u>(304,013)</u>
Net Resources Retained/(Expended)		48,660	(7,004)
Funds at 1st July 2003		54,422	61,426
Funds at 30th June 2003	9	£ <u>103,082</u>	£ <u>54,422</u>

University of California Trust (UK) Limited
(Limited by Guarantee)

Balance Sheet - 30th June 2003

	<u>Note</u>	<u>2003</u>	<u>2002</u>
Fixed Assets			
Tangible assets	6	36,063	46,473
Current Assets			
Debtors	7	54,818	39,201
Cash at bank and in hand		39,116	4,231
		<u>93,934</u>	<u>43,432</u>
Creditors, amounts falling due within one year	8	<u>(26,915)</u>	<u>(35,483)</u>
Net Current Liabilities		67,019	7,949
Net Assets		£ <u>103,082</u>	£ <u>54,422</u>
 Represented by:			
Unrestricted funds	9	103,082	54,422
		£ <u>103,082</u>	£ <u>54,422</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the board of directors on *2nd February 2004*

Mary Kay Duggan
DR. M.K. DUGGAN - Director

University of California Trust (UK) Limited
(Limited by Guarantee)

Financial Statements for the year ended 30th June 2003

Notes

1. Principle Accounting Policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities issued in 2000.

(b) Revenue grants

Revenue grants receivable are credited to the Statement of Financial Activities when received, unless they are related to a specific future period, in which case they are deferred.

(c) Staff costs

Gifts in kind, representing services gifted by the University of California, have been accounted for on an actual basis.

(d) Staff costs

Staff costs and overhead expenses are allocated to activities on the basis of staff time spent on those activities.

(e) Categories of expenditure

Costs are allocated between the different categories of expenditure based on the nature of the expense, e.g. overheads, administration or professional and financial.

(f) Depreciation of tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold property	-	Over the period of lease
Computer equipment	-	33.33% straight line
Fixtures, fitting and equipment	-	25% reducing balance basis

(g) Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

(h) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

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Financial Statements for the year ended 30th June 2003

Notes (Continued)

2. Staff Costs and Numbers

	<u>2003</u>	<u>2002</u>
Staff costs		
Wages and salaries	12,146	30,649
Social security costs	904	2,735
	13,050	33,384
Services gifted (see detailed expenditure note)	-	94,000
	£ 13,050	£ 127,384

Number of employees

The average monthly number of employees, during the year was:

	<u>2003</u>	<u>2002</u>
Administration	1	2
	1	2

3. Net Incoming/(Outgoing) Resources

(a) Net incoming/(outgoing) resources is stated after charging:

	<u>2003</u>	<u>2002</u>
Auditors' remuneration	4,200	4,030
Depreciation (note 5)	10,410	11,718
Operating lease rentals	87,000	87,000
	91,610	102,748

4. Taxation

No corporation tax is payable as the company is registered as a charity.

University of California Trust (UK) Limited
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Financial Statements for the year ended 30th June 2003

Notes (Continued)

5. Fixed Assets - Tangible Assets

	<u>Leasehold Property</u>	<u>Computer Equipment</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
Cost				
At 1st July 2002	33,730	12,701	38,568	84,999
Additions	-	-	-	-
At 30th June 2003	£ 33,730	12,701	38,568	84,999
Depreciation				
At 1st July 2002	7,869	7,800	22,857	38,526
Charge for the year	2,249	4,233	3,928	10,410
At 30th June 2003	£ 10,118	12,033	26,785	48,936
Net book value				
At 30th June 2003	£ 23,612	£ 668	£ 11,783	£ 36,063
At 30th June 2002	£ 25,862	£ 4,901	£ 15,711	£ 46,473

The cost incurred for land and buildings is represented by an interest in short leasehold property at 8 St. James's Place, London SW1. A proportion of the space between is sub-let to the California Technology, Trade and Commerce Agency, University of California Education Abroad Program and The University of California Study Centre, London-Bloomsbury, which also makes a contribution to the cost of other overheads. The remainder of the space is used by the trust for its own purposes.

6. Debtors

	<u>2003</u>	<u>2002</u>
Trade debtors	26,544	13,333
Other debtors	-	-
Prepayments and accrued income	28,274	25,868
	£ 54,818	£ 39,201

7. Creditors: amounts falling due within one year

	<u>2003</u>	<u>2002</u>
Bank overdraft	-	1,487
Trade creditors	2,774	10,817
Other taxation and social security	3,302	2,872
Accruals and deferred income	20,840	20,307
Other creditors	-	-
	£ 26,915	£ 35,483

University of California Trust (UK) Limited
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Financial Statements for the year ended 30th June 2003

Notes (Continued)

8. Movement on Funds

	<u>Net Resources</u> £
Balance at 1st July 2002	54,422
Net resources for the period	48,660

Balance at 30th June 2003	£ 103,082

9. Operating Lease Commitments

At 30th June 2003 the company had annual commitments under non-cancellable operating leases as follows:

	<u>2003</u>	<u>2002</u>
Within 1 year	87,000	87,000

10. Limited by Guarantee

The company is limited by guarantee and does not have a share capital. Each member gives a guarantee to contribute a sum, not exceeding £1, to the company should it be wound up. At 30th June 2003 there were 3 members.

11. Related Parties

The University of California Education Abroad Program ('UCEAP') utilises space in the Trust offices to advance the objects of the Trust. At 30th June 2003, £7,464 was due from UCEAP to the Trust.

M K Duggan is a director of the Trust and of UCEAP. She did not receive any remuneration as director of the Trust in the year.

No Expenses were reimbursed to Trustees in the year (2002: £1,200).