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

REPORT AND FINANCIAL STATEMENTS

30th JUNE 2005
University of California Trust (UK) Limited
(Limited by Guarantee)

Trustees and Directors
Professor D.W. Crawford
Professor J. L. Heilbron
Dr. M.K. Duggan
Mr. B.B. Barber
Professor G.N. Binion
Professor M.H. Cowan

Company Secretary and Registered Office
D.W. Crawford
8 St. James’s Place, London SW1A 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 LLP
St. Paul’s House, Warwick Lane, London, EC4M 7BP
University of California Trust (UK) Limited
(Limited by Guarantee)

Report of the Trustees and Directors

The Trustees present their report and the audited accounts for the year ended 30 June 2005.

Objects of the charity

The Trust is a company limited by guarantee.

The University of California Trust (UK) Limited 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 its mission, the University of California Trust (UK) has continued to develop relations with UK educational institutions in order to explore potential co-operative instructional and research activities. The centrepiece of our outreach programme was a forum held at the Palace of Westminster on the subject of the continued importance of British Studies in the US and American Studies in Britain. It was held in the Members Dining Room of the House of Commons and the speakers included four prominent members of Parliament. In April, the Trust organised a series of events in connection with the visit of University of California President Dynes to the UK, including a luncheon meeting at the Royal Society with prominent British scientists and academics, a breakfast meeting with representatives of British industry and government and a reception for alumni. During that reception, we presented the UC Trust (UK) award to Oxford Dean of Divinity, Jane Shaw, a UC Berkeley alumna. During this same visit, we also arranged a number of seminars and other opportunities for President Dynes to interact with Oxford University community and leaders in the worlds of government, business and research.

Finally, the Trust continued to develop its internship programme sourcing 40 odd internships, which it has posted on the California House, Bloomsbury and Edinburgh study centre websites. We also provided support for educational projects in the UK sponsored by the campuses of Berkeley, Davis, Los Angeles and San Diego.
University of California Trust (UK) Limited
(Limited by Guarantee)

Report of the Trustees and Directors

Alumni development:

More than 600 alumni attended 35 events organised by the Trust this year. The Trust created a volunteer (systemwide) events planning committee which organised several social events. The email database for alumni has grown to circa 800 and we have continued to develop the geographical remit of our activities beyond London with events in Scotland and Paris. The Trust continued to organise lectures and professional development events at California House. We initiated a business forum and organised a joint workshop with the Fulbright Commission.

Selected diary of events of the year 2004-2005:

- 29 September 2004, California House: a reception and conversation concerning changes in the global economy for alumni and friends with Professor Uday Karmarkar, LA Times Professor of Technology and Management Strategy, Research Director and Co-founder of the Center for Management in the Information Economy (www.cmie.info) at UCLA Anderson Graduate School of Management. Attendance: 25.


- 18 November 2004, House of Commons, London: a reception and conversation concerning the Strengthening UK-US Relations, held in the Members Dining Room of the House of Commons with Professor James Vernon (Director, Center for British Studies, University of California, Berkeley), Dr Liam Fox MP, Chairman of the Conservative Party, Sir Menzies Campbell CBE QC MP, Dr Calum MacDonald MP (and UCLA alumnus), and Dr Kim Howells MP, Secretary for State for Lifelong Learning, Further and Higher Education. Attendance: 150.


- 19 April 2005, California House: 50 students from San Diego come to London as part of the College Bound program.


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

Report of the Trustees and Directors (Continued)

Selected diary of events of the year 2004-2005 (continued):


- 26 April 2005 - Lanesborough Hotel, London: a reception and conversation for alumni and friends with Robert C. Dynes about his vision for the University of California. President Dynes awards the Rev Dr Jane Shaw the University of California Trust Award for Academic Achievement and Accomplishment. Announcement of Allan Buch Memorial Scholarship Fund for students on the University of California Education Abroad Programme. Attendance: 130.


Management:

Members of the Board met at California House on 27 October 2004. Electronic meetings of the Board were held on 28 August 2004 and 13 April 2005.

Plans for the next academic year:

In addition to receiving funds for student exchange between the United Kingdom and California, hosting receptions for visiting Californian dignitaries, and maintaining communications with the sponsoring events for University of California alumni, the Trust plans to initiate an annual distinguished lecture, an in-house lecture series, and continue to fundraise for scholarships for students participating in the Education Abroad Programme.

Trustees:

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

B B Barber  
A Buch  (Deceased 5th March 2005)  
D W Crawford  
M K Duggan  
J L Heilbron  
S Schwarz  (Resigned 4th November 2004)  
R Sawyer  (Resigned 6th July 2005)  
G N Binion  (Appointed 4th November 2004)
University of California Trust (UK) Limited
(Limited by Guarantee)

Report of the Trustees and Directors (Continued)

Trustees (continued):

Professor M H Cowan was appointed a director on 12th July 2005.

D Helson was nominated on 12th July 2005 to succeed Allan Buch as director.

None of the Trustees had any beneficial interest in the company during the year.

Review of financial position

The net resources expended for the year amounted to £11 (2004 - £9,443) leaving retained funds at 30th June 2005 of £112,514.

Management and administration expenditure was increased in the year to £208,003 (2004: £181,534). Fund raising expenditure of £14,814 was also incurred (2004: £4,748).

Tax status

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

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 not absolute assurance that major risks have been adequately managed.

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

D.W. CRAWFORD

Trustee

Dated: 6/10/2005
University of California Trust (UK) Limited
(Limited by Guarantee)

Statement of Directors' Responsibilities
For the year ended 30th June 2005

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 2005 set out on pages 8 to 13. 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 2005 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, EC4M 7BP
6 October 2005

MOORE STEPHENS LLP
Registered Auditor
Chartered Accountants
University of California Trust (UK) Limited  
(Limited by Guarantee)

Statement of Financial Activities  
For the year ended 30th June 2005

<table>
<thead>
<tr>
<th>Note</th>
<th>2005 Total</th>
<th>2004 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants received</td>
<td>1(b)</td>
<td>133,384</td>
</tr>
<tr>
<td>Gifts and donations</td>
<td></td>
<td>1,768</td>
</tr>
<tr>
<td>Reimbursed expenses</td>
<td></td>
<td>24,738</td>
</tr>
<tr>
<td>Rents received</td>
<td></td>
<td>56,491</td>
</tr>
<tr>
<td>Contributions towards events/activities</td>
<td></td>
<td>3,980</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td></td>
<td>2,445</td>
</tr>
<tr>
<td><strong>Total Incoming Resources</strong></td>
<td>£222,806</td>
<td>£195,725</td>
</tr>
</tbody>
</table>

Resources Expended

Other Expenditure

| Management and administration | (222,817) | (186,282) |
| **Total Resources Expended** | £222,817 | £186,282 |
| Net Resources (Expended)/Retained | (11) | 9,443 |
| Funds at 1st July 2004 | | 112,525 | 103,082 |
| **Funds at 30th June 2005** | £112,514 | £112,525 |
University of California Trust (UK) Limited  
(Limited by Guarantee)  

Balance Sheet - 30th June 2005

<table>
<thead>
<tr>
<th>Note</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tangible assets</td>
<td>26,980</td>
</tr>
<tr>
<td></td>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Debtors</td>
<td>29,363</td>
</tr>
<tr>
<td></td>
<td>Cash at bank and in hand</td>
<td>75,889</td>
</tr>
<tr>
<td></td>
<td></td>
<td>105,352</td>
</tr>
<tr>
<td></td>
<td>Creditors, amounts falling due within one year</td>
<td>(19,818)</td>
</tr>
<tr>
<td></td>
<td>Net Current Assets</td>
<td>85,534</td>
</tr>
<tr>
<td></td>
<td>Total Assets Less Current Liabilities</td>
<td>£ 112,514</td>
</tr>
<tr>
<td></td>
<td>Represented by:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unrestricted funds</td>
<td>112,514</td>
</tr>
<tr>
<td></td>
<td></td>
<td>£ 112,514</td>
</tr>
</tbody>
</table>

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 6/10/2005

D.W. CRAWFORD - Director
University of California Trust (UK) Limited  
(Limited by Guarantee)  

Financial Statements for the year ended 30th June 2005  

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 both the Companies Act 1985 and 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 - gifted salaries  

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. Contributions to third party pension schemes are charged to the Statement of Financial Activities as incurred.  

(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:  

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold property</td>
<td>Over the period of the lease</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>33.33% straight line</td>
</tr>
<tr>
<td>Fixtures, fitting and equipment</td>
<td>25% reducing balance basis</td>
</tr>
</tbody>
</table>

(g) Leases  

Rentals payable under operating leases are charged to the Statement of Financial Activities 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 the Statement of Financial Activities.
University of California Trust (UK) Limited  
(Limited by Guarantee)

Financial Statements for the year ended 30th June 2005

Notes (Continued)

2. **Staff Costs and Numbers**

Staff costs during the year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>31,618</td>
<td>17,684</td>
</tr>
<tr>
<td>Social security costs</td>
<td>3,251</td>
<td>1,669</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>1,200</td>
<td>600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36,069</strong></td>
<td><strong>19,953</strong></td>
</tr>
</tbody>
</table>

Number of employees

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

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

3. **Net Resources Expended**

Net resources expended is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors' remuneration</td>
<td>4,000</td>
<td>4,700</td>
</tr>
<tr>
<td>Other professional and management fees</td>
<td>33,872</td>
<td>22,861</td>
</tr>
<tr>
<td>Depreciation (note 5)</td>
<td>5,132</td>
<td>5,975</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>89,943</td>
<td>88,557</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>129,055</strong></td>
<td><strong>120,197</strong></td>
</tr>
</tbody>
</table>

4. **Taxation**

No corporation tax is payable as the company is a registered charity.
University of California Trust (UK) Limited  
(Limited by Guarantee)  

Financial Statements for the year ended 30th June 2005  

Notes (Continued)

5. Fixed Assets - Tangible Assets

<table>
<thead>
<tr>
<th></th>
<th>Leasehold Property</th>
<th>Computer Equipment</th>
<th>Fixtures, Fittings &amp; Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st July 2004</td>
<td>33,730</td>
<td>14,725</td>
<td>38,568</td>
<td>87,023</td>
</tr>
<tr>
<td>Additions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>At 30th June 2005</strong></td>
<td><strong>£ 33,730</strong></td>
<td><strong>£ 14,725</strong></td>
<td><strong>£ 38,568</strong></td>
<td><strong>£ 87,023</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st July 2004</td>
<td>12,367</td>
<td>12,813</td>
<td>29,731</td>
<td>54,911</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>2,248</td>
<td>675</td>
<td>2,209</td>
<td>5,132</td>
</tr>
<tr>
<td><strong>At 30th June 2004</strong></td>
<td><strong>£ 14,615</strong></td>
<td><strong>£ 13,488</strong></td>
<td><strong>£ 31,940</strong></td>
<td><strong>£ 60,043</strong></td>
</tr>
<tr>
<td><strong>Net book value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th June 2005</td>
<td>19,115</td>
<td>1,237</td>
<td>6,628</td>
<td>26,980</td>
</tr>
<tr>
<td><strong>At 30th June 2004</strong></td>
<td><strong>£ 21,363</strong></td>
<td><strong>£ 1,912</strong></td>
<td><strong>£ 8,837</strong></td>
<td><strong>£ 32,112</strong></td>
</tr>
</tbody>
</table>

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 is sub-let to The University of California Education Abroad Program and The University of California Study Centre, London-Bloomsbury, who also make a contribution to the cost of other overheads. The remainder of the space is used by the trust for its own purposes.

6. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>3,189</td>
<td>9,998</td>
</tr>
<tr>
<td>Other debtors</td>
<td>220</td>
<td>626</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>25,954</td>
<td>27,058</td>
</tr>
<tr>
<td><strong>£ 29,363</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>4,904</td>
<td>6,146</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>995</td>
<td>6,244</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>13,919</td>
<td>96,596</td>
</tr>
<tr>
<td><strong>£ 19,818</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
University of California Trust (UK) Limited
(Limited by Guarantee)

Financial Statements for the year ended 30th June 2005

Notes (Continued)

8. **Movement on Funds**

<table>
<thead>
<tr>
<th>Description</th>
<th>Net Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds at 1st July 2004</td>
<td>112,525</td>
</tr>
<tr>
<td>Net resources expended for the year</td>
<td>(11)</td>
</tr>
<tr>
<td>Funds at 30th June 2005</td>
<td>£ 112,514</td>
</tr>
</tbody>
</table>

9. **Operating Lease Commitments**

At 30th June 2005 the company had an annual commitment of £90,000 under a non-cancelable operating lease for land and buildings expiring in 2013.

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 2005 there were seven 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. Rental charges of £23,565 (2004: £23,478) and building services charges of £13,356 (2004: £9,516) were charged to UCEAP in the year. At 30th June 2005, £1,653 (2004: £5,281) 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 remuneration was paid to the Trustees in the current or prior year. Expenses of £271 were reimbursed to one trustee in the year.