

Registered number 04279524

Boston University USA (Europe) Limited

Directors' report and financial statements

for the year ended 31 December 2011

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Boston University USA (Europe) Limited

Company Information

Directors	R A Cumming P Pavillard W Wang (appointed 1 July 2011)
Company secretary	M O'Brien
Company number	04279524
Registered office	43 Harrington Gardens London SW7 4JU
Auditors	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	HSBC Bank plc 95 Gloucester Road South Kensington London SW7 4SX
Solicitors	Shepherd & Wedderburn LLP Condor House 10 St Paul's Churchyard London EC4M 8AL

Boston University USA (Europe) Limited

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Boston University USA (Europe) Limited

Directors' report for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

These financial statements are presented in US Dollars. In prior years Sterling was used as the presentational currency for the financial statements. Comparative figures for the year ended 31 December 2010 have been restated into US Dollars using the exchange rate in force at that date.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report 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 judgments and accounting 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 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.

Principal activities

The principal activity of the company during the year was to hold investments in entities whose principal activity is to provide academic programmes and programme support to American students in Europe.

Directors

The directors who served during the year were

Urbain de Winter (resigned 29 June 2011)
R A Cumming
P Pavillard
W Wang (appointed 1 July 2011)

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Boston University USA (Europe) Limited

**Directors' report
for the year ended 31 December 2011**

Auditors

Under section 487 of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditor(s) 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 19 September 2012 and signed on its behalf

A handwritten signature in black ink, appearing to read "R. A. Cumming", followed by a short horizontal line.

R A Cumming
Director

Boston University USA (Europe) Limited

Independent auditors' report to the shareholders of Boston University USA (Europe) Limited

We have audited the financial statements of Boston University USA (Europe) Limited for the year ended 31 December 2011, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

Boston University USA (Europe) Limited

Independent auditors' report to the shareholders of Boston University USA (Europe) Limited

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Reeves & Co LLP

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Canterbury

24 September 2012

Boston University USA (Europe) Limited

**Profit and loss account
for the year ended 31 December 2011**

		2011 \$	As restated 2010 \$
Administrative expenses		(9,246)	(4,021)
Exceptional administrative expenses	4	744,321	-
Total administrative expenses		735,075	(4,021)
Operating profit/(loss)	2	735,075	(4,021)
Interest payable and similar charges	3	(151,859)	-
Profit/(loss) on ordinary activities before taxation		583,216	(4,021)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year	10	583,216	(4,021)

The notes on pages 8 to 12 form part of these financial statements

Boston University USA (Europe) Limited

**Statement of total recognised gains and losses
for the year ended 31 December 2011**

		2011 \$	As restated 2010 \$
	Note		
Profit/(loss) for the financial year		583,216	(4,021)
Total recognised gains and losses relating to the year		583,216	(4,021)
Prior year adjustment	11	1,658,492	
Total gains and losses recognised since last financial statements		2,241,708	

The notes on pages 8 to 12 form part of these financial statements

Boston University USA (Europe) Limited
Registered number 04279524

Balance sheet
as at 31 December 2011

	Note	2011 \$	As restated 2010 \$
Fixed assets			
Investments	6	2,244,323	2
Current assets			
Debtors	7	1,391	2
Cash at bank and in hand		10,818	18,570
		<u>12,209</u>	<u>18,572</u>
Creditors: amounts falling due within one year	8	<u>(5,215,281)</u>	<u>(3,560,539)</u>
Net current liabilities		<u>(5,203,072)</u>	<u>(3,541,967)</u>
Net liabilities		<u>(2,958,749)</u>	<u>(3,541,965)</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	<u>(2,958,751)</u>	<u>(3,541,967)</u>
Shareholders' deficit		<u>(2,958,749)</u>	<u>(3,541,965)</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2012

R. A. Cumming

R A Cumming
Director

The notes on pages 8 to 12 form part of these financial statements

Boston University USA (Europe) Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements are presented in U S Dollars. In prior years, Sterling was used as the presentational currency for the financial statements. Comparative figures for the year ended 31 December 2010 have been restated into U S Dollars using the exchange rate in force at that date.

At 31 December 2011 the rate of exchange was such that \$1 was equivalent to £0.6468 (2010 £0.6388).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company is dependent on the continuing support of Boston University, which the directors are confident will continue for the foreseeable future. The trustees of Boston University have guaranteed to fund EUSA LLP, a subsidiary undertaking of the company, at all times whilst it remains, in the opinion of that LLP's members, economically viable.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Investments

Fixed asset investments are shown at cost less impairment.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Boston University USA (Europe) Limited

Notes to the financial statements for the year ended 31 December 2011

1 Accounting policies (continued)

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into U S Dollars at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into U S Dollars at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account.

1.7 Related party transactions

The LLP has taken advantage of the exemption from disclosing related party transactions with its fellow group members provided by the Financial Reporting Standard for Smaller Entities (effective April 2008) as its ultimate parent undertaking Boston University publishes consolidated financial statements

2 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2011 \$	2010 \$
Auditors' remuneration	<u>2,319</u>	<u>2,348</u>

During the year, no director received any emoluments (2010 - \$NIL)

3 Interest payable

	2011 \$	2010 \$
On loans from group undertakings	<u>151,859</u>	<u>-</u>

4 Exceptional items

	2011 \$	2010 \$
Reversal of impairment losses	<u>744,321</u>	<u>-</u>

Boston University USA (Europe) Limited is a member of EUSA LLP, and following the acquisition of EUSA (UK) Limited during the year has a 100% beneficial interest in the LLP

In previous accounting periods the company had fully impaired its investment in EUSA LLP. Following reorganisation of EUSA LLP's activities which has seen it repositioning to focus on Europe, and changes to its cost structure, the directors are confident that this has dramatically changed its potential. Accordingly it is the opinion of the directors that it is no longer necessary to impair this investment, and the provision recognised in previous accounting periods has been reversed.

Boston University USA (Europe) Limited

Notes to the financial statements for the year ended 31 December 2011

5 Taxation

	2011 \$	2010 \$
UK corporation tax charge on profit/loss for the year	-	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2010 - 21%)

Factors that may affect future tax charges

The company has unrelieved trading losses available to carry forward against future profits. No deferred tax asset has been recognised in respect of these losses due to the uncertainty of their recovery.

6 Fixed asset investments

	Investments in subsidiary companies \$	Investments in associates \$	Unlisted investments \$	Total \$
Cost or valuation				
At 1 January 2011	-	744,321	2	744,323
Additions	1,500,000	-	-	1,500,000
Transfer between classes	744,323	(744,321)	(2)	-
At 31 December 2011	2,244,323	-	-	2,244,323
Impairment				
At 1 January 2011	-	744,321	-	744,321
Reversal of impairment losses	-	(744,321)	-	(744,321)
At 31 December 2011	-	-	-	-
Net book value				
At 31 December 2011	2,244,323	-	-	2,244,323
At 31 December 2010	-	-	2	2

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Holding
EUSA (UK) Limited	100%
EUSA LLP	100%
EUSA Sarl (a company incorporated in Switzerland)	100%

Boston University USA (Europe) Limited

Notes to the financial statements for the year ended 31 December 2011

6. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2011 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves \$	Profit/(loss) \$
EUSA (UK) Limited	(4,499)	(783)
EUSA LLP	(2,111,939)	482,303
EUSA Sarl (a company incorporated in Switzerland)	(277,411)	(59,689)

The company is a member of EUSA LLP, along with its subsidiary undertaking EUSA (UK) Limited. The company's share of the profits in EUSA LLP amounted to \$482,303, representing the company's beneficial 100% share of the profits of EUSA LLP for the year ended 31 December 2011.

EUSA Sarl is a wholly owned subsidiary undertaking of EUSA LLP.

7 Debtors

	2011 \$	2010 \$
Amounts owed by group undertakings	1,391	2

8. Creditors Amounts falling due within one year

	2011 \$	As restated 2010 \$
Amounts owed to group undertakings	5,129,579	3,556,032
Other creditors	85,702	4,507
	5,215,281	3,560,539

9 Share capital

	2011 \$	2010 \$
Allotted, called up and fully paid		
1 Ordinary share of £1	2	2

Boston University USA (Europe) Limited

Notes to the financial statements for the year ended 31 December 2011

10 Reserves

	Profit and loss account \$
At 1 January 2011 (as previously stated)	(5,200,459)
Prior year adjustment (note 11)	1,658,492
	<hr/>
At 1 January 2011 (as restated)	(3,541,967)
Profit for the year	583,216
	<hr/>
At 31 December 2011	<u>(2,958,751)</u>

11 Prior year adjustment

The company is a member of EUSA LLP. In previous accounting periods the company recognised its beneficial share of the profits or losses of EUSA LLP regardless of the fact that under the terms of the partnership agreement of EUSA LLP that those profits and losses have not been appropriated to members, and thus should not have been recognised.

In order to correct this misstatement a prior year adjustment has been recognised of \$1,658,492 being the accumulated losses of EUSA LLP attributable to the company but which to date have not been appropriated. A corresponding adjustment has been made to the amount owed by the company to EUSA LLP.

Comparative figures have been restated accordingly. As a consequence of this prior year adjustment the loss as disclosed by the financial statements for the year ended 31 December 2010 of £146,943 has been restated so that the result for that year is now a loss of £2,568, or \$4,021 as now shown by the comparative figures included as part of this year's profit and loss account presented in U S Dollars.

12. Related party transactions

The LLP has taken advantage of the exemption from disclosing related party transactions with its fellow group members provided by the Financial Reporting Standard for Smaller Entities (effective April 2008) as its ultimate parent undertaking Boston University publishes consolidated financial statements.

13 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Boston University (USA) London, a charitable company incorporated in England and Wales.

Boston University (USA) London is organised for the beneficial interest of Boston University, a non-profit corporation based in Massachusetts in the United States of America, to advance its mission of education and research in the United Kingdom. Therefore under US Generally Accepted Accounting Practice for charitable organisations, Boston University (USA) London and its subsidiaries, including the company, are incorporated into the consolidated financial statements of Boston University. Copies of the consolidated financial statements of the group can be downloaded from the Boston University website, or upon request from the company's registered office.

Based upon the dominant influence it exercises over the company, Boston University is considered to be the company's ultimate parent undertaking.