

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM

England & Wales · Charity number 1179136

Details

Other names	AKU-ISMC, THE AGA KHAN UNIVERSITY - INSTITUTE FOR THE STUDY OF MUSLIM CIVILISATIONS
Status	Registered
Legal form	Charitable company
Company number	04448389
Registered	2018-07-10
Register	View on the Charity Commission register

Contact

Address	Aga Khan Centre 10 Handyside Street London N1C 4DN
Phone	02073803800
Email	ismc@aku.edu
Website	https://www.aku.edu/ismc/Pages/home.aspx

Activities

Objects: FOR THE PUBLIC BENEFIT, THE ADVANCEMENT OF EDUCATION BY THE MEANS OF THE PROMOTION AND DISSEMINATION OF KNOWLEDGE AND RESEARCH, INCLUDING THROUGH THE PROVISION OF INSTRUCTION, TRAINING AND TEACHING IN ANY BRANCHES OF LEARNING AND THROUGH ANY AVAILABLE MEDIA.

Activities: Provides Education / trainingSponsors or undertakes research

Classification

- **How:** Makes Grants To Individuals, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,581,643	£6,015,394	£1,374,156	37
2023-12-31	£5,595,696	£5,683,818	£807,907	37
2022-12-31	£5,101,937	£5,563,312	£896,029	37
2021-12-31	£5,485,912	£5,444,947	£1,357,404	37
2020-12-31	£4,260,093	£4,600,706	£1,316,439	31

Trustees

Name	Role	Appointed
Dr Lisa Anderson	Chair	2021-05-19
Dr DAVID TAYLOR		2021-05-19
Dr Jane McAuliffe		2021-06-02
HABIB MOTANI		2018-04-20
Prof Azim Nanji		2021-05-19
Rahim Hooda		2020-02-28
SALIMAH CURRIMBOY		2018-04-20
Shagufta Hassan FCA		2022-05-27

Accounts

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Board of Directors

Dr. Lisa Anderson
Dr. David Taylor
Habib Motani
Prof Azim Nanji
Prof Eugene Rogan
Prof Jane McAuliffe
Rahim Hooda
Salimah Currimbhoy
Shagufta Hassan

Secretary

Dr. Charlotte Whiting

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
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**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2024.

Legal Status

The Aga Khan University (International) in the United Kingdom (“the University” or “AKU UK”) was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) (since then replaced with the Companies Act 2006) as a company limited by guarantee. The limit of the guarantees amounts to £2 and is shown in members' funds in the balance sheet (see note 11 to the financial statements).

The University is an academic unit of The Aga Khan University (AKU), which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan’s first private international university. The University has also registered with the Charity Commission for England and Wales effective 10 July 2018.

Objectives and Principal Activities

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education to enhance knowledge of the heritage of Muslim civilisations. The University offers a Master of Arts in Muslim Cultures, a PhD programme and short courses.

Our Directors are responsible for setting a strategy for achieving the objectives they have set.

We review our objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits achieved. The review helps us ensure our objectives and activities remained focused on our stated purposes. We have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing our objectives and in planning our future activities.

The University has established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A.) Foundation to create awareness of and solicit funds in the US for AKU’s activities (including the University as an academic unit of AKU). The non-profit corporation was incorporated in the State of Delaware on 24 December 2014.

Risk Management - principal risks and uncertainties

The Directors are responsible for the overseeing of the risks faced by the University. The Directors, assisted by AKU UK’s Dean and Senior Management Team, assess the major risks to which AKU UK is exposed on an ongoing basis. Risks are identified, assessed and controls established throughout the year.

Where appropriate, systems or procedures have been established to mitigate the risks faced. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and activities. Procedures are in place to ensure health and safety of staff, volunteers, and visitors.

The Finance Committee of the Board of Directors and Senior Management Team meet quarterly and review ongoing risks, particularly those related to the operations, compliance with law and regulation and finances of the charity. The major risks facing AKU UK are i) inability to recruit students due to marketability of the degree and changing student expectations regarding a graduate degree in the humanities and social sciences, ii) loss of facilities to undertake the institute’s activities due to fire, flooding or other risks, iii) potential breaches by staff and support units of compliance requirements and grant guidelines. Financial sustainability and the potential impact of global trends on the availability of research grant funding to support AKU UK strategy has also been considered.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

Through the risk management processes established for the University, the Directors are satisfied that appropriate systems are in place to adequately mitigate against the major risks identified. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Key Performance Indicators

AKU UK assesses its performance and impact primarily through developing a culture of excellence in teaching, learning and assessment that complies with Quality Assurance Agency guidelines; a commitment to student performance by ensuring a high success rate in course completion and graduation; developing a culture of research excellence through grant applications to respected funding bodies and publishing peer reviewed outcomes.

Director Recruitment and Training

While the Board of Directors assesses the breadth and depth of experience, and the range of skills required, to carry out its duties effectively and efficiently, appointment to the Board is by ordinary resolution of the Members. No new directors were appointed to the Board in the financial year ended 31 December 2024, and accordingly new director induction was not required. Information published by the Charity Commission for trustees is drawn to the attention of the directors.

Results for the Year and Position at Year End

Financial Statements:

The results for the year and the University's financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

Aside from the income generated by tuition fees, the principal funding sources for the University are discussed below. During the year, the University received £3,830,494 (2023: £2,874,484) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

Aga Khan Foundation (United Kingdom) supported the University by permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £2,093,369 (2023: £1,962,318).

AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £361,587 (2023: £265,464).

Grants:

During 2024, the University secured equivalent to £199,597 in research grants from the British Academy.

Financial Position:

At the year end the University had net assets of £1,374,156 (2023: £807,907), which comprised £204,452 of restricted funds and £1,169,704 of unrestricted funds.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

Investment policy:

Our investment policy is a low risk investment approach and therefore any excess funds are held in short term access interest bearing deposit bank accounts. No higher risk investments are held.

Reserves policy:

The Directors regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the University.

The Board of Directors has examined the University's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds held by the University should be adequate to support operating cash expenditure of at least 2 months. The present level of unrestricted reserves available of £1.17 million therefore is above this target level.

Board of Directors

The Board of Directors who served the University during the year, and as at the date of this report, were as follows:

- | | |
|----------------------|------------------------|
| 1. Dr. Lisa Anderson | 2. Dr. David Taylor |
| 3. Habib Motani | 4. Prof Azim Nanji |
| 5. Prof Eugene Rogan | 6. Prof Jane McAuliffe |
| 7. Rahim Hooda | 8. Salimah Currimbhoy |
| 9. Shagufta Hassan | |

All Directors give of their time voluntarily and no remuneration or expenses were paid in the year.

Future Prospects Review and the way forward

Over the next few years, subject to satisfactory funding arrangements, the University will continue to focus on research, education, publications, and outreach. The University aims to disseminate knowledge about Muslim cultures, past and present, through work in four interrelated areas:

1. Research,
2. Educational Programmes,
3. Publications; and
4. Outreach.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

Auditors

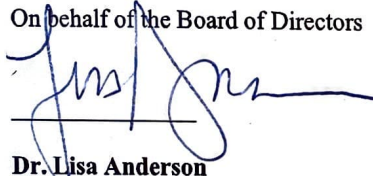
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

As far as the Directors are aware, there is no relevant audit information of which the University's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



**Dr. Lisa Anderson
Chairperson**

8 MAY 2025

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES**

In accordance with the Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019) and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- Ensure that there are appropriate financial and management controls in place to safeguard funds.
- Safeguard the assets of the University and to prevent and detect fraud.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections.
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital, and cash flow budgets.
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- Clearly defined and formalised requirements for approval and control of expenditure.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatements or loss.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, the Statement of Cashflows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 Board of Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Board of Directors and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Based on our understanding of the University and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the University, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and the University's net income for the year, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- review of the financial statements disclosures to underlying supporting documentation;
- review of correspondence with and reports to the regulators;
- review of correspondence with legal advisors;
- reviewing minutes of meetings with those charged with governance;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- addressing the risks of fraud through management override of controls by performing journal entry testing;
- making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud;
- review of internal reports and discussion and consideration of any significant matters raised; and assessing the risk of management override of controls, including testing of journals and evaluating whether there was evidence of bias by the Board of Directors that represented a risk of material misstatement due to fraud.

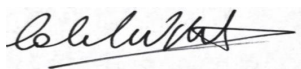
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University'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 University's members those matters we are required to state to them in an auditor's 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 University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

4 Thomas More Square
London, E1W 1YW

13/05/2025

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THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	£	£
Income			
Tuition fees and other income	2	75,041	121,270
Grants utilised		209,929	362,520
Investment income		<u>11,223</u>	<u>9,640</u>
Total income before donations		296,193	493,430
Donations	3	<u>6,285,450</u>	<u>5,102,266</u>
Total income		<u>6,581,643</u>	<u>5,595,696</u>
Expenditure			
Staff costs	4	2,844,511	2,294,478
Other operating expenses	5	3,146,947	3,362,152
Depreciation	6	21,733	24,914
Interest and other finance costs		<u>2,203</u>	<u>2,274</u>
Total expenditure		<u>6,015,394</u>	<u>5,683,818</u>
Surplus/(deficit) before tax		566,249	(88,122)
Taxation	7	<u>-</u>	<u>-</u>
Surplus/(deficit) for the year		<u>566,249</u>	<u>(88,122)</u>
Reconciliation of funds			
Funds brought forward		<u>807,907</u>	<u>896,029</u>
Funds carried forward		<u>1,374,156</u>	<u>807,907</u>
Total funds represented by:			
Restricted funds		204,452	131,468
Unrestricted funds		<u>1,169,704</u>	<u>676,439</u>
		<u>1,374,156</u>	<u>807,907</u>

All items of income and expenditure relate to continuing activities.

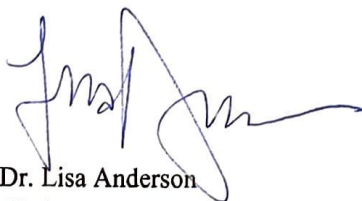
THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Funds brought forward	676,439	131,468	807,907	896,029
Total income	6,371,714	209,929	6,581,643	5,595,696
Total expenditure	(5,878,449)	(136,945)	(6,015,394)	(5,683,818)
Surplus/(deficit) for year	<u>493,265</u>	<u>72,984</u>	<u>566,249</u>	<u>(88,122)</u>
Funds carried forward	<u><u>1,169,704</u></u>	<u><u>204,452</u></u>	<u><u>1,374,156</u></u>	<u><u>807,907</u></u>

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
Non-current assets			
Fixed assets	6	30,093	33,181
Heritage asset - manuscripts		19,900	19,900
Investment	8	1	1
		<u>49,994</u>	<u>53,082</u>
Current assets			
Debtors	9	404,354	391,010
Cash and cash equivalents		1,090,590	599,107
		<u>1,494,944</u>	<u>990,117</u>
Less : Creditors (amounts falling due within one year)	10	<u>(170,782)</u>	<u>(235,292)</u>
Net current assets		<u>1,324,162</u>	<u>754,825</u>
Net assets		<u><u>1,374,156</u></u>	<u><u>807,907</u></u>
Funds			
Restricted funds		204,452	131,468
Unrestricted funds		<u>1,169,704</u>	<u>676,439</u>
Total funds		<u><u>1,374,156</u></u>	<u><u>807,907</u></u>

The financial statements on pages 10 to 23 were approved by the Board of Directors on 8 MAY 2025
and were signed and authorised for issue on its behalf by:



Dr. Lisa Anderson
Chairperson

Company registration No. 04448389 (England and Wales)

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Note	£	£
Surplus/(deficit) for the year		566,249	(88,122)
<i>Adjustments for non cash items:</i>			
Depreciation	6	21,733	24,914
<i>Movements in working capital:</i>			
Increase in debtors		(13,344)	(166,728)
(Decrease)/increase in creditors		(64,510)	50,048
<i>Adjustment for investing or financing activities:</i>			
Investment income		(11,223)	(9,640)
Interest and other finance costs		2,203	2,274
Net cash flow from operating activities		<u>501,108</u>	<u>(187,254)</u>
Cash flows from investing activities			
Investment income		11,223	9,640
Acquisition of fixed assets	6	<u>(18,645)</u>	<u>(22,736)</u>
		<u>(7,422)</u>	<u>(13,096)</u>
Cash flows from financing activities			
Bank charges		<u>(2,203)</u>	<u>(2,274)</u>
Increase/(decrease) in cash and cash equivalents in the year		<u>491,483</u>	<u>(202,624)</u>
Cash and cash equivalents at beginning of the year		<u>599,107</u>	<u>801,731</u>
Cash and cash equivalents at end of the year		<u>1,090,590</u>	<u>599,107</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. Accounting policies

The Aga Khan University (International) in the United Kingdom is a company limited by guarantee, incorporated in England and Wales. The registered office is at Aga Khan Centre, 10 Handyside Street, London, England, N1C 4DN.

a) Basis of preparation and going concern

The financial statements are prepared in accordance with the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards (Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)), the Statement of Recommended Practice (SORP 2019), “Accounting for Further and Higher Education” and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The University meets the definition of a public benefit entity (PBE) under FRS 102. A PBE is an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity’s primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members.

The operations of the University are funded primarily from donations received from The Aga Khan University Foundation, Geneva (‘the Foundation’). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income

All incoming resources are recognised when the University has entitlement to the resources, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to particular categories of income. Tuition fees are recognised as income over the period of instruction.

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Income and Expenditure when the University has an entitlement to the income, the amounts can be quantified with reasonable accuracy, and it is probable that the income will be received.

Grants, where entitlement is not conditional on the performance of specific requirements by the University, are recognised when the University becomes entitled to the grant and it is probable that the grant will be received.

Investment income consists of bank interest, which is included when receivable.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year-end or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the Income and Expenditure account as they become payable.

f) Tangible fixed assets and depreciation

Operating fixed assets are stated at cost less depreciation. In line with University policy, only items over £180 are capitalized. Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% straight line
Library books	15% straight line
Furniture, Fittings and Equipment	15% straight line

Heritage assets

Manuscripts and rare items are accounted for as heritage assets. Any items purchased are capitalised at cost and any items donated are recognised initially at fair value, where practicable, which is treated as deemed cost. Heritage assets continue to be held at historical cost or deemed cost, subject to any depreciation or impairment. Heritage assets with indefinite useful economic lives are not depreciated. Heritage assets are reviewed annually for impairment, which may be due to becoming obsolete, breakage or out of date or unusable. If an impairment exists they are scrapped, and the original cost is written off to the Income and Expenditure account in full. The University maintains an appropriate register of manuscripts in order to apply this accounting policy.

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

h) Donated goods, services and gifts in kind

Donated services and gifts in kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure or fixed asset category, as appropriate.

i) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

j) Financial instruments

The University only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the University and their measurement basis are as follows:

Financial instruments are recognised in the University's Balance Sheet when the University becomes a party to the contractual provisions of the instrument.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

k) Provisions

Provisions are recognised when the University has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

l) Impairment of fixed assets

At each reporting period end date, the University reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income and Expenditure.

m) Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 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.

n) Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the University at the discretion of the Directors.

Restricted general funds comprise restricted funds received and include grants for specific purposes.

o) Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation

The Directors estimate the useful economic lives and residual values of fixed assets in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Comprehensive Income and Expenditure and the Balance Sheet.

The Directors have reviewed the carrying values of the fixed assets.

Donation in kind

Donated services and gifts in kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used.

Donations in kind are recorded at fair value, estimated based on the market value of the occupied property or the cost that would have been incurred for services received free of charge, as the case may be. Management assesses the reasonableness of these valuations by comparing them with available market rate information.

Critical areas of judgement

The Directors have made critical judgements in the preparation of the financial statements by applying assumptions and estimates in determining provision for impairment (doubtful) of loans to students and receivable from students.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Tuition fees and other income

	2024	2023
	£	£
Tuition fees	71,992	61,650
Less : Remission	(29,449)	(22,312)
Tuition fees - net	<u>42,543</u>	<u>39,338</u>
Indirect cost recovery on grant (see 2.1 below)	1,739	69,612
Short courses contributions, donations and other income	30,759	12,320
	<u><u>75,041</u></u>	<u><u>121,270</u></u>

2.1 This includes indirect costs recovered from European Research Council Executive Agency, British Academy and The Gates Foundation.

3. Donations

	2024	2023
	£	£
Donation from:		
The Aga Khan University Foundation, Geneva	3,830,494	2,874,484
The Aga Khan University - donations-in-kind	361,587	265,464
The Aga Khan Foundation (United Kingdom) - donations-in-kind	2,093,369	1,962,318
	<u><u>6,285,450</u></u>	<u><u>5,102,266</u></u>

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £361,587 (2023: £265,464). A corresponding expense is included within these financial statements (note 5).

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and student accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having an estimated value to the University of £2,093,369 (2023: £1,962,318).

During the year, the University received £3,830,494 (2023: £2,874,484) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4. Staff costs

Staff costs consist of:	2024	2023
	£	£
Salaries	2,337,405	1,893,753
Social security costs	256,344	205,572
Other pension costs	217,636	166,897
Other staff costs	33,126	28,256
	<u>2,844,511</u>	<u>2,294,478</u>

4.1 Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

A thorough and rigorous process was followed to determine the remuneration of the Dean of AKU UK. To ensure an objective approach, the Board of AKU UK established a committee, which was supported by AKU, to undertake a benchmarking of Deans' salaries across AKU, a comparison with other academic institutions in the market, a consideration of the candidate's academic background and expertise, as well as expectations regarding University's performance. These factors were taken into account in determining the remuneration.

	2024	2023
	£	£
Key management personnel compensation	323,326	344,394
Pension contribution	19,499	34,439

The Directors did not receive any remuneration and no expenses were paid to them in the year (2023: £Nil).

4.2 The average number of persons employed by the University during the year was:

	2024	2023
	Number	Number
Faculty	12	12
Support services	22	19
Visiting lecturers	2	1
Research fellows	1	5
	<u>37</u>	<u>37</u>

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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- 4.3 The following number of employees received total remuneration in excess of £60,000 (excluding national insurance and pension contribution) within the bands shown:

	2024 Number	2023 Number
Band		
£60,000 to £69,999	0	3
£70,000 to £79,999	6	5
£80,000 to £89,999	3	3
£90,000 to £99,999	1	1
£100,000 to £109,999	1	0
£150,000 to £199,999	2	1
£200,000 to £249,999	1	0

5. Other operating expenses	2024 £	2023 £
Staff related costs	48,450	41,545
Notional rent (usage cost of AKC) and notional property expense (note 3)	2,093,369	1,962,318
Supplies and subscriptions	22,652	28,835
Student expenses	133,441	151,735
Professional fees	92,351	126,610
Administrative and general expenses	258,152	328,946
Grant expenditure - restricted costs (see note 5.1)	136,945	456,699
Shared support services (note 3 and 12)	361,587	265,464
	<u>3,146,947</u>	<u>3,362,152</u>
5.1 These include grant staff salaries of £107,769 (2023: £326,614)		
5.2 Other operating expense include :		
Auditor's remuneration (included in professional fee) - (excluding VAT)	<u>23,000</u>	<u>22,000</u>

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6. Tangible fixed asset

	Computer equipment	Library books	Furniture, fixture and equipment	Total
	£	£	£	£
Cost				
As at 1 January 2024	312,447	491,391	4,462	808,300
Additions	14,520	-	4,125	18,645
As at 31 December 2024	<u>326,967</u>	<u>491,391</u>	<u>8,587</u>	<u>826,945</u>
Depreciation				
As at 1 January 2024	283,557	490,893	669	775,119
Charge for the year	20,411	498	824	21,733
As at 31 December 2024	<u>303,968</u>	<u>491,391</u>	<u>1,493</u>	<u>796,852</u>
Net book value				
As at 31 December 2024	<u>22,999</u>	<u>-</u>	<u>7,094</u>	<u>30,093</u>
As at 31 December 2023	<u>28,890</u>	<u>498</u>	<u>3,793</u>	<u>33,181</u>

7. Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 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, therefore, no taxation has been provided in these accounts and none will be payable.

8. Investment

	2024	2023
	£	£
Subsidiary company	<u>1</u>	<u>1</u>

The University owns 100% of the issued ordinary £1 share of The Institute for the Study of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its incorporation. The Academic programmes of AKU UK operate under the name "The Institute for the Study of Muslim Civilisation".

A subsidiary of the University exists in the United States of America, to create awareness of AKU's activities (including the University as an academic unit of AKU) and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital and had minimal trading in the year.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

9. Debtors	2024	2023
	£	£
Other debtors	354,022	368,513
Prepayments	50,332	22,497
	<u>404,354</u>	<u>391,010</u>

Included within other debtors are student loans totalling £32,851 (2023: £84,116), net of doubtful debts, of which £3,681 (2023: £8,855) are due after more than one year. Other debtors also includes £6,120 (2023: nil) due from The Aga Khan University in Pakistan.

10. Creditors (amounts falling due within one year)	2024	2023
	£	£
Trade and other payables	39,541	98,698
Amounts owed to subsidiary undertaking	1	1
Fee received in advance	2,618	22,352
Taxation and social security	101,020	87,839
Accruals	27,600	26,400
Members' funds	2	2
	<u>170,782</u>	<u>235,292</u>

Included within trade payables is a sum of £nil (2023: £3,924) due to The Aga Khan University in Pakistan.

11. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by the Aga Khan University and as to £1 by the Aga Khan Education Services S.A.

12. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan, Aga Khan Education Services S.A and Aga Khan Foundation (United Kingdom).

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2024	2023
	£	£
Receivable from/(Payable to)		
The Aga Khan University	<u>6,120</u>	<u>(3,924)</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. Related party transactions (continued)

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £2,093,369 (2023: £1,962,318).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £361,587 (2023: £265,464).

Accounts

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
LONDON
E1W 1YW

May 28, 2024

Dear Sirs,

Representations in respect of the financial statements for the year ended 31 December 2023

We acknowledge as directors, and confirm that we have fulfilled, our responsibility for the preparation of financial statements for the year ended 31 December 2023 that show a true and fair view and are in accordance with United Kingdom generally accepted accounting practice and the Companies Act 2006.

We also acknowledge as directors our responsibility for the design and implementation of internal control to prevent and detect both error and fraud.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other directors and officials of the University, the following representations given to you in connection with your audit of the University's financial statements for the year ended 31 December 2023.

1. Completeness of audit information,

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Specifically we confirm that:

- All accounting records have been made available to you for the purpose of your audit.
- All other records and related information, including minutes of all board meetings in the period 1 January 2023 to date have been made available to you.

2. Completeness of accounting records and financial statements,

All the transactions undertaken by the University have been properly reflected and recorded in the accounting records, and in the financial statements.

3. Significant judgements and intentions

In preparing the financial statements the board has made the following significant judgments relating to amounts included in or disclosed in the financial statements:

- the University's loans made to students, outstanding and net of provisions as at 31 December 2023 of £84,116, is considered fully recoverable. Specifically, those balances that are overdue and have not been provided against of £31,484 are fully recoverable.
- Aga Khan University Foundation will continue to provide financial support and therefore, the University is able to continue as a going concern for the foreseeable future.

We have no plans or intentions that would, if taken into account, materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Aside from normal commercial constraints, we are not aware of any factor that will significantly reduce the likelihood of the University achieving those of its plans or intentions that are material to the determination of the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that any excess of income over expenditure should be deferred into the following accounting period.

We confirm that the above representations are our intentions on these matters and that we consider them reasonable.

4. Unadjusted errors in the financial statements

There were no errors identified during the course of the audit that were above our level of materiality and therefore no adjustments made to the financial statements.

5. Compliance with statutory or regulatory obligations, including tax legislation

We are not aware of any instances of possible non-compliance with statutory or regulatory obligations or tax legislation which could have a material effect on the financial statements.

6. Significant agreements

We have disclosed to you all the agreements and commitments (and any related side letters) that the University has entered into that could have a material impact on the amounts or disclosures included in the financial statements, or are relevant to an assessment of whether the University remains a going concern.

We are not aware of instances of non-compliance with our contractual obligations which could have a material effect on the financial statements.

7. Contingent liabilities (including litigation or claims against the University) and events arising subsequent to the balance sheet date

All material contingencies (including all known, actual or potential litigation or claims against the University) that are more likely than not to result in a loss to the University have been provided for in the financial statements.

Except for matters for which there is only a remote possibility of occurrence, the University is not affected by any such contingency which existed at the balance sheet date and which could possibly result in material loss to the University.

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should any such events occur, we will advise you accordingly.

8. Going concern

In our opinion the University will have sufficient resources to meet its liabilities as they fall due for the reasonably foreseeable future, and is therefore a going concern. In forming this conclusion we have expressly considered the period from the date of approval of the financial statements to at least 30 June 2025. In addition, we are not aware of any likely events, conditions or business risks beyond this period that may cast significant doubt on the University's ability to continue as a going concern.

9. Transactions with and interests of the directors

We acknowledge that the University's financial statements are required by the Companies Act 2006 and the applicable accounting standard to include specified disclosure of the nature, extent and amount of its transactions that are with, or for the benefit of, any of its directors (or, in certain circumstances, members of their families and trusts, partnerships and other companies in which they have an interest).

We have identified and discussed with you all the transactions of the University with its directors and their connected persons. Consequent upon these procedures, we are able to make the following representation.

The University has at no time during the year granted any advances or credits to, nor entered into any guarantees of any kind on behalf of, any of its directors or persons connected with them except as disclosed in notes 3 and 12 to the financial statements.

The University has at no time during the year entered into any other transactions with its directors or persons connected with them except as disclosed in notes 3 and 12 to the financial statements.

10. Related parties other than the directors

We acknowledge that, subject to certain specific exemptions, the University's financial statements are required to disclose comprehensive details of transactions and relationships with its "related parties" in order to give a true and fair view. Accordingly we confirm that

- a) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware; and
- b) We have properly accounted for and disclosed all such relationships and transactions in the financial statements.

In making that confirmation we acknowledge:

- a) the following broad definition of related parties, being: those individuals, companies and other entities connected or linked with the University or its directors in such a way as to make feasible the negotiation of mutual contracts on a non-arms length basis; and

- b) the formal definition of "related parties" given in the applicable accounting standard.

For the avoidance of doubt, we confirm that the University has the following related parties, in addition to the directors personally, these additional related parties are:

- Aga Khan University
- Aga Khan Education Services S.A.
- Aga Khan Foundation, UK

11. Control of the University

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by Aga Khan University and as to £1 by Aga Khan Education Service S.A.

12. Risks, occurrences and allegations of fraud

We acknowledge as directors our responsibility for the design and implementation of internal control to prevent fraud.

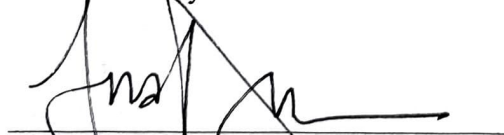
We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We are not aware of fraud (or suspected fraud) affecting the University involving:

- the directors; or
- senior management and other employees that have significant roles in internal control; or
- others where the fraud (or suspected fraud) could have a material effect on the financial statements.

We are not aware of allegations of fraud (or suspected fraud) affecting the University's financial statements communicated by employees, former employees, or others.

Yours faithfully



(Signed on behalf of the board of directors)

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

Board of Directors

Dr. Lisa Anderson
Dr. David Taylor
Habib Motani
Prof Azim Nanji
Prof Eugene Rogan
Prof Jane McAuliffe
Rahim Hooda
Salimah Currimbhoy
Shagufta Hassan

Secretary

Dr. Charlotte Whiting

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
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**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2023.

Legal Status and Principal Activities

The Aga Khan University (International) in the United Kingdom (“the University”) was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) (since then replaced with the Companies Act 2006) as a company limited by guarantee. The limit of the guarantees amounts to £2 and is shown in members' funds in the balance sheet (see note 11 to the financial statements).

The University is an academic unit of The Aga Khan University (AKU), which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan’s first private international university. The University has also registered with the Charity Commission for England and Wales effective 10 July 2018.

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education to enhance knowledge of the heritage of Muslim civilisations.

The University has established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A.) Foundation to create awareness of and solicit funds in the US for AKU’s activities (including the University as an academic unit of AKU). The non-profit corporation was incorporated in the State of Delaware on 24 December 2014.

Results for the Year

Financial Statements:

The results for the year and the University’s financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

During the year, the University received £2,874,484 (2022: £2,712,702) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King’s Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £ 1,962,318 (2022: £1,759,445).

AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £265,464 (2022: £229,706).

Financial position

At the year end the University had net assets of £807,907 (2022: £896,029).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

Grants

During 2023, the University secured equivalent to £57,787 in research grants mainly from ITAD Limited and Wellcome Trust.

Board of Directors

The Board of Directors who served the University during the year are as follows:

- | | |
|----------------------|------------------------|
| 1. Dr. Lisa Anderson | 2. Dr. David Taylor |
| 3. Habib Motani | 4. Prof Azim Nanji |
| 5. Prof Eugene Rogan | 6. Prof Jane McAuliffe |
| 7. Rahim Hooda | 8. Salimah Currimbhoy |
| 9. Shagufta Hassan | |

Review and the way forward

The University offers a Master of Arts in Muslim Cultures.

Over the next few years, the University will continue to focus on research, education, publications, and outreach. The University aims to disseminate knowledge about Muslim cultures, past and present, through work in four interrelated areas:

1. Research,
2. Educational Programmes,
3. Publications; and
4. Outreach.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

Auditors

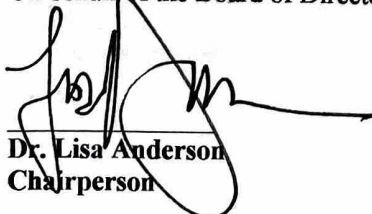
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

As far as the Directors are aware, there is no relevant audit information of which the University's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



Dr. Lisa Anderson
Chairperson

May 28, 2024

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES**

In accordance with the Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019) and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- suitable accounting policies are selected and applied consistently.
- judgements and estimates are made that are reasonable and prudent.
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard funds.
- safeguard the assets of the University and to prevent and detect fraud.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections.
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital, and cash flow budgets.
- regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatements or loss.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, the Statement of Cashflows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Generally Accepted Accounting Practice (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019).

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors. We have nothing to report in respect of the following matters in relation to which 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 Board of Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Based on our understanding of the University and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the University, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and the University's net income for the year, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- review of the financial statements disclosures to underlying supporting documentation;
- review of correspondence with and reports to the regulators;
- review of correspondence with legal advisors;
- reviewing minutes of meetings with those charged with governance;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- addressing the risks of fraud through management override of controls by performing journal entry testing;
- making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud;
- review of internal reports and discussion and consideration of any significant matters raised; and assessing the risk of management override of controls, including testing of journals and evaluating whether there was evidence of bias by the Board of Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University'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 University's members those matters we are required to state to them in an auditor's 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 University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

4 Thomas More Square
London, E1W 1YW

..... 2024

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2023

		Total 2023 £	Total 2022 £
INCOME	Notes		
Tuition fees and other income	2	121,270	117,031
Grants utilized		362,520	282,602
Investment income		9,640	451
Total income before donations		493,430	400,084
Donations	3	5,102,266	4,701,853
Total income		5,595,696	5,101,937
EXPENDITURE			
Staff costs	4	2,294,478	2,437,611
Other operating expenses	5	3,362,152	3,097,490
Depreciation	6	24,914	26,343
Interest and other finance cost		2,274	1,868
Total expenditure		5,683,818	5,563,312
Deficit before tax		(88,122)	(461,375)
Taxation	7	-	-
Deficit for the year		(88,122)	(461,375)
Reconciliation of funds:			
Funds brought forward		896,029	1,357,404
Funds carried forward		807,907	896,029
		=====	=====

All items of income and expenditure relate to continuing activities.

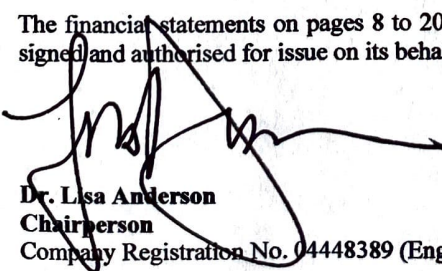
THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Funds brought forward	670,382	225,647	896,029	1,357,404
Total income	5,233,176	362,520	5,595,696	5,101,937
Total expenditure	(5,227,119)	(456,699)	(5,683,818)	(5,563,312)
Surplus / (Deficit) for year	6,057	(94,179)	(88,122)	(461,375)
Funds carried forward	676,439	131,468	807,907	896,029
	=====	=====	=====	=====

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Notes	2023 £	2022 £
Non-current assets			
Fixed assets	6	33,181	35,359
Heritage Asset – manuscript		19,900	19,900
Investments	8	1	1
		<u>53,082</u>	<u>55,260</u>
Current assets			
Debtors	9	391,010	224,282
Cash and cash equivalents		599,107	801,731
		<u>990,117</u>	<u>1,026,013</u>
Less: Creditors: amounts falling due within one year	10	<u>(235,292)</u>	<u>(185,244)</u>
Net current assets		<u>754,825</u>	<u>840,769</u>
Net assets		<u>807,907</u>	<u>896,029</u>
Funds			
Restricted funds		131,468	225,647
Unrestricted funds		676,439	670,382
Total funds		<u>807,907</u>	<u>896,029</u>

The financial statements on pages 8 to 20 were approved by the Board of Directors on May 28, 2024 and were signed and authorised for issue on its behalf by:


Dr. Lisa Anderson
Chairperson
Company Registration No. 04448389 (England and Wales)

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Deficit for the year		(88,122)	(461,375)
<i>Adjustment for non-cash items:</i>			
Depreciation	6	24,914	26,343
<i>Movements in working capital:</i>			
(Increase) /decrease in debtors		(166,728)	47,215
Increase /(decrease) in creditors		50,048	(37,177)
<i>Adjustment for investing or financing activities:</i>			
Investment income		(9,640)	(451)
Interest and other finance cost		2,274	1,868
Net cash flow operating activities		(187,254)	(423,577)
Cash flows from investing activities			
Investment income		9,640	451
Payments made to acquire fixed assets	6	(22,736)	(23,438)
		(13,096)	(22,987)
Cash flows from financing activities			
Bank charges		(2,274)	(1,868)
Decrease in cash and cash equivalents in the year		(202,624)	(448,432)
		=====	=====
Cash and cash equivalents at beginning of the year		801,731	1,250,163
Cash and cash equivalents at end of the year		599,107	801,731
		=====	=====

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting policies

The Aga Khan University (International) in the United Kingdom is a company limited by guarantee, incorporated in England and Wales. The registered office is at Aga Khan Centre, 10 Handyside Street, London, England, N1C 4DN.

a) Basis of preparation and going concern

The financial statements are prepared in accordance with the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards (Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)), the Statement of Recommended Practice (SORP 2019), “Accounting for Further and Higher Education” and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The University meets the definition of a public benefit entity under FRS 102.

The operations of the University are funded primarily from donations received from The Aga Khan University Foundation, Geneva (‘the Foundation’). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income

All incoming resources are recognised when the University has entitlement to the resources, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to particular categories of income. Tuition fees are recognised as income over the period of instruction.

Voluntary income received by way of grants, donations and gifts is included in full in the Statement of Income and Expenditure when the University has an entitlement to the income, the amounts can be quantified with reasonable accuracy, and it is probable that the income will be received.

Grants, where entitlement is not conditional on the performance of specific requirements by the University, are recognised when the University becomes entitled to the grant and it is probable that the grant will be received.

Investment income consists of bank interest, which is included when receivable.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year-end or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the Income and Expenditure account as they become payable.

f) Tangible fixed assets and depreciation

Operating fixed assets are stated at cost less depreciation. In line with University policy, only items over £180 are capitalized. Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% straight line
Library books	15% straight line
Furniture, Fittings and Equipment	15% straight line

Manuscripts and rare items are accounted for as heritage assets. Any items purchased are capitalised at cost and, as they become obsolete or out of date or unusable, they are scrapped, and the original cost is written off to the Income and Expenditure account in full. The items held therefore maintain high residual values in relation to costs and, due to this, they are not depreciated. The University maintains an appropriate register of manuscripts in order to apply this accounting policy.

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

h) Donated goods, services and gifts in kind

Donated services and gifts in kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure or fixed asset category, as appropriate.

i) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

j) Financial instruments

The University only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the University and their measurement basis are as follows:

Financial instruments are recognised in the University's Balance Sheet when the University becomes a party to the contractual provisions of the instrument.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

k) Provisions

Provisions are recognised when the University has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

l) Impairment of fixed assets

At each reporting period end date, the University reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income and Expenditure.

m) Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 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.

n) Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the University at the discretion of the directors.

Restricted general funds comprise restricted funds received and include grants for specific purposes.

o) Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation

The directors estimate the useful economic lives and residual values of fixed assets in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Comprehensive Income and Expenditure and the Balance Sheet.

The directors have reviewed the carrying values of the fixed assets.

Donation in kind

Donation in kind are recorded at fair value which are estimated based on market value of the property. Management evaluates the reasonableness of fair value by comparing to available market rate information.

Critical areas of judgement

The directors do not consider that they have made any critical judgements in the preparation of the financial statements.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Fees and other income

	2023	2022
	£	£
Tuition fees	61,650	124,733
Less: Remission	(22,312)	(90,155)
	<u>39,338</u>	<u>34,578</u>
Tuition fees – net		
	<u>39,338</u>	<u>34,578</u>
Indirect cost recovery on Grant – (see 2.1 below)	69,612	66,313
Short courses, contributions, donations and other income	12,320	16,140
	<u>121,270</u>	<u>117,031</u>
	=====	=====

- 2.1 This includes indirect costs recovered from European Research Council Executive Agency, Wellcome Trust, ITAD Limited and The Gates Foundation.

3. Donations

	2023	2022
	£	£
Donations from:		
The Aga Khan University Foundation, Geneva	2,874,484	2,712,702
The Aga Khan University – donations-in-kind	265,464	229,706
Aga Khan Foundation (United Kingdom) – donations-in-kind	1,962,318	1,759,445
	<u>5,102,266</u>	<u>4,701,853</u>
	=====	=====

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £265,464 (2022: £229,706). A corresponding expense is included with these financial statements (note 5).

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and student accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having an estimated value to the University of £1,962,318 (2022: £1,759,445).

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. Staff costs

Staff costs consist of:

	2023	2022
	£	£
Salaries	1,893,753	1,973,865
Social security costs	205,572	226,633
Other pension costs	166,897	186,738
Other staff costs	28,256	50,375
	<u>2,294,478</u>	<u>2,437,611</u>
	=====	=====

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2023	2022
	£	£
Key management personnel compensation	378,833	361,790
	=====	=====

The figures above represent salary and benefits excluding employer's pension contributions.

The average monthly number of persons employed by the University during the year was:

	2023	2022
	Number	Number
Faculty	12	11
Support services	19	20
Visiting lecturers	1	1
Research fellows	5	5
	<u>37</u>	<u>37</u>
	=====	=====

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Other operating expenses

	2023	2022
	£	£
Staff related costs	41,545	34,276
Notional rent (usage cost of AKC) and notional property expense (note 3)	1,962,318	1,759,445
Supplies and subscriptions	28,835	28,111
Student expenses	151,735	163,555
Professional fees	126,610	186,398
Administrative and general expenses	328,946	282,266
Grant expenditure – restricted costs (see note 5.1)	456,699	413,733
Shared support services (notes 3 and 12)	265,464	229,706
	<u>3,362,152</u>	<u>3,097,490</u>
	=====	=====
5.1 This includes grant staff salaries of £326,614 (2022: £290,211)		
5.2 Other operating expenses include:		
Auditors' remuneration (included in professional fees) – (excluding VAT)	22,000	20,000
	<u>=====</u>	<u>=====</u>

6. Tangible fixed assets

	Computer equipment	Library books	Furniture, Fixture & Equipment	Total
	£	£	£	£
Cost				
As at 1 January 2023	294,173	491,391	-	785,564
Additions	18,274	-	4,462	22,736
As at 31 December 2023	<u>312,447</u>	<u>491,391</u>	<u>4,462</u>	<u>808,300</u>
	=====	=====	=====	=====
Depreciation				
As at 1 January 2023	262,458	487,747	-	750,205
Charge for year	21,099	3,146	669	24,914
As at 31 December 2023	<u>283,557</u>	<u>490,893</u>	<u>669</u>	<u>775,119</u>
	=====	=====	=====	=====
Net book value				
As at 31 December 2023	<u>28,890</u>	<u>498</u>	<u>3,793</u>	<u>33,181</u>
	=====	=====	=====	=====
As at 31 December 2022	<u>31,715</u>	<u>3,644</u>	<u>-</u>	<u>35,359</u>
	=====	=====	=====	=====

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Taxation

The University was established to undertake its activities on a non-commercial basis, funded by grants and donations. On this basis no taxation has been provided in these accounts and none will be payable.

8. Investments

	2023	2022
	£	£
Subsidiary company	1	1
	=====	=====

The University owns 100% of the issued ordinary £1 share of the Institute for the Study of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its incorporation.

A subsidiary of the University exists in the United States of America, to create awareness of AKU's activities (including the University as an academic unit of AKU) and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital and had minimal trading in the year.

9. Debtors

	2023	2022
	£	£
Other debtors	368,513	196,427
Prepayments	22,497	27,855
	-----	-----
	391,010	224,282
	=====	=====

Included within other debtors are student loans totalling £84,116 (2022: £175,518), net of doubtful debts, of which £8,855 (2022: £21,955) that are due after more than one year.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade and other payables	98,698	55,603
Amounts owed to subsidiary undertaking	1	1
Fee received in advance	22,352	24,685
Taxation and social security	87,839	80,953
Accruals	26,400	24,000
Members' funds	2	2
	235,292	185,244
	=====	=====

Included within trade payables is a sum of £3,924 (2022: £3,906) due to The Aga Khan University Pakistan.

11. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by Aga Khan University and as to £1 by Aga Khan Education Services S.A.

12. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan, Aga Khan Education Services S.A and Aga Khan Foundation (United Kingdom).

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2023	2022
	£	£
(Payable to)		
Aga Khan University Pakistan	(3,924)	(3,906)
	=====	=====

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,962,318 (2022: £1,759,445).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £265,464 (2022: £229,706).

Accounts

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

Board of Directors

Dr. Lisa Anderson
Dr. David Taylor
Habib Motani
Prof Azim Nanji
Prof Eugene Rogan
Prof Jane McAuliffe
Rahim Hooda
Salimah Currimbhoy
Shagufta Hassan – Appointed on 27 May 2022

Secretary

Dr. Charlotte Whiting

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

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Statement of the Board of Directors' responsibilities	3
Independent auditors' report	4 - 6
Statement of Comprehensive Income and Expenditure	7
Statement of Changes in Reserves	8
Balance sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 19

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2022.

Legal Status and Principal Activities

The Aga Khan University (International) in the United Kingdom ("the University") was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) (since then replaced with the Companies Act 2006) as a company limited by guarantee. The limit of the guarantees amounts to £2 and is shown in members' funds in the balance sheet (see note 11 to the financial statements).

The University is an academic unit of The Aga Khan University (AKU), which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan's first private international university. The University has also registered with the Charity Commission for England and Wales effective 10 July 2018.

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education for the purpose of enhancing knowledge of the heritage of Muslim civilisations.

The University has established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A.) Foundation to create awareness of and solicit funds in the US for AKU's activities (including the University as an academic unit of AKU). The non-profit corporation was incorporated in the State of Delaware on 24 December 2014.

Results for the Year

Financial Statements:

The results for the year and the University's financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

During the year, the University received £2,712,702 (2021: £3,049,897) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,759,445 (2021: £1,728,344).

AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £229,706 (2021: £182,177).

Financial position

At the year end the University had net assets of £896,029 (2021: £1,357,404).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE BOARD OF DIRECTORS

Grants

During 2022, the University secured equivalent to £0.36 million research grants mainly from Mellon Foundation and Swedish Research Council.

Board of Directors

The Board of Directors who served the University during the year are as follows:

- | | |
|---|---|
| 1. Dr. Lisa Anderson | 2. Dr. David Taylor |
| 3. Habib Motani | 4. Prof Azim Nanji |
| 5. Prof Eugene Rogan | 6. Prof Jane McAuliffe |
| 7. Rahim Hooda | 8. Salimah Currimbhoy |
| 9. Shagufta Hassan - Appointed on 27 May 2022 | 10. Al-Karim Haji – Resigned on 31 January 2022 |

Review and the way forward

The University offers a Master of Arts in Muslim Cultures.

Over the next few years, the University will continue to focus on research, education, publications, and outreach. The university aims to disseminate knowledge about Muslim cultures, past and present, through work in four interrelated areas:

1. Research;
2. Educational Programmes;
3. Publications; and
4. Outreach.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

Auditors

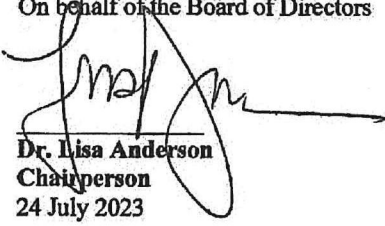
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

As far as the Directors are aware, there is no relevant audit information of which the University's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



Dr. Lisa Anderson
Chairperson
24 July 2023

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

In accordance with the Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019) and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard funds;
- safeguard the assets of the University and to prevent and detect fraud.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, the Statement of Cashflows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Generally Accepted Accounting Practice (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019).

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Based on our understanding of the University and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the University, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and the University's net income for the year.

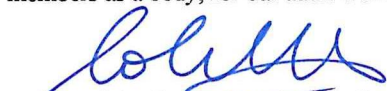
Audit procedures performed included: review of the financial statements disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, reviewing minutes of meetings with those charged with governance, enquiries of management and review of internal reports and discussion and consideration of any significant matters raised, assessing the risk of management override of controls, including testing of journals and evaluating whether there was evidence of bias by the Board of Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University'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 University's members those matters we are required to state to them in an auditor's 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 University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

4 Thomas More Square
London, E1W 1YW

31 July 2023

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Total 2022 £	Total 2021 £
INCOME	Notes		
Tuition fees & other income	2	117,031	Restated 116,673
Grants utilized		282,602	484,542
Investment income		451	76
Total income before donations		400,084	601,291
Donations	3	4,701,853	4,960,418
Total income		5,101,937	5,561,709
EXPENDITURE			
Staff costs	4	2,437,611	2,446,071
Other operating expenses	5	3,097,490	3,014,248
Depreciation	7	26,343	59,122
Interest and other finance costs		1,868	1,303
Total expenditure		5,563,312	5,520,744
(Deficit) / surplus before tax		(461,375)	40,965
Taxation	6	-	-
(Deficit) / surplus for the year		(461,375)	40,965
Reconciliation of funds:			
Funds brought forward		1,357,404	1,316,439
Funds carried forward		896,029	1,357,404

All items of income and expenditure relate to continuing activities.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2022**

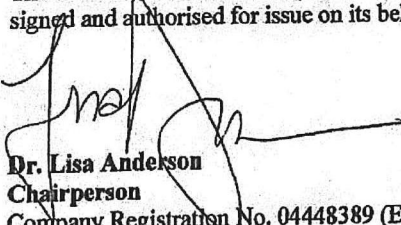
	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £ Restated
Funds brought forward	999,672	357,732	1,357,404	1,316,439
Total income	4,819,335	282,602	5,101,937	5,561,709
Total expenditure	(5,148,625)	(414,687)	(5,563,312)	(5,520,744)
(Deficit) / surplus for year	<u>(329,290)</u>	<u>(132,085)</u>	<u>(461,375)</u>	<u>40,965</u>
Funds carried forward	<u><u>670,382</u></u>	<u><u>225,647</u></u>	<u><u>896,029</u></u>	<u><u>1,357,404</u></u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT DECEMBER 2022**

	Notes	2022 £	2021 £
Non-current assets			
Fixed assets	7	55,259	58,164
Investments	8	1	1
		<u>55,260</u>	<u>58,165</u>
Current assets			
Debtors	9	224,282	271,497
Cash and cash equivalents		801,731	1,250,163
		<u>1,026,013</u>	<u>1,521,660</u>
Less: Creditors: amounts falling due within one year	10	<u>(185,244)</u>	<u>(222,421)</u>
Net current assets		<u>840,769</u>	<u>1,299,239</u>
Net Assets		<u>896,029</u>	<u>1,357,404</u>
Funds			
Restricted funds		225,647	357,732
Unrestricted funds		670,382	999,672
		<u>896,029</u>	<u>1,357,404</u>
Total Funds		<u>896,029</u>	<u>1,357,404</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 24 July 2023 and were signed and authorised for issue on its behalf by:


Dr. Lisa Anderson
 Chairperson
 Company Registration No. 04448389 (England and Wales)

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
(Deficit) / surplus for the year		(461,375)	40,965
<i>Adjustment for non-cash items:</i>			
Depreciation	7	26,343	59,122
<i>Movements in working capital:</i>			
Decrease in debtors		47,215	249,355
(Decrease) / increase in creditors		(37,177)	86,802
<i>Adjustment for investing or financing activities:</i>			
Investment income		(451)	(76)
Interest and other finance cost		1,868	1,303
Net cash (outflow) / inflow from operating activities		<u>(423,577)</u>	<u>437,471</u>
Cash flows from investing activities			
Investment income		451	76
Payments made to acquire fixed assets	7	(23,438)	(22,219)
		<u>(22,987)</u>	<u>(22,143)</u>
Cash flows from financing activities			
Interest and other finance cost		(1,868)	(1,303)
(Decrease)/increase in cash and cash equivalents in the year		<u>(448,432)</u>	<u>414,025</u>
Cash and cash equivalents at beginning of the year		<u>1,250,163</u>	<u>836,138</u>
Cash and cash equivalents at end of the year		<u>801,731</u>	<u>1,250,163</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting policies

The Aga Khan University (International) in the United Kingdom is a company limited by guarantee, incorporated in England and Wales. The registered office is at Aga Khan Centre, 10 Handyside Street, London, England, N1C 4DN.

a) Basis of preparation and going concern

The financial statements are prepared in accordance with the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards (Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)), the Statement of Recommended Practice (SORP 2019), "Accounting for Further and Higher Education" and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The University meets the definition of a public benefit entity under FRS 102.

The operations of the University are funded primarily from donations received from The Aga Khan University Foundation, Geneva ('the Foundation'). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income

All incoming resources are recognised when the University has entitlement to the resources, the amount can be quantified with reasonable accuracy, and it is probable that the income will be received. The following specific policies are applied to particular categories of income. Tuition fees are recognised as income over the period of instruction.

Voluntary income received by way of grants, donations and gifts and is included in full in the Statement of Income and Expenditure when the University has an entitlement to the income, the amounts can be quantified with reasonable accuracy, and it is probable that the income will be received.

Grants, where entitlement is not conditional on the performance of specific requirements by the University, are recognised when the University becomes entitled to the grant and it is probable that the grant will be received.

Investment income consists of bank interest, which is included when receivable.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year-end or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the income and expenditure account as they become payable.

f) Tangible fixed assets and depreciation

Operating fixed assets are stated at cost less depreciation. In line with University policy, only items over £180 are capitalized. Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% straight line
Library books	15% straight line

Manuscripts and rare items are accounted for as heritage assets. Any items purchased are capitalised at cost and, as they become obsolete or out of date or unusable, they are scrapped, and the original cost is written off to the income and expenditure account in full. The items held therefore maintain high residual values in relation to costs and, due to this, they are not depreciated. The University maintains an appropriate register of manuscripts in order to apply this accounting policy.

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

h) Donated goods, services and gifts in kind

Donated services and gifts in kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure or fixed asset category, as appropriate.

i) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

j) Financial instruments

The University only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the University and their measurement basis are as follows:

Financial instruments are recognised in the University's Balance Sheet when the University becomes a party to the contractual provisions of the instrument.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments' disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

k) Provisions

Provisions are recognised when the University has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

l) Impairment of fixed assets

At each reporting period end date, the University reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income and Expenditure.

m) Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 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.

n) Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the University at the discretion of the directors.

Restricted general funds comprise restricted funds received and include grants for specific purposes.

o) Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation

The directors estimate the useful economic lives and residual values of fixed assets in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Comprehensive Income and Expenditure and the Balance Sheet.

The directors have reviewed the carrying values of the fixed assets.

Donation in Kind

Donation in kind are recorded at fair value which are estimated based on market value of the property. Management evaluates the reasonableness of fair value by comparing to available market rate information and the effect of inflation over the years.

Critical areas of judgement

The directors do not consider that they have made any critical judgements in the preparation of the financial statements.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Fees & other income

	2022	2021
	£	£
Tuition fees	124,733	94,534
Less: Remission	(90,155)	(79,155)
Tuition fees – Net	<u>34,578</u>	<u>15,379</u>
Indirect cost recovery – 2.1	66,313	77,696
Short courses, contributions, donations and other income	16,140	23,598
	<u>117,031</u>	<u>116,673</u>

- 2.1 This includes indirect cost recovered from European Research Council Executive Agency, British Academy, and The Gates Foundation

3. Donations

Restated

Donations from:		
The Aga Khan University Foundation, Geneva	2,712,702	3,049,897
The Aga Khan University – donations-in-kind	229,706	182,177
Aga Khan Foundation (United Kingdom) – donations-in-kind	1,759,445	1,728,344
	<u>4,701,853</u>	<u>4,960,418</u>

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having an estimated value to the University of £1,759,445. Donation-in-kind for the year 2021 has been restated to £1,728,344 in respect of market value of Student Accommodation at King's Cross, amounting to £75,797, which was previously recorded to the extent of amount billed to the University. A corresponding expense is included with these financial statements (note 5) for the year 2022 and 2021.

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £229,706 (2021: £182,177). A corresponding expense is included with these financial statements (note 5).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Staff costs

Staff costs consist of:

	2022	2021
	£	£
Salaries	1,973,865	1,991,234
Social security costs	226,633	231,552
Other pension costs	186,738	190,468
Other staff costs	50,375	32,817
	<u>2,437,611</u>	<u>2,446,071</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2022	2021
	£	£
Key management personnel compensation	<u>361,790</u>	<u>368,422</u>

The figures above represent salary and benefits excluding employer's pension contributions.

The average monthly number of persons employed by the University during the year was:

	2022	2021
	Number	Number
Faculty	11	11
Support services	20	20
Visiting lecturers	1	1
Research fellows	5	5
	<u>37</u>	<u>37</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating expenses

	2022	2021
	£	£
		Restated
Staff related costs	34,276	24,522
Notional rent (usage cost of AKC) and notional property expense (note 3)	1,759,445	1,728,344
Supplies and subscriptions	28,111	29,117
Student expenses	163,555	186,179
Professional fees	186,398	104,028
Administrative and general expenses	282,266	248,480
Grant expenditure – restricted costs 5.1	413,733	511,401
Shared support services (notes 3 and 12.1)	229,706	182,177
	<u>3,097,490</u>	<u>3,014,248</u>

5.1 This includes grant staff salaries of £290,211

Other operating expenses include:

Auditors' remuneration (included in professional fees)	<u>20,000</u>	<u>16,000</u>
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6. Taxation

The University was established to undertake its activities on a non-commercial basis, funded by grants and donations. On this basis no taxation has been provided in these accounts.

7. Tangible fixed assets

	Computer equipment	Library books	Manuscripts	Total
	£	£	£	£
Cost				
As at 1 January 2022	270,735	491,391	19,900	782,026
Additions	23,438	-	-	23,438
As at 31 December 2022	<u>294,173</u>	<u>491,391</u>	<u>19,900</u>	<u>805,464</u>
Depreciation				
As at 1 January 2022	240,963	482,899	-	723,862
Charge for year	21,495	4,848	-	26,343
As at 31 December 2022	<u>262,458</u>	<u>487,747</u>	<u>-</u>	<u>750,205</u>
Net book value				
As at 31 December 2021	<u>29,772</u>	<u>8,492</u>	<u>19,900</u>	<u>58,164</u>
As at 31 December 2022	<u>31,715</u>	<u>3,644</u>	<u>19,900</u>	<u>55,259</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Investments

	2022	2021
	£	£
Subsidiary company	1	1

The University owns 100% of the issued ordinary £1 share of the Institute for the Study of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its incorporation.

A subsidiary of the University exists in the United States of America, to create awareness of AKU's activities (including the University as an academic unit of AKU) and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital and had minimal trading in the year.

9. Debtors

	2022	2021
	£	£
Other debtors	196,427	236,757
Prepayments	27,855	34,740
	<u>224,282</u>	<u>271,497</u>

Included within other debtors are student loans of £21,955 (2021: £33,466) that are due after more than one year.

Included within other debtors is a sum of £nil (2021: £4,544) due from The Aga Khan University, Pakistan.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade payables	55,603	96,837
Amounts owed to subsidiary undertaking	1	1
Deposits held	24,685	4,941
Taxation and social security	80,953	101,440
Accruals and deferred income	24,000	19,200
Members' funds	2	2
	<u>185,244</u>	<u>222,421</u>

Included within trade payables is a sum of £3,906 (2021: £nil) due to The Aga Khan University Pakistan.

11. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by Aga Khan University and as to £1 by Aga Khan Education Services S.A.

12. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan, Aga Khan Education Services S.A and Aga Khan Foundation (United Kingdom).

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2022	2021
	£	£
(Payable to) / Receivable from:		
Aga Khan University Pakistan	<u>(3,906)</u>	<u>4,544</u>

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,759,445 (2021 restated: £1,728,344).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £229,706 (2021: £182,177).

Accounts

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

Board of Directors

Al-Karim Haji	Resigned on 31 January 2022
Asif Fancy	Resigned on 14 June 2021
Rahim Hooda	
Habib Motani	
Salimah Currimbhoy	
Dr. Lisa Anderson	Appointed on 19 May 2021
Prof Azim Nanji	Appointed on 19 May 2021
Prof Eugene Rogan	Appointed on 19 May 2021
Dr. David Taylor	Appointed on 19 May 2021
Prof Jane McAuliffe	Appointed on 02 June 2021
Professor Richard Pring	Resigned on 22 June 2021

Secretary

Saima Faisal Ali Ali	Resigned on 14 June 2021
Dr. Charlotte Whiting	Appointed on 14 June 2021

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

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**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2021.

Legal Status and Principal Activities

The Aga Khan University (International) in the United Kingdom ("the University") was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) as a company limited by guarantee. The limit of the guarantees amounts to £2 and is shown in members' funds in the balance sheet (see note 11 to the financial statements).

The University is an academic unit of The Aga Khan University (AKU), which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan's first private international university. The University has also registered with the Charity Commission for England and Wales effective 10 July 2018.

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education for the purpose of enhancing knowledge of the heritage of Muslim civilisations.

The University has established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A.) Foundation to create awareness of and solicit funds in the US for AKU's global activities (including the University as an academic unit of AKU). The non-profit corporation was incorporated in the State of Delaware on 24 December 2014.

COVID-19 Pandemic

The COVID 19 pandemic developed rapidly from 2020. Measures taken by government to contain the virus including lockdowns and social distancing have affected day to day activity. Academic programme schedules were affected with physical classes being suspended to comply with government requirements and online teaching was introduced. In response to the pandemic, in addition to enhancing health and safety measures for the welfare of staff and students, the University significantly extended its offering of online short courses, delivered its summer programmes online, is introducing language courses and has adopted a number of initiatives to manage costs. The University initiated research on Covid 19 from a social science and humanities perspective, conducted through its Governance Programme, through the work of individual faculty members and through collaboration with other research organisations.

Results for the Year

Financial Statements:

The results for the year and the University's financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

During the year, the University received £3,049,897 (2020: £1,559,961) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,652,547 (2020: £1,630,779).

AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £182,177 (2020: £135,783).

Financial position

At the year end the University had net assets of £1,357,404 (2020: £1,316,439).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

REPORT OF THE BOARD OF DIRECTORS

Grants

From 2017 to 2021, the University secured the equivalent of £2.64 million in research grants mainly from the European Research Council, British Academy and Qatar National Library.

Board of Directors

The Board of Directors who served the University during the year are as follows:

- | | |
|--|--|
| 1. Al-Karim Haji – Resigned on 31 January 2022 | 2. Asif Fancy – Resigned on 14 June 2021 |
| 3. Rahim Hooda | 4. Habib Motani |
| 5. Salimah Currimbhoy | 6. Dr. Lisa Anderson – Appointed on 19 May 2021 |
| 7. Prof Azim Nanji – Appointed on 19 May 2021 | 8. Prof Eugene Rogan – Appointed on 19 May 2021 |
| 9. Dr. David Taylor – Appointed on 19 May 2021 | 10. Prof Jane McAuliffe – Appointed on 2 June 2021 |
| 11. Professor Richard Pring – Resigned on 22 June 2021 | |

Review and the way forward

The University offers a Master of Arts in Muslim Cultures.

Over the next few years, the University will continue to focus on research, education, publications, and outreach. The university aims to disseminate knowledge about Muslim cultures, past and present, through work in four interrelated areas:

1. Research;
2. Educational Programmes;
3. Publications;
4. Outreach.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

Auditors

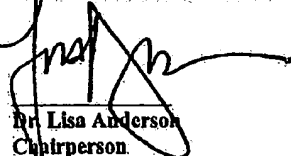
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

As far as the Directors are aware, there is no relevant audit information of which the University's auditors are not aware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



Dr. Lisa Anderson
Chairperson
25th March, 2022

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

In accordance with the Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019) and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard funds;
- safeguard the assets of the University and to prevent and detect fraud.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Generally Accepted Accounting Practice (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019).

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education" (2019);
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Based on our understanding of the University and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the University, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated income and the University's net income for the year.

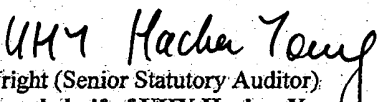
Audit procedures performed included: review of the financial statements disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, reviewing minutes of meetings with those charged with governance, enquiries of management and review of internal reports and discussion and consideration of any significant matters raised, assessing the risk of management override of controls, including testing of journals and evaluating whether there was evidence of bias by the Board of Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University'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 University's members those matters we are required to state to them in an auditor's 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 University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.


Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

4 Thomas More Square
London, E1W 1YW

27 June 2022

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Total 2021	Total 2020
INCOME	Notes	£	£
Tuition fees & other income	2	116,673	155,496
Grants utilized		484,542	777,456
Investment income		76	618
Total income before donations		601,291	933,570
Donations	3	4,884,621	3,326,523
Total income		5,485,912	4,260,093
EXPENDITURE			
Staff costs	4	2,446,071	1,723,352
Other operating expenses	5	2,938,451	2,807,823
Depreciation	7	59,122	67,599
Interest and other finance costs		1,303	1,932
Total expenditure		5,444,947	4,600,706
Surplus /(deficit) before tax		40,965	(340,613)
Taxation	6	-	-
Surplus /(deficit) for the year		40,965	(340,613)
Reconciliation of funds:			
Funds brought forward		1,316,439	1,657,052
Funds carried forward		1,357,404	1,316,439

All items of income and expenditure relate to continuing activities.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2021**

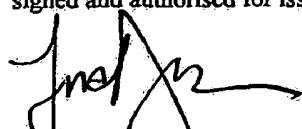
	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Funds brought forward	931,073	385,366	1,316,439	1,657,052
Total income	5,001,371	484,542	5,485,912	4,260,093
Total expenditure	(4,932,771)	(512,176)	(5,444,947)	(4,600,706)
Surplus/(deficit) for year	68,599	(27,634)	40,965	(340,613)
Funds carried forward	<u>999,672</u>	<u>357,732</u>	<u>1,357,404</u>	<u>1,316,439</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT DECEMBER 2021**

		2021	2020
	Notes	£	£
Non-current assets			
Fixed assets	7	58,164	95,067
Investments	8	1	1
		<u>58,165</u>	<u>95,068</u>
Current assets			
Debtors	9	271,497	520,853
Cash and cash equivalents		1,250,163	836,138
		<u>1,521,660</u>	<u>1,356,991</u>
Less: Creditors: amounts falling due within one year	10	<u>(222,421)</u>	<u>(135,620)</u>
Net current assets		<u>1,299,239</u>	<u>1,221,371</u>
Net Assets		<u><u>1,357,404</u></u>	<u><u>1,316,439</u></u>
Funds			
Restricted funds		357,732	385,366
Unrestricted funds		999,672	931,073
		<u>1,357,404</u>	<u>1,316,439</u>
Total Funds		<u><u>1,357,404</u></u>	<u><u>1,316,439</u></u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 25th March 2022 and were signed and authorised for issue on its behalf by:



Dr. Lisa Anderson
Chairperson
Company Registration No. 04448389 (England and Wales)

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021**

		2021	2020
	Notes	£	£
Surplus/(deficit) for the year		40,965	(340,613)
<i>Adjustment for non-cash items:</i>			
Depreciation	7	59,122	67,599
Decrease/(increase) in debtors		249,355	(125,992)
Increase/(decrease) in creditors		86,802	(50,458)
<i>Adjustment for investing or financing activities</i>			
Investment income		(76)	(618)
Interest and other finance cost		1,303	1,932
Net cash inflow / (outflow) from operating activities		437,471	(448,150)
Cash flows from investing activities			
Investment income		76	618
Payments made to acquire fixed assets	7	(22,219)	(20,216)
		(22,143)	(19,598)
Cash flows from financing activities			
Interest and other finance cost		(1,303)	(1,932)
Increase / (decrease) in cash and cash equivalents in the year		414,025	(469,680)
Cash and cash equivalents at beginning of the year		836,138	1,305,818
Cash and cash equivalents at end of the year		1,250,163	836,138

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies

The Aga Khan University (International) in the United Kingdom is a company limited by guarantee, incorporated in England and Wales. The registered office is at Aga Khan Centre, 10 Handyside Street, London, England, N1C 4DN.

a) Basis of preparation and going concern

The financial statements are prepared in accordance with the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards (Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)), the Statement of Recommended Practice (SORP 2019), "Accounting for Further and Higher Education" and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The University meets the definition of a public benefit entity under FRS 102.

The operations of the University are funded primarily from donations received from The Aga Khan University Foundation, Geneva ('the Foundation'). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income

All incoming resources are recognised when the University has entitlement to the resources, the amount can be quantified with reasonable accuracy and it is probable that the income will be received. The following specific policies are applied to particular categories of income. Tuition fees are recognised as income over the period of instruction.

Voluntary income received by way of grants, donations and gifts and is included in full in the Statement of Income and Expenditure when the University has an entitlement to the income, the amounts can be quantified with reasonable accuracy and it is probable that the income will be received.

Grants, where entitlement is not conditional on the performance of specific requirements by the University, are recognised when the University becomes entitled to the grant and it is probable that the grant will be received.

Investment income consists of bank interest, which is included when receivable.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year-end or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the income and expenditure account as they become payable.

f) Tangible fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation. During the year, the AKU-UK revised the capitalisation threshold for operating fixed assets from £160 to £180. Accordingly, items costing less than £180 are charged in the Statement of Income and Expenditure. There are no assets in the book which have been purchased in prior years costing less than £180 and therefore, no derecognition have been charged to income and expenditure statement as depreciation.

Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% straight line
Library books	15% straight line

Manuscripts and rare items are accounted for as heritage assets. Any items purchased are capitalised at cost and, as they become obsolete or out of date or unusable, they are scrapped and the original cost is written off to the income and expenditure account in full. The items held therefore maintain high residual values in relation to costs and, due to this, they are not depreciated. The University maintains an appropriate register of manuscripts in order to apply this accounting policy.

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

h) Donated goods, services and gifts in kind

Donated services and gifts in kind are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate expenditure or fixed asset category, as appropriate.

i) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

j) Financial instruments

The University only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the University and their measurement basis are as follows:

Financial instruments are recognised in the University's Balance Sheet when the University becomes a party to the contractual provisions of the instrument.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank

Cash and bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

k) Provisions

Provisions are recognised when the University has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

l) Impairment of fixed assets

At each reporting period end date, the University reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income and Expenditure.

m) Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 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.

n) Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the University at the discretion of the directors.

Restricted general funds comprise restricted funds received and include grants for specific purposes.

o) Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation

The directors estimate the useful economic lives and residual values of fixed assets in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Statement of Comprehensive Income and Expenditure and the Balance Sheet.

The directors have reviewed the carrying values of the fixed assets.

Critical areas of judgement

The directors do not consider that they have made any critical judgements in the preparation of the financial statements.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Fees & other income

	2021 £	2020 £
Tuition fees	94,534	184,433
Less: Remission	(79,155)	(152,140)
Tuition fees – Net	<u>15,379</u>	<u>32,293</u>
Indirect cost recovery	77,696	88,665
Short courses, contributions, donations and other income	23,598	34,538
	<u><u>116,673</u></u>	<u><u>155,496</u></u>

3. Donations

Donations from:		
The Aga Khan University Foundation, Geneva	3,049,897	1,559,961
The Aga Khan University – donations-in-kind	182,177	135,783
Aga Khan Foundation (United Kingdom) – donations-in-kind	1,652,547	1,630,779
	<u><u>4,884,621</u></u>	<u><u>3,326,523</u></u>

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,652,547 (2020: £1,630,779).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £182,177 (2020: £135,783).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Staff costs

Staff costs consist of:

	2021 £	2020 £
Salaries	1,991,234	1,397,824
Social security costs	231,552	161,750
Other pension costs	190,468	124,519
Other staff costs	32,817	39,259
	<u>2,446,071</u>	<u>1,723,352</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2021 £	2020 £
Key management personnel compensation	<u>208,991</u>	<u>198,918</u>

The figures above represent salary and benefits excluding employer's pension contributions.

The average monthly number of persons employed by the University during the year was:

	2021 Number	2020 Number
Faculty	11	12
Support services	20	14
Visiting lecturers	1	-
Research fellows	5	5
	<u>37</u>	<u>31</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Other operating expenses

	2021 £	2020 £
Staff related costs	24,522	9,674
Notional rent (usage cost of AKC) and other notional property expense	1,652,547	1,630,779
Supplies and subscriptions	29,117	1,591
Student expenses	186,179	118,245
Professional fees	104,028	65,229
Administrative and general expenses	248,480	119,494
Grant expenditure – restricted costs	511,401	727,028
Shared support services (note 12.1)	182,177	135,783
	<u>2,938,451</u>	<u>2,807,823</u>

Other operating expenses include:

Auditors' remuneration (included in professional fees)	<u>16,000</u>	<u>15,500</u>
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6. Taxation

The University was established to undertake its activities on a non-commercial basis, funded by grants and donations. On this basis no taxation has been provided in these accounts.

7. Tangible fixed assets

	Computer equipment	Library books	Manuscripts	Total
	£	£	£	£
Cost				
As at 1 January 2021	248,516	491,391	19,900	759,807
Additions	22,219	-	-	22,219
As at 31 December 2021	<u>270,735</u>	<u>491,391</u>	<u>19,900</u>	<u>782,026</u>
Depreciation				
As at 1 January 2021	188,830	475,910	-	664,740
Charge for year	52,133	6,989	-	59,122
As at 31 December 2021	<u>240,963</u>	<u>482,899</u>	<u>-</u>	<u>723,862</u>
Net book value				
As at 31 December 2020	<u>59,686</u>	<u>15,481</u>	<u>19,900</u>	<u>95,067</u>
As at 31 December 2021	<u>29,772</u>	<u>8,492</u>	<u>19,900</u>	<u>58,164</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Investments

	2021 £	2020 £
Subsidiary company	<u>1</u>	<u>1</u>

The University owns 100% of the issued ordinary £1 share of The Institute For The Study Of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its incorporation.

A subsidiary of the University exists in the United States of America, to create awareness of AKU's global activities (including the University as an academic unit of AKU) and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital and had minimal trading in the year.

9. Debtors

	2021 £	2020 £
Other debtors	236,757	472,575
Prepayments	34,740	48,278
	<u>271,497</u>	<u>520,853</u>

Included within other debtors are student loans of £33,466 (2020: 72,539) that are due after more than one year.

Included within other debtors is a sum of £nil (2020: £200,000) due from The Aga Khan University Foundation, Geneva and £4,544 (2020: £Nil) due from The Aga Khan University, Pakistan.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade payables	96,837	19,642
Amounts owed to subsidiary undertaking	1	1
Deposits held	4,941	124
Taxation and social security	101,440	89,988
Accruals and deferred income	19,200	25,863
Members' funds	2	2
	<u>222,421</u>	<u>135,620</u>

Included within trade payables is a sum of £Nil (2020: £8,227) due to The Aga Khan University Pakistan.

11. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by Aga Khan University and as to £1 by Aga Khan Education Services S.A.

12. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan, Aga Khan Education Services S.A and Aga Khan Foundation (United Kingdom).

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2021	2020
	£	£
Receivable from / (Payable to):		
Aga Khan University Foundation, Geneva	-	200,000
Aga Khan University Pakistan	<u>4,544</u>	<u>(8,227)</u>

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,652,547 (2020: £1,630,779).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £182,177 (2020: £135,783).

Accounts

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

COMPANY INFORMATION

Board of Directors

Al-Karim Haji
Asif Fancy
Gulzar Khoja Resigned on 15 January 2020
Rahim Hooda Appointed on 28 February 2020
Habib Motani
Salimah Currimbhoy
Professor Richard Pring

Secretary

Saima Faisal Ali

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

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THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM (A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2020.

Legal Status and Principal Activities

The Aga Khan University (International) in the United Kingdom (“the University”) was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) as a company limited by guarantee. The limit of the guarantees amounts to £2 and is shown in members' funds in the balance sheet (see note 10 to the financial statements).

The University is an academic unit of The Aga Khan University (AKU), which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan’s first private international university. The University has also registered with the Charity Commission for England and Wales effective 10 July 2018.

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education for the purpose of enhancing knowledge of the heritage of Muslim civilisations.

The University has established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A.) Foundation to create awareness of and solicit funds in the US for AKU’s global activities (including the University as an academic unit of AKU). The non-profit corporation was incorporated in the State of Delaware on 24 December 2014.

COVID-19 Pandemic

The COVID 19 pandemic developed rapidly in 2020. Measures taken by government to contain the virus including lockdowns and social distancing have affected day to day activity. Academic programme schedules were affected with physical classes being suspended to comply with government requirements and online teaching was introduced. The arrival of new students was deferred to 2021. In response to the pandemic, in addition to enhancing health and safety measures for the welfare of staff and students, the University significantly extended its offering of online short courses, delivered its summer programmes online, is introducing language courses and has adopted a number of initiatives to manage costs. The University initiated research on Covid 19 from a social science and humanities perspective, conducted through its Governance Programme, through the work of individual faculty members and through collaboration with other research organisations.

Results for the Year

Financial Statements:

The results for the year and the University’s financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

During the year, the University received £1,559,961 (2019: £2,136,534) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King’s Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,630,779 (2019: £1,600,220).

AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £135,783 (2019: £393,033)

Financial position

At the year end the University had net assets of £ 1,316,439 (2019: £ 1,657,052).

Grants

The University secured equivalent to GBP 2.14 million research grants from European Research Council, Mellon Foundation, British Academy and Qatar National Library.

Board of Directors

The Board of Directors who served the University during the year are as follows:

- | | |
|--|---|
| 1. Al-Karim Haji | 2. Asif Fancy |
| 3. Gulzar Khoja – Resigned on January 15, 2020 | 4. Rahim Hooda – Appointed on February 28, 2020 |
| 5. Habib Motani | 6. Salimah Currimbhoy |
| 7. Professor Richard Pring | |

Review and the way forward

The University offers a Master of Arts in Muslim Cultures.

Over the next few years as the University expands in size and scope, faculty members will continue to focus on research, education, publications and outreach. The university plans to continue to disseminate knowledge on heritage of Muslim civilisations through work in the following three interrelated areas:

1. Research;
2. Educational Programmes; and
3. Publications and Outreach.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

Auditors

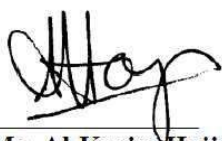
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the University's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



Mr. Al-Karim Haji
Director

26th March, 2021

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

In accordance with the Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting in Further and Higher Education" and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard funds;
- safeguard the assets of the University and to prevent and detect fraud.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Generally Accepted Accounting Practice (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the Statement of Recommended Practice "Accounting in Further and Higher Education".

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors' are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are detailed below:

Based on our understanding of the University and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the University, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and the University net income for the year.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the Board of Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the University'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 University's members those matters we are required to state to them in an auditor's 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 University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.



Colin Wright (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

Chartered Accountants and Statutory Auditors

4 Thomas More Square
London, E1W 1YW

16/6 2021

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Total 2020 £	Total 2019 (restated) £
INCOME	Notes		
Tuition fees & other income	2	155,496	121,774
Grants utilized		777,456	560,736
Investment income		618	782
Total income before donations		933,570	683,292
Donations	3	3,326,523	4,129,787
Total income		4,260,093	4,813,079
EXPENDITURE			
Staff costs	4	1,723,352	1,650,687
Other operating expenses	5	2,807,823	3,053,870
Depreciation	7	67,599	67,527
Interest and other finance costs		1,932	3,121
Total expenditure		4,600,706	4,775,205
(Deficit)/surplus before tax		(340,613)	37,874
Taxation	6	-	-
(Deficit)/surplus for the year		(340,613)	37,874
Reconciliation of funds:			
Funds brought forward		1,657,052	1,619,178
Funds carried forward		1,316,439	1,657,052

All items of income and expenditure relate to continuing activities.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020**

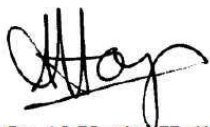
	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019 (restated)
	£	£	£	£
Funds brought forward	1,321,444	335,608	1,657,052	1,619,178
Total income	3,482,637	777,456	4,260,093	4,813,079
Total expenditure	(3,873,008)	(727,698)	(4,600,706)	(4,775,205)
(Deficit)/surplus for year	(390,371)	49,758	(340,613)	37,874
Funds carried forward	931,073	385,366	1,316,439	1,657,052

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET
AS AT DECEMBER 2020**

	Notes	2020 £	2019 (restated) £
Non-current assets			
Fixed assets	7	95,067	142,450
Investments	8	1	1
		95,068	142,451
Current assets			
Debtors	9	520,853	394,861
Cash and cash equivalents		836,138	1,305,818
		1,356,991	1,700,679
Less: Creditors: amounts falling due within one year	10	(135,620)	(186,078)
Net current assets		1,221,371	1,514,602
Net Assets		1,316,439	1,657,052
Funds			
Restricted funds		385,366	335,608
Unrestricted funds		931,073	1,321,444
Total Funds		1,316,439	1,657,052

The financial statements on pages 7 to 18 were approved by the Board of Directors on 26th March 2021 and were signed and authorised for issue on its behalf by:



Mr. Al-Karim Haji

Chairman

Company Registration No. 04448389 (England and Wales)

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 (restated) £
(Deficit)/surplus for the year		(340,613)	37,874
<i>Adjustment for non-cash items</i>			
Depreciation	7	67,599	67,527
(Increase)/decrease in debtors		(125,992)	88,123
Decrease in creditors		(50,458)	(21,637)
<i>Adjustment for investing or financing activities</i>			
Investment income		(618)	(782)
Interest and other finance cost		1,932	3,121
Net cash (outflow) / inflow from operating activities		(448,150)	174,226
Cash flows from investing activities			
Investment income		618	782
Payments made to acquire fixed assets	7	(20,216)	(14,921)
		(19,598)	(14,139)
Cash flows from financing activities			
Interest and other finance cost		(1,932)	(3,121)
(Decrease)/ increase in cash and cash equivalents in the year		(469,680)	156,966
Cash and cash equivalents at beginning of the year		1,305,818	1,148,852
Cash and cash equivalents at end of the year		836,138	1,305,818

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies

The Aga Khan University (International) in the United Kingdom meets the definition of a public benefit entity under FRS 102.

a) Basis of preparation and going concern

The financial statements are prepared in accordance with the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice (SORP 2019), “Accounting for Further and Higher Education” and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The operations of the University are funded primarily from donations received from The Aga Khan University Foundation, Geneva (‘the Foundation’). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income

All incoming resources are recognised when the University has entitlement to the resources, the amount can be quantified with reasonable accuracy and it is probable that the income will be received. The following specific policies are applied to particular categories of income.

Tuition fees are recognised as income over the period of instruction.

Voluntary income received by way of grants, donations and gifts and is included in full in the Statement of Income and Expenditure when the University has an entitlement to the income, the amounts can be quantified with reasonable accuracy and it is probable that the income will be received.

Grants, where entitlement is not conditional on the performance of specific requirements by the University, are recognised when the University becomes entitled to the grant and it is probable that the grant will be received.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Investment income consists of bank interest, which is included when receivable.

Prior year adjustment – income and deferred income

In the year ended 31 December 2020 the University amended its accounting policy for the accounting of donations and grants. Previously donations received that were to be utilised for future expenditure were deferred to the next accounting period as deferred income. In 2020 the University amended its accounting policy to that shown above. This change resulted in the University recognising restricted and unrestricted funds at the year ends on the statement of comprehensive income and expenditure and balance sheet.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year-end or, where there are related forward foreign exchange contracts, at contract rates.

The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the income and expenditure account as they become payable.

f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. In line with University policy, only items over £160 are capitalised. Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	33.3% straight line
Library books	15% straight line

Manuscripts and rare items are accounted for as heritage assets. Any items purchased are capitalised at cost and, as they become obsolete or out of date or unusable, they are scrapped and the original cost is written off to the income and expenditure account in full. The items held therefore maintain high residual values in relation to costs and, due to this, they are not depreciated. The University maintains an appropriate register of manuscripts in order to apply this accounting policy.

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

h) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Fees & other income

	2020	2019
	£	(restated)
		£
Tuition fees	184,433	202,097
Less: Remission	(152,140)	(150,393)
Tuition fees – Net	<u>32,293</u>	<u>51,704</u>
Indirect cost recovery	88,665	67,171
Short courses, contributions, donations and other income	34,538	2,899
	<u>155,496</u>	<u>121,774</u>

3. Donations

Donations from:		
The Aga Khan University Foundation, Geneva	1,559,961	2,136,534
The Aga Khan University – donations-in-kind	135,783	393,033
Aga Khan Foundation (United Kingdom) – donations-in-kind	1,630,779	1,600,220
	<u>3,326,523</u>	<u>4,129,787</u>

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,630,779 (2019: £1,600,220).

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £135,783 (2019: £393,033).

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Staff costs

Staff costs consist of:

	2020	2019
	£	£
Salaries	1,397,824	1,304,567
Social security costs	161,750	150,531
Other pension costs	124,519	137,366
Other staff costs	39,259	58,223
	<u>1,723,352</u>	<u>1,650,687</u>
	=====	=====

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2020	2019
	£	£
Key management personnel compensation	<u>198,918</u>	<u>198,022</u>
	=====	=====

The figures above represent salary and benefits excluding employer's pension contributions.

The average monthly number of persons employed by the University during the year was:

	2020	2019
	Number	Number
Faculty	12	10
Support services	14	19
Visiting lecturers	-	2
Research fellows	5	1
	<u>31</u>	<u>32</u>
	=====	=====

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Other operating expenses

	2020	2019
	£	£
Staff related costs	9,674	94,207
Notional rent (usage cost of AKC) and other notional property expense	1,630,779	1,326,976
Supplies and subscriptions	1,591	17,178
Student expenses	118,245	131,602
Professional fees	65,229	67,937
Administrative and general expenses	119,494	278,596
Grant expenditure – restricted costs	727,028	744,341
Shared support services (note 12.1)	135,783	393,033
	<u>2,807,823</u>	<u>3,053,870</u>
Other operating expenses include:		
Auditors' remuneration (included in professional fees)	<u>15,500</u>	<u>15,130</u>

6. Taxation

The University was established to undertake its activities on a non-commercial basis, funded by grants and donations. On this basis no taxation has been provided in these accounts.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Tangible fixed assets

	Computer equipment	Library books	Manuscripts	Total
	£	£	£	£
Cost				
As at 1 January 2020	313,167	491,391	19,900	824,458
Additions	20,216	-	-	20,216
Disposals	(84,867)	-	-	(84,867)
As at 31 December 2020	<u>248,516</u>	<u>491,391</u>	<u>19,900</u>	<u>759,807</u>
Depreciation				
As at 1 January 2020	215,367	466,641	-	682,008
Charge for year	58,330	9,269	-	67,599
Disposals	(84,867)	-	-	(84,867)
As at 31 December 2020	<u>188,830</u>	<u>475,910</u>	<u>-</u>	<u>664,740</u>
Net book value				
As at 31 December 2019	<u>97,800</u>	<u>24,750</u>	<u>19,900</u>	<u>142,450</u>
As at 31 December 2020	<u>59,686</u>	<u>15,481</u>	<u>19,900</u>	<u>95,067</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Investments

	2020	2019
	£	£
Subsidiary company	1	1
	=====	=====

The University owns 100% of the issued ordinary £1 share of The Institute For The Study Of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its incorporation.

A subsidiary of the University exists in the United States of America, to create awareness of AKU's global activities (including the University as an academic unit of AKU) and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital and had minimal trading in the year.

9. Debtors

	2020	2019
	£	£
Other debtors	472,575	381,845
Prepayments	48,278	13,016
	-----	-----
	520,853	394,861
	=====	=====

Included within other debtors are student loans of £72,539 (2019: 132,699) that are due after more than one year.

Included within other debtors is a sum of £200,000 (2019: £nil) due from The Aga Khan University Foundation, Geneva and £nil (2019: £6,195) due from The Aga Khan University, Pakistan.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Creditors: amounts falling due within one year

	2020	2019
	£	(restated) £
Trade payables	19,642	57,040
Amounts owed to subsidiary undertaking	1	1
Deposits held	124	7,066
Taxation and social security	89,988	82,243
Accruals and deferred income	25,863	39,726
Members' funds	2	2
	<u>135,620</u>	<u>186,078</u>

Included within trade payables is a sum of £8,227 (2019: £nil) due to The Aga Khan University Pakistan.

11. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. The guarantees are provided as to £1 by Aga Khan University and as to £1 by Aga Khan Education Services S.A.

12. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan, Aga Khan Education Services S.A and Aga Khan Foundation (United Kingdom).

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2020	2019
	£	£
Receivable from / (Payable to):		
Aga Khan University Foundation, Geneva	200,000	-
Aga Khan University Pakistan	(8,227)	6,195
	<u>191,773</u>	<u>6,195</u>

During the year, AKU supported the University through the provision to the University of administrative and other services. This contribution has been recorded as a donation-in-kind having a value to the University of £135,783 (2019: £393,033).

During the year, The Aga Khan Foundation (United Kingdom) supported the University through permitting usage by the University of the Aga Khan Centre, London and Student Accommodation at King's Cross. This contribution has been recorded as a donation-in-kind having a value to the University of £1,630,779 (2019: £1,600,220).



THE AGA KHAN UNIVERSITY
(International) in the United Kingdom

Institute for the Study of Muslim Civilisations

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
LONDON
E1W 1YW

26th March 2021

Dear Sirs,

Representations in respect of the financial statements for the year ended 31 December 2020

We acknowledge as directors, and confirm that we have fulfilled, our responsibility for the preparation of financial statements for the year ended 31 December 2020 that show a true and fair view and are in accordance with United Kingdom generally accepted accounting practice and the Companies Act 2006.

We also acknowledge as directors our responsibility for the design and implementation of internal control to prevent and detect both error and fraud.

We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other directors and officials of the University, the following representations given to you in connection with your audit of the University's financial statements for the year ended 31 December 2020.

1. Completeness of audit information.

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

Specifically we confirm that:

- All accounting records have been made available to you for the purpose of your audit.



- All other records and related information, including minutes of all board meetings in the period 1 January 2020 to date have been made available to you.

2. Completeness of accounting records and financial statements

All the transactions undertaken by the University have been properly reflected and recorded in the accounting records, and in the financial statements.

3. Significant judgements and intentions

In preparing the financial statements the board has made the following significant judgments relating to amounts included in or disclosed in the financial statements:

- the University's loans made to students, outstanding and net of provisions as at 31 December 2020 of £267,487, is considered fully recoverable. Specifically, those balances that are overdue and have not been provided against of £44,399 are fully recoverable.
- we believe that there will be a sufficient number of successful applicants for Master programmes in the coming years and that the overall academic profile of the University is sufficiently strong to enable it to continue as a going concern for the foreseeable future.

We have no plans or intentions that would, if taken into account, materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Aside from normal commercial constraints, we are not aware of any factor that will significantly reduce the likelihood of the University achieving those of its plans or intentions that are material to the determination of the carrying value or classification of assets and liabilities reflected in the financial statements.

We confirm that any excess of income over expenditure should be deferred into the following accounting period.

We confirm that the above representations are our intentions on these matters and that we consider them reasonable.

4. Unadjusted errors in the financial statements

There were no errors identified during the course of the audit that were above our level of materiality and therefore no adjustments made to the financial statements.

5. Compliance with statutory or regulatory obligations, including tax legislation

We are not aware of any instances of possible non-compliance with statutory or regulatory obligations or tax legislation which could have a material effect on the financial statements.



6. Significant agreements

We have disclosed to you all the agreements and commitments (and any related side letters) that the University has entered into that could have a material impact on the amounts or disclosures included in the financial statements, or are relevant to an assessment of whether the University remains a going concern.

We are not aware of instances of non-compliance with our contractual obligations which could have a material effect on the financial statements.

7. Contingent liabilities (including litigation or claims against the University) and events arising subsequent to the balance sheet date

All material contingencies (including all known, actual or potential litigation or claims against the University) that are more likely than not to result in a loss to the University have been provided for in the financial statements.

Except for matters for which there is only a remote possibility of occurrence, the University is not affected by any such contingency which existed at the balance sheet date and which could possibly result in material loss to the University.

There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto. Should any such events occur, we will advise you accordingly.

8. Transactions with and interests of the directors

We acknowledge that the University's financial statements are required by the Companies Act 2006 and the applicable accounting standard to include specified disclosure of the nature, extent and amount of its transactions that are with, or for the benefit of, any of its directors (or, in certain circumstances, members of their families and trusts, partnerships and other companies in which they have an interest).

We have identified and discussed with you all the transactions of the University with its directors and their connected persons. Consequent upon these procedures, we are able to make the following representation.

The University has at no time during the year granted any advances or credits to, nor entered into any guarantees of any kind on behalf of, any of its directors or persons connected with them except as disclosed in notes 4 and 15 to the financial statements.

Apart from remuneration arrangements, the University has had at no time during the year



entered into any other transactions with its directors or persons connected with them except as disclosed in notes 4 and 15 to the financial statements and except for transactions that are immaterial to both the directors (and any relevant connected person) and the University financial statements.

9. Related parties other than the directors

We acknowledge that, subject to certain specific exemptions, the University's financial statements are required to disclose comprehensive details of transactions and relationships with its "related parties" in order to give a true and fair view. Accordingly we confirm that

- a) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware; and
- b) We have properly accounted for and disclosed all such relationships and transactions in the financial statements.

In making that confirmation we acknowledge:

- a) the following broad definition of related parties, being: those individuals, companies and other entities connected or linked with the University or its directors in such a way as to make feasible the negotiation of mutual contracts on a non-arms length basis; and
- b) the formal definition of "related parties" given in the applicable accounting standard.

For the avoidance of doubt, we confirm that the University has the following related parties, in addition to the directors personally, these additional related parties are:

- Aga Khan University
- Aga Khan Education Services S.A.
- Aga Khan Foundation, UK

10. Control of the University

The Board of Trustees of Aga Khan University has control in relation to, and the Ismaili Imamat is person with significant control in relation to, the University.

11. Risks, occurrences and allegations of fraud

We acknowledge as directors our responsibility for the design and implementation of internal control to prevent fraud.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.



We are not aware of fraud (or suspected fraud) affecting the University involving:

- the directors; or
- senior management and other employees that have significant roles in internal control; or
- others where the fraud (or suspected fraud) could have a material effect on the financial statements.

We are not aware of allegations of fraud (or suspected fraud) affecting the University's financial statements communicated by employees, former employees, or others.

Yours faithfully

(Signed on behalf of the board of directors)