

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)**

CONTENTS

	Page
Report of the Board of Directors	1 - 2
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
Cash flow statement	10
Notes to the Financial Statements	11 - 18

**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

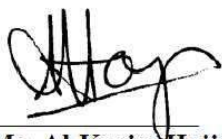
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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
		<hr/>	<hr/>
Total income before donations		933,570	683,292
Donations	3	3,326,523	4,129,787
		<hr/>	<hr/>
Total income		4,260,093	4,813,079
		<hr/>	<hr/>
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
		<hr/>	<hr/>
Total expenditure		4,600,706	4,775,205
		<hr/>	<hr/>
(Deficit)/surplus before tax		(340,613)	37,874
Taxation	6	-	-
		<hr/>	<hr/>
(Deficit)/surplus for the year		(340,613)	37,874
		<hr/>	<hr/>
Reconciliation of funds:			
Funds brought forward		1,657,052	1,619,178
		<hr/>	<hr/>
Funds carried forward		1,316,439	1,657,052
		<hr/> <hr/>	<hr/> <hr/>

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)
	<hr/>	<hr/>	<hr/>	<hr/>
(Deficit)/surplus for year	(390,371)	49,758	(340,613)	37,874
	<hr/>	<hr/>	<hr/>	<hr/>
Funds carried forward	931,073	385,366	1,316,439	1,657,052
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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
		<u>95,068</u>	<u>142,451</u>
Current assets			
Debtors	9	520,853	394,861
Cash and cash equivalents		836,138	1,305,818
		<u>1,356,991</u>	<u>1,700,679</u>
Less: Creditors: amounts falling due within one year	10	<u>(135,620)</u>	<u>(186,078)</u>
Net current assets		<u>1,221,371</u>	<u>1,514,602</u>
Net Assets		<u>1,316,439</u>	<u>1,657,052</u>
Funds			
Restricted funds		385,366	335,608
Unrestricted funds		931,073	1,321,444
Total Funds		<u>1,316,439</u>	<u>1,657,052</u>

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)