

## 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.

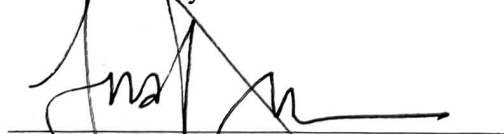
We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

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

A handwritten signature in black ink, appearing to be 'na' followed by a stylized flourish, is written over a horizontal line.

(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**

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<b>Board of Directors</b>	Dr. Lisa Anderson Dr. David Taylor Habib Motani Prof Azim Nanji Prof Eugene Rogan Prof Jane McAuliffe Rahim Hooda Salimah Currimbhoy Shagufta Hassan
<b>Secretary</b>	Dr. Charlotte Whiting
<b>Company Number</b>	04448389
<b>Charity Number</b>	01179136
<b>Registered Office</b>	Aga Khan Centre 10 Handyside Street London NC1 4DN
<b>Principal Office</b>	Aga Khan Centre 10 Handyside Street London NC1 4DN
<b>Auditors</b>	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**

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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**

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**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**

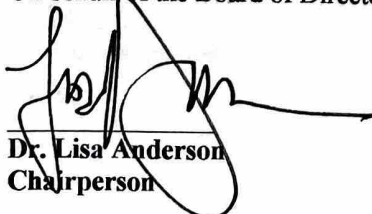
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**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**

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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)**

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**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)**

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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)**

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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)**

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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](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

..... 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**

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

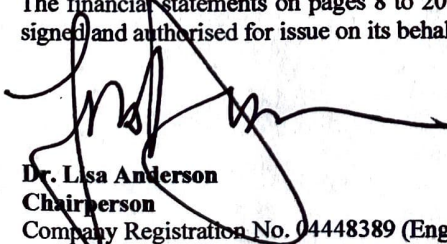
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
<b>Funds brought forward</b>	670,382	225,647	896,029	1,357,404
Total income	5,233,176	362,520	5,595,696	5,101,937
Total expenditure	(5,227,119)	(456,699)	(5,683,818)	(5,563,312)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Surplus / (Deficit) for year</b>	6,057	(94,179)	(88,122)	(461,375)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Funds carried forward</b>	676,439	131,468	807,907	896,029
	<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 31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>Non-current assets</b>			
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>
<b>Current assets</b>			
Debtors	9	391,010	224,282
Cash and cash equivalents		599,107	801,731
		<u>990,117</u>	<u>1,026,013</u>
<b>Less: Creditors: amounts falling due within one year</b>	10	<u>(235,292)</u>	<u>(185,244)</u>
<b>Net current assets</b>		<u>754,825</u>	<u>840,769</u>
<b>Net assets</b>		<u>807,907</u>	<u>896,029</u>
<b>Funds</b>			
Restricted funds		131,468	225,647
Unrestricted funds		676,439	670,382
<b>Total funds</b>		<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 £
<b>Deficit for the year</b>		(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
<b>Net cash flow operating activities</b>		(187,254)	(423,577)
<b>Cash flows from investing activities</b>			
Investment income		9,640	451
Payments made to acquire fixed assets	6	(22,736)	(23,438)
		(13,096)	(22,987)
<b>Cash flows from financing activities</b>			
Bank charges		(2,274)	(1,868)
<b>Decrease in cash and cash equivalents in the year</b>		(202,624)	(448,432)
Cash and cash equivalents at beginning of the year		801,731	1,250,163
<b>Cash and cash equivalents at end of the year</b>		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**

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**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.

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**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.

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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.

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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.

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**2. Fees and other income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Tuition fees	61,650	124,733
Less: Remission	(22,312)	(90,155)
	<u>39,338</u>	<u>34,578</u>
Tuition fees – net		
	39,338	34,578
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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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).

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**4. Staff costs**

Staff costs consist of:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Key management personnel compensation	378,833	361,790
	<u>=====</u>	<u>=====</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:

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



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**5. Other operating expenses**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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)	<u>22,000</u>	<u>20,000</u>
	=====	=====

**6. Tangible fixed assets**

	<b>Computer equipment</b>	<b>Library books</b>	<b>Furniture, Fixture &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
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>
	=====	=====	=====	=====
<b>Depreciation</b>				
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>
	=====	=====	=====	=====
<b>Net book value</b>				
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>
	=====	=====	=====	=====

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**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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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.

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**10. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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
	<u>235,292</u>	<u>185,244</u>
	=====	=====

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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
(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).