

Aga Khan Foundation (United Kingdom)

Report of Council and Financial Statements

31 December 2022

Registered Number 01100897

Registered Charity Number 266518

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Report of the Council

The members of the Council, who are also directors for Companies Act purposes, present their annual report and the audited financial statements of the Aga Khan Foundation (United Kingdom) (hereinafter “charitable company” or “AKF (UK)”) for the year ended 31 December 2022. The Council has adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting & Reporting by Charities” in preparing the annual report and financial statements.

Reference and administrative information

Members of the Council

The members of the Council during the year to 31 December 2022 were:

His Highness the Aga Khan
Prince Ayn Mohamed Aga Khan
Prince Rahim Aga Khan
Princess Zahra Aga Khan
Alan Abela
Jane Piacentini-Moore

National Committee

The Council are supported by a National Committee, whose members (who are not directors) at 31 December 2022, were:

Mahmood H. Ahmed	Chairman
Abyd Karmali	Vice Chairman
Salimah Currimbhoy	
Naushad Jivraj	
Faaiza Lalji	
Dr. Gurdofarid Miskinzoda	
Munira Nathoo	
Dr. Nacim Pak-Shiraz	
Shainila Pradhan	

Secretary

Habib Motani

Chief Executive Officer

Dr. Matthew Reed

Senior Management

The members of Senior Management at 31 December 2022, were:

Jasmin Jahanshahi
Christina Jorgensen
Gradleigh Ruderham
Christopher Wilton-Steer

Registered office

3 Cromwell Gardens, London SW7 2HB

Registered auditor

Crowe UK LLP
55 Ludgate Hill, London EC4M 7JW

Bankers

Lloyds Bank plc
39 Threadneedle Street, London EC2R 8AU

Report of the Council *(continued)*

Structure, governance and management

Governing document

Aga Khan Foundation (United Kingdom) is a company limited by guarantee and having share capital, incorporated on 9 March 1973, and registered as a charity, in England and Wales on 4 December 1973. The objects and powers of AKF (UK) were established in its Memorandum of Association and are governed by its Articles of Association.

Appointment

The members of the Council who held office during the financial year and at the date of this report are set out on page 1. As set out in the Articles of Association, the members of the Council (other than His Highness the Aga Khan) are appointed by the holder(s) of a simple majority of the issued shares in the capital of AKF (UK).

The Council are supported by the National Committee for governance and supervision of AKF (UK). The National Committee is appointed by the Council. The names of the members of the National Committee are set out on page 1.

Induction and training

New members of the Council review written materials and undergo an informal orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the objectives and strategies, and the recent financial performance of AKF (UK).

The current members of the Council have acquired in-depth knowledge of the work of AKF (UK) and the Aga Khan Development Network (hereinafter “AKDN”) as a whole. The annual global Aga Khan Foundation budget meeting involves the production of comprehensive information, including a progress report on all significant activities, an update on performance against annual budgets and an update on the programmes. Additional information is submitted to the Council regularly throughout the year, to ensure they are kept abreast of key developments. Additional meetings on specific topics of concern to the Council are scheduled on an as-needed basis. This process ensures that the Council are kept abreast of the on-going activities of AKF (UK) and has a strong understanding of the relationships and transactions with related parties of AKF (UK) within the AKDN. In view of this, no additional on-going training for the members of the Council is needed.

The National Committee was re-appointed on 1 September 2020. When new National Committee members are appointed, a formal induction is arranged. New members are briefed about how AKF (UK) engages in its different roles, its objectives and the role of the National Committee to help achieve those objectives. The National Committee comprises members representing a mix of skills including management, accounting, legal and communications.

Organisation

The Council, which can have up to seven members, governs AKF (UK). A Chief Executive Officer (CEO) is appointed by the Council to manage the day-to-day operations of AKF (UK). The Council meets annually, with meetings of its sub-committees throughout the year, and is supported by the National Committee, as stated above, in the governance and supervision of AKF (UK). Day-to-day running and management of AKF (UK) has been delegated by the Council to the CEO who, in addition to reporting to the Council, also reports to the General Manager of the Aga Khan Foundation in Geneva and the National Committee.

The National Committee has established a sub-committee to support the finance and administration of AKF (UK). This sub-committee meets monthly. The skills and experience of this Finance Committee have helped AKF (UK) in achieving its objectives.

As a member of the AKDN, AKF (UK) draws upon the experience of the wider AKDN network. However, it has stand-alone operating policies and procedures.

The CEO and Heads of Departments are considered to be the senior management personnel of AKF (UK). The remuneration of the CEO is recommended to the Council by the General Manager and leadership of the Aga Khan Foundation in Geneva and in consultation with the National Committee. This process includes benchmarking against the UK charities and development sector, benchmarking across AKDN agencies and other international development charities worldwide and consideration of the CEO’s depth of experience in the sector and role.

Interests of members of the Council

No member of the Council had, at any time during the year, any interests in any shares of AKF (UK) which would require disclosure within this report.

Report of the Council *(continued)*

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement of an organisation's governance. The Council has reviewed the Code and its key principles and believes that the governance of AKF (UK) is in line with the Code.

Objectives and Activities

Principal activities

AKF (UK) is registered as a charity in England and Wales, is an affiliate of the Aga Khan Foundation, and is part of the Aga Khan Development Network. The members of the Council confirm that they have had regard to the Charity Commission guidance on public benefit when reviewing and setting AKF (UK)'s aims and objectives. Its principal activities are social development, institutional development and social activities. These activities promote and provide for the advancement of education, health, rural development, the environment and support to civil society. The objects of AKF (UK) as set out in its memorandum and articles includes the advancement of education through the creation and support of educational institutions, to provide facilities for study, accommodation and religious worship, to relieve human suffering and sickness, to provide or assist in the interests of social welfare, and to relieve poverty.

Fundraising

AKF (UK)'s fundraising activities are substantially directed at government agencies and institutions and not at the general public. Whilst AKF (UK) receives unrestricted income from individuals it does not actively fundraise for this and as such no special measures are required to protect vulnerable people and other members of the public from unreasonable intrusion or behaviour. AKF (UK) organises events to increase awareness of its and the AKDN's activities, and donations are often received following such events. In the context of significant events or initiatives relating to the AKDN or the Ismaili community, supporters sometimes choose to make donations to AKF (UK). In many years individuals enter charity runs or similar events selecting AKF (UK) as their chosen beneficiary. AKF (UK) itself also holds a charity walk and run in some years. AKF (UK) is not registered with the Fundraising Regulator. Any fundraising activities that take place are carried out by AKF (UK) staff or volunteers and no complaints were received relating to them during the year.

Grant-making policy

AKF (UK) seeks to promote sustainable and equitable social development by encouraging innovative approaches to a range of development challenges in the fields of education, health, rural development, the environment and civil society, and by supporting these approaches through grants to organisations that share its goals. AKF (UK) does not accept applications for grants, but instead works collaboratively with partner organisations to develop proposals for donors and then acts as the prime agency in making grants to the partner organisations. These partner organisations are primarily agencies of AKDN and organisations selected by those agencies in the field based on common values, approaches, goals and objectives. AKF (UK) works very closely with these grantees in the design, implementation and monitoring of projects. The aim is to create a critical mass of focused and innovative activities, complementing each other within and across sectors, in order to make a significant contribution to social development and improving quality of life. Additionally in 2022 AKF(UK) acted as a conduit for a number of entities. These funds were received by AKF(UK) acting as an agent and therefore are not recognised as an asset in these financial statements as they are not within AKF(UK)'s control. Consequently, the receipt and distribution of these funds are not recognised as income or expenditure.

Social development

The primary role of AKF (UK) in the area of social development is to act as an interface between institutional and private donors on the one hand and the range of projects implemented by AKDN agencies on the other hand. It represents the agencies of AKDN to partner governments and institutions in Europe, the Middle East, and Asia, as well as to multilateral agencies in those regions. Principal activities are the development of long-term, strategic relationships with institutional donors, securing resources for projects implemented by AKDN agencies, managing and reporting on grants, and other associated liaison between institutional donors and implementing agencies. AKF (UK) has established long term relationships with significant partners such as: Asian Development Bank, European Commission (EC), the UK's Foreign, Commonwealth & Development Office (FCDO), German Development Cooperation, the Swiss Development Cooperation, French Development Cooperation, Japan International Cooperation Agency, Children's Investment Fund Foundation, IKEA Foundation, Jacobs Foundation, Lego Foundation, Oak Foundation, Porticus Foundation, Johnson & Johnson (J&J), Dubai Cares, Education Above All Foundation and various other charities, foundations and government agencies through Memoranda of Understanding, grant contracts, or their equivalent.

Report of the Council *(continued)*

Strategic Report

Institutional development

In furtherance of AKF (UK)'s educational charitable objectives, AKF (UK) makes high quality educational space and facilities available to The Institute of Ismaili Studies (IIS) and the Aga Khan University-Institute for the Study of Muslim Civilisations (ISMC) at the Aga Khan Centre in King's Cross London, the building which houses AKF (UK)'s offices. In addition, AKF (UK)'s nearby Victoria Hall building provides accommodation for higher education students, many of whom are attending programmes at IIS or ISMC.

Social development achievements and performance

AKF (UK) assesses its performance and impact in the area of social development primarily through annual targets for raising funds, as well as monitoring the spending rates, quality of implementation, and compliance of the projects it supports. In addition, AKF (UK) sets annual targets for proposal development and donor cultivation, grants management, and communications and public affairs. These are reported on a quarterly basis to the Aga Khan Foundation Geneva and to the Chair of the National Committee.

In 2022, AKF (UK) secured 17 grants at a total of £63.8 million to support AKDN and partner programmes primarily in Asia and Africa. The largest grant, for £11.2 million, was secured from the UK's FCDO.

In addition, AKF (UK) helped other AKDN agencies secure significant grants from European donors with whom AKF (UK) has the primary relationship. A further £60.2 million was obtained for these AKDN agencies from a wide range of partners including the French, German, and Swiss Government institutions as well as from UN agencies. Of particular relevance in 2022, AKF (UK) helped the Aga Khan Foundation in Afghanistan secure £51.6 million in new grants to support humanitarian relief and basic needs in response to the crisis in Afghanistan.

Political events in Afghanistan in mid-August 2021, led to some donors suspending AKF (UK)'s grants in Afghanistan. This was particularly the case for German-funded grants, as well as two grants supported by the European Commission. AKF (UK) carried out a legal review across its entire portfolio in Afghanistan, which concluded that the nature of the work in Afghanistan which AKF (UK) supports, and the sectors of focus of that work, fall within the humanitarian and basic human needs activities which the major sanctions regimes relating to Afghanistan permit. In addition, AKF (UK) regularly reviews the latest lists of individuals sanctioned under Afghanistan related sanctions regimes to check that listed sanctioned individuals are not being supported by our work. As a result, AKF (UK) has been able to effectively engage with donors to re-commence most projects or to mobilise additional resources for the growing humanitarian needs in Afghanistan. In 2022, AKF was able to secure new funding from the governments of France, the Netherlands, Switzerland, and the UK, as well as the European Commission and its humanitarian branch, ECHO.

Despite the continued challenges in Afghanistan, 2022 was a year of significant activity and achievement. A few examples include:

- **Continued and expanded support from the UK government for Afghanistan:** In 2022, following FCDO approval, the LNGB+ project (part of the UK's Girls Education Challenge Fund) was able to re-start and was extended to enable the cohort of girls to complete the full cycle of primary education. LNGB+ continues to provide education opportunities for 5,000 highly marginalised girls living in 230 remote communities, alongside a package of life skills trainings and psychosocial support. The project was also expanded to provide vital humanitarian support for the girls' families to minimise the risk of drop-out as a result of economic constraints. In addition, FCDO has provided further resources through a separate grant to support critical livelihoods interventions and access to essential healthcare services. This new grant will reach over 800,000 people across nine provinces.
- **Schools2030:** Schools2030, a 10-year partnership between AKF (UK) and a coalition of other private foundations and leaders in international early childhood development and education, completed its first year of full implementation. This included the inaugural Schools2030 Global Forum held in Dar es Salaam Tanzania, which brought together Ministers, teachers, community representatives, investors and researchers to share ideas on how to equip the next generation to become skilled and resilient in the face of increasing uncertainty. Schools2030 is supported by the following organisations: Dubai Cares, Jacobs Foundation, LEGO Foundation, OAK Foundation, Porticus Foundation and others.

Report of the Council *(continued)*

- **Further resources secured for Madagascar:** Adding to the 3-year project funded by the European Commission called SANIDA signed in 2021, another 3-year grant was signed in 2022 with the EC. This project will support improved economic and climatic resilience of 11,800 family farms in northern Madagascar. A new partnership was also established with Blue Action Fund to bolster community-led marine conservation efforts and enable sustainable livelihoods of small-scale fishers in the Barren Isles (a chain of small islands 20-30kms off the coast of the main island of Madagascar). Over the next five years, the project will aim to empower communities to safeguard their natural resources and diversify their income-generating opportunities.
- **Building resilience in Pakistan:** With funding from ECHO through AKF(UK), AKF and AKDN partners in Pakistan implemented an 18-month programme on 'Strengthening community and health system disaster preparedness in vulnerable areas of Gilgit-Baltistan.' The project reached almost 75,000 people through disaster management training, healthcare equipment, and emergency response stockpiles. Community Emergency Response Teams (including 50% female members) have been trained to act as first responders in an emergency, and health facility staff trained in mass casualty management. When the devastating floods occurred in August 2022, communities were able to mobilise quickly, and provide support to those affected.
- **Deepening and expanding partnership with the EC:** In 2022, AKF(UK) helped to secure second phases of projects in Tajikistan and Mozambique, as well as new projects in Egypt and Syria.

Institutional development achievements and performance

In 2022 AKF (UK) made institutional development grants totalling £2.2m primarily to the Aga Khan University. AKF (UK) also provided high quality educational space and facilities to The Institute of Ismaili Studies (IIS) and the Aga Khan University-Institute for the Study of Muslim Civilisations (ISMC) and also provided accommodation for higher education students, many of whom are attending programmes at IIS or ISMC

IIS is a higher education and academic research institute, established in 1977 to promote scholarship and learning about Muslim cultures and societies. IIS aims to contribute to the academic study of the diversity of Islam as a faith and as a civilisation, by addressing intellectual and practical issues both historically and in the present context. IIS offers two Masters level taught programmes. Both programmes of study draw on teaching faculty from its research department as well as visiting scholars from leading national and international academic institutions. IIS' graduate programmes, as well as its range of doctoral scholarships and fellowships, attract students and scholars from across the world.

ISMC was founded in 2002, as an educational and research unit within the international Aga Khan University. ISMC is an inter-disciplinary institute, carrying out internationally recognised scholarship, education and outreach in the humanities and social sciences on Muslim societies and cultures. ISMC promotes scholarship that opens new perspectives on Muslim heritage, modernity, culture, religion, and society. It offers a Masters level taught programme in Muslim Cultures.

Section 172(1) statement

The members of the Council have regular discussions on and are satisfied that all key decisions taken have considered the long-term impact of such decisions and the impact on AKF (UK)'s donors, implementing partners, employees and the communities that we work in and with. AKF (UK) takes great care to ensure its activities are implemented in a collaborative manner and will deliver impactful change in the long-term.

Statement of engagement with suppliers, customers and others in a business relationship with the company

The members of the Council consider that maintaining collaborative business relationships is a key factor for AKF (UK) in order for us to continue to meet our strategic goals. This is especially true when it comes to our relationships with our grant-giving donors and the implementing partners with whom we work in partnership. AKF (UK) strives to ensure that all decisions taken on our programmes are taken in alignment with the wishes and regulations of those who fund them and taking into consideration the interests of those who are responsible for programme delivery, as we feel this is the most effective and efficient way of achieving lasting change for the communities that we work with.

Report of the Council *(continued)*

Streamlined Energy and Carbon Reporting

In 2022 AKF (UK) used 5,709,690 kWh of energy (2021 - 5,544,437 kWh), this equated to a carbon footprint of 444 tonnes CO₂ (2021 - 720 tonnes CO₂). This represents a carbon intensity ratio of 0.01 tonnes CO₂ per m² (2021 - 0.02 tonnes CO₂ per m²). UK energy use covers the provision of electricity and heating at the Aga Khan Centre and Victoria Hall, which are both located in the Kings Cross estate. It also includes electricity and gas consumption related to the seventeen social and cultural centres owned by AKF (UK).

There has been an increase in usage of 165,253 kWh from 2021. This has been driven by a greater presence in each of the properties but also by the fact that 2022 represents a complete year of data for the social/cultural centres acquired in the prior year. The Kings Cross estate has 100% renewable electricity contracts, and reduced emissions from the district heating network. Data on energy usage was collected directly from billing information and where available, information collected in kWh was converted at the rate disclosed by the supplier. In the absence of this, emissions were converted using the UK Government's 2022 GHG Conversion Factors.

Financial review

During the year AKF (UK)'s fixed assets decreased by 1% from £179.7m to £177.3m as a result of depreciation, cash increased by 25% from £41.7m to £52.2m and total reserves increased by 6% from £218.0m to £230.8m. In the opinion of the members of the Council, adequate assets are available to fulfil the future obligations of AKF (UK). A summary of the result of AKF (UK)'s activities during the period is given in the Statement of Financial Activities on page 13.

Income

During the year, the total income (excluding foreign exchange gain) increased by 25% to £71.1m (2021: *decreased by 4% to £56.9m*). This was driven principally by an increase in grants for our social development work and also an increase in donations received in commemoration of His Highness' Diamond Jubilee. In 2022 the social development income was £46.6m (2021: *£37.8m*) and donations received in commemoration of His Highness' Diamond Jubilee were £8.5m (2021: *£3.5m*).

The majority of social development income is from grants, which increased by 36% to £43.0m (2021 *decreased by 7% to £31.6m*). Agreements with main funders are on-going and underpin the successful resource mobilisation strategy that has enabled AKF (UK) to secure significant levels of funding for AKDN projects around the world. Maintaining on-going relationships with major donors and establishing new partnerships are critical to AKF (UK)'s success and sustainability. These relationships should ensure the future strength of AKF (UK)'s income for social development purposes against a backdrop of continuing financial austerity among donor institutions. The income recognised in the Statement of Financial Activities represents the proportion of multi-year grants that were recognised in 2022 according to the accounting policies set out in note 1 to the accounts, and so does not correspond to the total value of grants secured and signed in the year.

Expenditure

In 2022, total expenditure increased by 8% to £59.0m (2021: *increased by 21% to £54.4m*) as a result of increased expenditure on social development activities.

The most significant expenditure related to social development programmes of which £46.7m (2021: *£39.5m*) was disbursed during the year, benefiting projects implemented by AKDN institutions around the world. For international programmes supported directly through AKF (UK) in 2022, resources expended contributed to significant efforts in education, early childhood development, agriculture and food security, health and nutrition, civil society, energy and culture. The largest programmes were implemented in Afghanistan, where £21.6m project expenditure was made (2021: *£14.1m*), in particular on projects funded by SDC, FCDO and the EC (note 7).

The other main category of resources expended was institutional development programmes amounting to £10.7m (2021: *£14.3m*). This mainly consists of funding for the Aga Khan University (note 8). The main reason for the decrease was that a one-off grant of £3.0m was made to the Aga Khan Foundation, Geneva in 2021 for various projects funded from donations received in commemoration of the Golden Jubilee of His Highness, the Aga Khan.

The core costs of managing AKF (UK) and administering the resource mobilisation and grants management functions increased to £2.2m (2021: *£1.9m*). These core costs are primarily funded by the Aga Khan Foundation Geneva. All donation income is applied to AKF (UK)'s charitable objectives, specifically to programme expenditure on social development and institutional development projects.

Report of the Council *(continued)*

Reserves policy

AKF (UK) requires reserves in order to meet its funding commitments in respect of its joint-funded projects and for the furtherance of its activities. AKF (UK) has established a policy whereby the level of its free reserves (being those funds not tied up in fixed assets and not part of designated funds or restricted funds) should be sufficient to sustain its administrative expenses for at least two months. AKF (UK) considers that the target level of free reserves at 31 December 2022 was £0.4m (2021: £0.3m) and anticipates that the target level of free reserves at 31 December 2023 will be approximately £0.4m. As of 31 December 2022, the total unrestricted general reserve of £0.3m (2021: £0.4m) represented actual free reserves.

AKF (UK) has established a policy whereby the level of its designated reserves for projects should be sufficient to meet commitments on an annual basis. At 31 December 2022, the total balance of designated funds was £215.8m (2021: £207.5m). In order to maintain the level of such reserves, AKF (UK) undertakes events to raise awareness of AKF (UK) which result in support, for example through donations and commitments on a long-term basis.

Designated funds held by AKF (UK) as part of its charitable activities for institutional development purposes totalled £190.4m (2021: £181.3m) of which £157.9m was represented by fixed assets.

Designated funds held by AKF (UK) as part of its charitable activities for social purposes totalled £24.0m (2021: £22.3m) of which £19.5m was represented by fixed assets.

Designated funds held by AKF (UK) as part of its charitable activities for social development purposes totalled £1.4m (2021: £4.0m) of which £0.0m was represented by fixed assets.

Going concern

The business model of the charity is such that its charitable activities are limited to those which are primarily funded by funds received from external donors. Other than commitments which are so funded, the charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 5 and grants to be paid to partners from funds already received. The Council have reviewed forecasts covering the period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Council consider that as a result of the charity's operating model explained above, even if no further funding is received in the 12 months period, the charity has sufficient cash reserves to pay all committed costs. As a result, the Council consider it appropriate for the financial statements to be prepared on a going concern basis.

Investment policy

The Council has the power to invest in such assets as it sees fit. The Council are supported in the exercise of these powers by the National Committee.

AKF (UK), having regard to its liquidity requirements and reserves policy, has operated a policy of keeping available funds in interest-bearing deposit accounts and seeking to achieve an appropriate rate of deposit interest. The Finance Committee reviews the placements on a regular basis and decides the appropriate placement periods on the basis of available funds and their intended use.

Future plans

In 2023, AKF (UK) will continue to develop a robust project pipeline with AKDN agencies, with emphasis on AKDN's significant and growing initiatives in civil society, culture, education, economic development, energy, health, livelihoods, climate adaptation and disaster preparedness. AKF (UK) will continue to pursue new partnerships and funding opportunities with bi-lateral and multi-lateral donors, especially to deepen its relationships with multilateral funders such as Asian Development Bank and Islamic Development Bank, non-traditional funders such as the UAE and Qatar, as well as the European Commission, FCDO, France, Germany, and Switzerland among others. In recent years, AKF (UK) has established a diversified funding base through new partnerships with foundations and corporations, and this work will continue.

Report of the Council *(continued)*

AKF(UK) will maintain its efforts to secure funding for AKDN's humanitarian and basic needs response in Afghanistan, including a greater focus on engaging with regional funders. In addition, AKF (UK) will continue to explore opportunities under discussion with the European Commission, France, Japan, Qatar, UK, and several other donors for key initiatives in Afghanistan as well as other core geographies, such as Egypt, Madagascar and Mozambique, India, Pakistan, Tajikistan and Syria.

Additionally, in 2023, AKF (UK) will continue to transform our operations to meet the organisation's net zero goal by 2030. AKF (UK) will support our sister offices and agencies in other countries to do the same.

AKF (UK) works with field units of AKF and AKDN to support them in securing grants directly from European, Asian and multi-lateral donors. AKF (UK) has strengthened its London-based team to engage a wider range of partners, represent AKDN in public fora, and support the design and preparation of grant proposals and budgets. AKF (UK) coordinates extensively between field units and donors, requiring extensive communication and travel to the countries where AKDN is active. AKF (UK) also uses funds raised from private donations to match donor funding where there is a match-funding requirement.

AKF (UK) continues to promote awareness of the work of AKF (UK) and AKDN through presentations, events and exhibitions. This work is expected to continue to grow in the future.

Principal Risks and Uncertainties

The Council, assisted by AKF (UK)'s National Committee and AKF (UK)'s CEO, assesses the major risks to which AKF (UK) is exposed on an on-going basis. On a monthly basis, the Finance Committee meets and reviews ongoing risks and compliance issues, in particular those related to its operations and finance. The major risks to which AKF (UK) is exposed are:

- Reliance on a small number of sizeable, traditional donors
- The potential impact of the global economic situation, political trends, and security crises on the availability of development funding for regions where AKDN is active
- Compliance violations or donor guidelines that are not adhered to by implementing agencies

The first and second risks are mitigated both by cultivating new donor relationships, diversifying opportunities, widening and deepening current relationships, and sustaining high levels of trust through consistent professional performance. The third risk is mitigated through enhanced communications with and monitoring of implementing partners, independent evaluations, donor assessment of programmes and other key information, strengthening grant agreements and monitoring requirements. AKF Geneva employs internal audits to monitor implementing partners; when necessary, these also monitor grant compliance with donor guidelines and the reports that relate to AKF(UK) funded projects are shared with AKF (UK). AKF (UK) is satisfied that appropriate systems are in place to mitigate AKF (UK)'s exposure to major risks.

Disclosure of information to auditors

Each of the members of the Council at the date of approval of this Report of the Council and Strategic Report confirm that, so far as they are each aware, there is no relevant audit information of which AKF (UK)'s auditor is unaware; and the members of the Council have each taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that AKF (UK)'s auditor is aware of that information.

Report of the Council (*continued*)

Statement of the Council's responsibilities in respect of the Report of the Council and Strategic Report and the financial statements

The members of the Council are responsible for preparing the Report of the Council and Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations or have no realistic alternative but to do so.

The Council are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Council are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Council and Strategic Report approved by order of the Council



Member of the Council

Date: 31st July 2023

Independent auditor's report to the members of the Aga Khan Foundation (United Kingdom)

Opinion

We have audited the financial statements of Aga Khan Foundation (United Kingdom) ('the charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheets, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of the incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Company 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 group 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 Council's use of the going concern basis of accounting in the preparation of the financial statements 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 group's or 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 Council with respect to going concern are described in the relevant sections of this report.

Other information

The Council are responsible for the other information contained within the Report of Council. The other information comprises the information included in the Report of Council, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report to the members of the Aga Khan Foundation (United Kingdom) (continued)

Opinion 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 Council, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report included within the Report of the Council have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Report of Council.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members of the Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Council's responsibilities

As explained more fully in their statement set out on page 9, the members of the Council (who are also the directors of the charitable company for the purposes of company law) 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 controls as the Council determine are 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 members of the Council are responsible for assessing the charitable company'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 Council either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Independent auditor's report to the members of the Aga Khan Foundation (United Kingdom) (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the group's and charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and charitable company for fraud. The only other laws and regulations we considered in this context are General Data Protection Regulations, health and safety regulations and employment tax.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any.

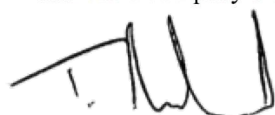
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income, the recognition of grant expenditure, the valuation of the investment property and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on income, grant expenditure and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's members of the Council, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Council 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 charitable company, the charitable company's members as a body and the charitable company's Council, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

Date: 11 August 2023

Statement of Financial Activities, including Income and Expenditure Account*for the year ended 31 December 2022*

	Notes	Unrestricted Funds		Restricted Funds	Total 2022	Total 2021
		General Funds £000	Designated Funds £000	£000	£000	£000
Income from						
Grants, donations and legacies						
Social development programmes	6	-	3,497	43,056	46,553	37,787
Institutional development	6	1,631	15,055	-	16,686	12,399
Social and cultural centres		-	2,867	-	2,867	2,543
Communications and awareness raising		249	-	-	249	176
Core costs		1,874	-	-	1,874	1,709
Rental income		-	2,858	-	2,858	2,248
Investment income		-	25	-	25	8
Other income		-	19	-	19	41
Net gain/(loss) from foreign exchange		-	1,363	(706)	657	148
Total income		3,754	25,684	42,350	71,788	57,059
Expenditure						
Charitable activities						
Social development programmes	7	1,652	7,354	37,741	46,747	39,491
Institutional development	8	1,869	8,818	-	10,687	14,250
Social and cultural centres		28	1,251	-	1,279	518
Communications and awareness raising		249	-	-	249	176
Total expenditure		3,798	17,423	37,741	58,962	54,435
Net income for the year		(44)	8,261	4,609	12,826	2,624
Transfers between funds		(11)	11	-	-	-
Net income before other recognised gains and losses		(55)	8,272	4,609	12,826	2,624
Net gain/(loss) from investments	10	-	-	-	-	-
Net movement in funds		(55)	8,272	4,609	12,826	2,624
Reconciliation of funds						
Funds brought forward		384	207,549	10,044	217,977	215,353
Total funds carried forward	20	329	215,821	14,653	230,803	217,977

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included in the above.

Balance Sheet

at 31 December 2022

	Notes	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9	152,843		155,179	
Investments	10	24,500		24,500	
			177,343		179,679
Current assets					
Debtors	11	5,798		1,228	
Cash at bank and in hand	18	52,239		41,729	
		58,037		42,957	
Creditors: amounts falling due within one year	13	(4,577)		(4,659)	
Net current assets			53,460		38,298
Total assets less current liabilities			230,803		217,977
Creditors: amounts falling due after one year			-		-
Net Assets			230,803		217,977
Share capital and reserves					
Called up share capital	21		-		-
Funds:					
Unrestricted funds					
General funds	20		329		384
Designated funds	20		215,821		207,549
Restricted funds	20		14,653		10,044
			230,803		217,977

The financial statements were approved by the Council and authorised for issue on 31 July 2023 and were signed on its behalf by:


Jane Piacentini-Moore
Member of the Council

Cash Flow Statement
for the year ended 31 December 2022

	<i>Notes</i>	2022 £000	2021 £000
Net cash inflow from operating activities	<i>17</i>	10,878	6,515
Cash flows from investing activities			
Interest received		25	8
Payments to acquire fixed assets		(393)	(534)
Increase in cash and cash equivalents	<i>18</i>	10,510	5,989
Net cash at 1 January	<i>18</i>	41,729	35,740
Net cash at 31 December	<i>18</i>	52,239	41,729

Notes

(forming part of the financial statements)

1 Principal accounting policies

AKF (UK) is a charitable company limited by guarantee, company registration no 01100897, registered address 3 Cromwell Gardens, London SW7 2HB. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to AKF (UK)'s financial statements.

Basis of preparation

The charitable company is considered to be a public benefit entity. The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (SORP), the Companies Act 2006 and applicable Accounting Standards, FRS 102.

The members of the Council have prepared the financial statements on a going concern basis with no material uncertainties, which they consider is appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which are primarily funded by funds received from external donors. Other than commitments which are so funded, the charity has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 5 and grants to be paid to partners from funds already received. The Council have reviewed forecasts covering the period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

The Council consider that as a result of the charity's operating model explained above, even if no further funding is received in the 12 months period, the charity has sufficient cash reserves to pay all committed costs. As a result, the Council consider it appropriate for the financial statements to be prepared on a going concern basis.

Funds

General funds are unrestricted funds available for use at the discretion of the Council in furtherance of the general objectives of AKF (UK) and which have not been designated for other purposes. Designated funds are unrestricted funds earmarked by the Council for social development programmes, institutional development and for the purpose of purchasing and developing properties held by AKF (UK) as part of its charitable activities for social purposes. Restricted funds are funds earmarked for specific activities by contractual agreement with donor agencies.

Tangible fixed assets

Land and buildings and other tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition. Properties received by way of donations are stated at a reasonable market value to AKF (UK) at the time of the donation. Fixed assets with an acquisition cost of less than £3,000 are not capitalised. Depreciation is provided on all tangible fixed assets (with the exception of land) at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Freehold buildings	1%
Leasehold buildings	1%
Property Improvements	5%
Property fixtures and fittings	15%

Investment properties

Investment properties are carried at fair value supported by external valuers and derived from the current market rents and yields for comparable real estate, adjusted if necessary for differences in nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Financial Activities.

Operating leases

Rentals applicable to operating leases are included in the Statement of Financial Activities on a straight-line basis over the lease term.

Notes (continued)

1 Principal accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains or losses are included in the statement of financial activities.

Pension costs

AKF (UK) operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. Payments made to the fund and charged in these accounts as part of employment costs comprise current contributions.

Income

Grants, donations and legacies receivable are from institutional donors, private donors and AKF Geneva. Donations and legacies are recognised when they become receivable, and tax reclaimed on gift aid donations is accounted for in the period of the associated gift. Grants receivables represent those grants where AKF (UK) has signed the contract with the funding agency and accepts responsibility for their application: these are recognised when the grant conditions are met and when AKF (UK) becomes entitled to each instalment of the grant funding. Entitlement to grant income is considered to be at the earlier point of income being receivable or eligible expenditure being incurred. Rental income is receivable from commercial unit tenants and third-party property management organisations and are recognised when they become receivable.

Expenditure

Grants made are recorded on a commitment basis when there is a signed agreement or other unconditional commitment made to a grant recipient and all other expenditures are recorded on an accruals basis. Charitable expenditure is allocated to the activities of the related fund. Expenditure under general funds is incurred in carrying out general operational activities undertaken by AKF (UK). Expenditure under designated funds is incurred to provide support to social development and institutional development projects and in respect of properties held by AKF (UK) as part of its charitable activities for social purposes. Expenditure under restricted funds is allocated specifically to the related projects. Support costs are allocated to the relevant charitable activity on the basis of the proportion of employee time spent on each activity.

Accounting estimates and key judgements

In the application of the AKF (UK)'s accounting policies, judgements, estimates and assumptions about the carrying value of assets and liabilities are made. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance. The key areas of judgement included in the financial statements are summarised below:

- (i) Valuation of investment properties - Investment properties are carried at fair value supported by external valuers as disclosed in note 10.
- (ii) Potential impairment of fixed assets - Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.
- (iii) Depreciation of fixed assets – Fixed assets are depreciated at rates calculated to write off the cost over their expected useful economic lives

2 Members of the Council's emoluments

No emoluments were paid to nor reimbursement of expenses received by the members of the Council for their duties (2021: £0).

Notes (continued)

3 Employee information

	2022 £000	2021 £000
Salaries and wages	3,418	3,292
Social security costs	408	357
Pension costs	321	270
Other benefits	124	96
	<u>4,271</u>	<u>4,015</u>

Senior Management personnel earned total salary and benefits of £705k (2021: £641k) and pension contributions totalling £61k (2021: £52k). The average number of staff employed by AKF (UK) during the year is:

	2022 Number	2021 Number
Communication	3	2
Finance and Administration	7	8
Grant administration	19	18
Victoria Hall Management	7	7
Aga Khan Centre Management	7	7
AKDN Programmes	13	14
	<u>56</u>	<u>56</u>

Employees earning above £60,000

	2022 Number	2021 Number
£60,001 - £70,000	5	3
£70,001 - £80,000	2	2
£80,001 - £90,000	1	3
£90,001 - £100,000	2	3
£100,001 - £110,000	1	1
£110,001 - £120,000	2	-
£130,001 - £140,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
£180,001 - £190,000	-	1
£190,001 - £200,000	-	-
£280,001 - £290,000	1	1
£290,001 - £300,000	1	-

Pension contribution totalling £192k were made for these employees during the year (2021: £161k).

4 Expenditure

Expenditure for the year is stated after charging the following costs.

	2022 £000	2021 £000
Depreciation (note 9)	2,729	2,359
Audit fee – Crowe UK audit of these financial statements	39	33
Auditor's remuneration for non-audit services	<u>6</u>	<u>6</u>

The £6k disclosed above for non-audit fees includes fees relates to corporation tax computation and a project audit. The audit fee for the year ending 31 December 2022 was £32,500 excluding VAT.

Notes (continued)

5 Support costs

The support costs of AKF (UK) consist of three cost elements. Support costs are allocated on a basis consistent with the use of resources and the calculation of allocation is determined by the percentage of time spent on each category by the relevant staff.

	Human Resources £000	Office Expenses & Technology £000	Travel Expenses £000	Total 2022 £000	Total 2021 £000
Unrestricted funds					
Social development programmes	1,007	537	107	1,651	1,404
Institutional development	154	82	1	237	255
Social and cultural centres	15	8	4	27	27
Communications and awareness raising	<u>154</u>	<u>82</u>	<u>12</u>	<u>248</u>	<u>176</u>
	<u>1,330</u>	<u>709</u>	<u>124</u>	<u>2,163</u>	<u>1,862</u>

6 Grants and donations received

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Social development programmes				
European Commission (including ECHO)	-	20,113	20,113	11,738
UK Foreign, Commonwealth & Development Office (FCDO)	-	6,507	6,507	8,240
Swiss Agency for Development and Cooperation (SDC)	-	4,617	4,617	2,427
German Federal Foreign Office	-	3,088	3,088	281
Aga Khan Foundation (USA)	2,850	-	2,850	5,535
Netherlands Ministry of Foreign Affairs	-	2,506	2,506	-
KfW	-	1,564	1,564	4,127
French Ministry for Europe and Foreign Affairs	-	880	880	-
The Lego Foundation	-	766	766	930
Oak Foundation	-	720	720	-
Atlassian Foundation International	-	412	412	-
The Wellspring Foundation	-	397	397	400
Royal Norwegian Ministry of Foreign Affairs	-	375	375	1,148
Vitol Foundation	-	249	249	500
Johnson & Johnson	-	182	182	-
Porticus	-	92	92	418
Jacobs Foundation	-	-	-	797
Other donations	647	588	1,235	1,246
	<u>3,497</u>	<u>43,056</u>	<u>46,553</u>	<u>37,787</u>
Institutional development				
Donations in commemoration of His Highness' Diamond Jubilee	8,547	-	8,547	3,527
Donations designated to the Aga Khan University	1,372	-	1,372	1,887
Donations designated to Kings Cross operational costs	1,237	-	1,237	1,056
Donations designated to the Aga Khan Schools	32	-	32	412
Donations designated to The Institute of Ismaili Studies	136	-	136	199
Other donations	5,362	-	5,362	5,318
	<u>16,686</u>	<u>-</u>	<u>16,686</u>	<u>12,399</u>

Notes (continued)

7 Expenditure on social development programmes

The following tables show grants paid to institutions by country.

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Afghanistan				
Afghanistan Humanitarian Appeal - Aga Khan Foundation Afghanistan	-	5,288	5,288	-
RISE Afghanistan - Aga Khan Foundation Afghanistan	-	3,321	3,321	-
FCDO Leave No Girl Behind - Aga Khan Foundation Afghanistan, CARE International UK, Catholic Relief Services and Save the Children	-	3,310	3,310	2,176
EC Strengthening COVID-19 Response in Afghanistan - Aga Khan Foundation Afghanistan	-	2,170	2,170	4,464
EC Improve Participatory Management and Efficiency of Rangelands and Watersheds - Aga Khan Foundation, Afghanistan	268	1,516	1,784	1,956
GFFO Emergency Health Assistance Afghanistan - Aga Khan Foundation Afghanistan	-	1,478	1,478	-
Food-security and Agricultural Sustainability for Livelihood Improvement - Aga Khan Foundation Afghanistan	-	1,265	1,265	-
Provision of essential and lifesaving nutrition services targeting children under two years and pregnant and lactating women across select provinces of Afghanistan - Aga Khan Foundation Afghanistan	-	742	742	-
Accelerate Prosperity in Central and South Asia - Aga Khan Foundation Afghanistan	-	446	446	-
Improving access to life-saving health, and psychological services in Afghanistan - Aga Khan Foundation Afghanistan	-	329	329	-
Supporting Cooperation and Opportunities for Regional Economic Development - Aga Khan Foundation Afghanistan	193	107	300	-
Improving Adolescents Lives in Afghanistan - Aga Khan Foundation Afghanistan	-	238	238	-
Emergency Assistance and Livelihoods Support for Vulnerable Households in the Northeast and Central Highlands of Afghanistan - Aga Khan Foundation Afghanistan	189	-	189	-
Schools 2030 - Aga Khan Foundation Afghanistan	150	38	188	32
Strengthening COVID-19 Preparedness and Response efforts in Afghanistan through supporting & sustaining COVID-19 diagnostic Centers in Badakhshan, Takhar, Baghlan and Bamyán Provinces - Aga Khan Foundation Afghanistan	-	181	181	-
FCDO GEC STAGES II - Aga Khan Foundation Afghanistan, CARE International UK, Catholic Relief Services and Save the Children	-	173	173	4,632
Government School Response to COVID-19 - Aga Khan Foundation Afghanistan	-	144	144	-
Australia Afghanistan Community Resilience Scheme - Aga Khan Foundation Afghanistan	36	-	36	-
Girls and Science - Aga Khan Foundation, Afghanistan	-	20	20	180
Improved Governance of the Natural Park in the Wakhan Corridor - Aga Khan Foundation Afghanistan	-	-	-	208
Improved Road Infrastructure and Market Access in Immit Valley - Aga Khan Foundation Afghanistan	-	-	-	151
Kwahan Integrated Development - Aga Khan Foundation, Afghanistan	-	-	-	110
Improving Educational Opportunities in the Cross-Border Areas - Aga Khan Foundation Afghanistan	-	-	-	99
Promoting Access to Educational Institutions in the Cross-Border Districts - Aga Khan Foundation, Afghanistan	-	-	-	87
Forest Restoration to Enhance Ecosystem Services in Afghanistan - Aga Khan Foundation Afghanistan	-	-	-	48
Preservation of Endangered Languages in Afghanistan Badakhshan - Aga Khan Foundation Afghanistan	-	-	-	(10)
Total for Afghanistan programmes	836	20,766	21,602	14,133

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Brazil				
Schools 2030 - Trilha Pesquisa	-	14	14	-
Total for Brazil programmes	-	14	14	-
Canada				
Schools 2030 - Right to Play International	-	50	50	-
Batken-Sughd Cross Border Development Project (Phase II) - Global Centre for Pluralism	-	40	40	-
Total for Canada programmes	-	90	90	-
Egypt				
EC Improving Local Development Dynamics in Aswan - Aga Khan Foundation Egypt	-	-	-	65
Creating Access to Cairo's Islamic Cultural Heritage - Aga Khan Cultural Services Egypt	-	(12)	(12)	35
Total for Egypt programmes	-	(12)	(12)	100
Finland				
Schools 2030 - HundrEd.org	198	67	265	-
Total for Finland programmes	198	67	265	-
India				
Schools 2030 - Eklavya Foundation and Aga Khan Foundation India	48	232	280	3
Pathways to low carbon agriculture in India - Aga Khan Rural Support Programme (AKRSP) India and Aga Khan Foundation India	208	-	208	-
Hygiene & Behaviour Change Coalition for COVID-19 control - Aga Khan Foundation India and Aga Khan Agency for Habitat, India	-	82	82	585
Supporting Local Authorities for Accountable, Responsive and Transparent Systems for Solid Waste Management - Aga Khan Foundation India and Gram Swarajya Samiti Ghose (GSSG)	-	60	60	162
Strengthening the AKF Lehar Programme - Aga Khan Foundation India	-	43	43	3
Establishment of COVID 19 testing facilities - Prince Aly Khan Hospital, Mumbai	-	-	-	98
Improving Water and Sanitation Infrastructure and Hygiene Education in 20 Schools of Bihar and Uttar Pradesh - Aga Khan Foundation India	-	-	-	11
Total for India programmes	256	417	673	862

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Kyrgyz Republic				
Accelerate Prosperity in Central and South Asia - Mountain Soc Dev Support Prog (MSDSP) Kyrgyzstan, University of Central Asia				
Kyrgyzstan and Aga Khan Foundation Kyrgyz Republic	349	894	1,243	-
Schools 2030 - Aga Khan Foundation Kyrgyz Republic	24	104	128	113
Batken-Sughd Cross Border Development Project (Phase II) - Aga Khan Foundation Kyrgyz Republic	-	125	125	-
Economic Recovery of Agricultural Value Chains in Kyrgyzstan and Tajikistan II - Mountain Soc Dev Support Prog (MSDSP) Kyrgyzstan	-	99	99	-
Improve participatory management and efficiency of rangelands and watersheds - University of Central Asia, Kyrgyzstan	-	53	53	-
Integrated Rural Development Programme - Mountain Soc Dev Support Prog (MSDSP) Kyrgyzstan and Aga Khan Foundation Kyrgyz Republic	34	-	34	19
Sustainable Winter Tourism Development Project (Phase II) - Aga Khan Foundation Kyrgyz Republic	11	-	11	-
Economic Recovery Kyrgyzstan COVID-19 - Aga Khan Foundation Kyrgyz Republic	-	(1)	(1)	67
EC Strengthening civil society organisations' and youth's participation in local socio-economic development	-	-	-	43
Total for Kyrgyz Republic programmes	418	1,274	1,692	242
Kenya				
EC AKDN Regional Eastern Africa COVID-19 Response Partnership - Aga Khan Foundation East Africa	1,241	1,397	2,638	3,346
Schools 2030 - Aga Khan Foundation East Africa	50	378	428	681
AKU-SONAM Nursing Scholarships - Aga Khan University Kenya	-	131	131	466
Improving Social and Economic Opportunities for Youth in Northern Kenya - Aga Khan Foundation East Africa	-	88	88	-
Value based education in Kenya III - Aga Khan Foundation East Africa	26	-	26	-
Strengthening Resilience of Frontline Health Workers - Aga Khan University Kenya	-	18	18	32
Madrassa Resource Centre and Early Childhood Development in East Africa - Aga Khan Foundation East Africa	-	-	-	99
Play our Part Initiative - Aga Khan Foundation East Africa	-	-	-	84
Total for Kenya programmes	1,317	2,012	3,329	4,708
Madagascar				
EU Madagascar: Support to farming households (Diana, Sava and Analanjirofo) - Aga Khan Foundation Madagascar (OSDRM)	18	1,024	1,042	-
SANIDA- Improving food security and nutrition in Madagascar - Aga Khan Foundation Madagascar (OSDRM)	43	456	499	-
Madagascar Innovations Leverage for Climate Adaptation - Aga Khan Foundation Madagascar (OSDRM)	149	62	211	72
Food Assistance for Famine in Southern Madagascar / Emergency Food Assistance (EFA) - Aga Khan Foundation Madagascar (OSDRM)	81	127	208	-
SPEEDRICE: "Scaling-up, Promoting and Expanding Effortless Direct-seeding RICE permaculture" - Aga Khan Foundation Madagascar (OSDRM)	-	12	12	35
Total for Madagascar programmes	291	1,681	1,972	107

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Mozambique				
Strengthening Social Cohesion in Cabo Delgado, Phase II (COESO Phase II) - Aga Khan Foundation Mozambique	-	1,430	1,430	-
Juntos! Phase 4 - Aga Khan Foundation Mozambique	167	181	348	-
Strengthening Social Cohesion and Resilience to Radicalization in Cabo Delgado - Aga Khan Foundation Mozambique	-	190	190	325
JUNTOS III - Aga Khan Foundation Mozambique	-	-	-	73
Total for Mozambique programmes	167	1,801	1,968	398
Pakistan				
Accelerate Prosperity in Central and South Asia - Aga Khan Foundation Pakistan	431	1,178	1,609	-
Critical Preparedness, Readiness and Response Actions for Coronavirus Disease (COVID-19) Pandemic in Gilgit-Baltistan and Chitral - Aga Khan Foundation Pakistan	100	985	1,085	1,505
All-weather access road for cross-border tourism areas - Aga Khan Foundation Pakistan	-	158	158	211
Schools 2030 - Aga Khan Foundation Pakistan and ITA Pakistan	33	98	131	18
Promoting Integrated Mountain Safety in Northern Pakistan (PIMSNP) Phase 2 - Aga Khan Foundation Pakistan	129	-	129	-
Improved Governance of the Natural Park in the Wakhan Corridor - Aga Khan Foundation Pakistan	-	61	61	-
Lives in Dignity - Aga Khan Foundation Pakistan	17	-	17	-
Strengthening Preparedness, Readiness and Response Actions for Covid-19 - Aga Khan Foundation Pakistan	-	7	7	-
Total for Pakistan programmes	710	2,487	3,197	1,734
Portugal				
Schools 2030 - Aga Khan Foundation Portugal	80	40	120	39
EC Social Impact Bonds Literacy Programme - Aga Khan Foundation Portugal	(81)	-	(81)	12
Capacity Building of Senior Caregivers - Aga Khan Foundation Portugal	-	-	-	182
Total for Portugal programmes	(1)	40	39	233
Switzerland				
Schools 2030 - Aga Khan Foundation Geneva	-	87	87	-
Accelerate Prosperity in Central and South Asia - Aga Khan Foundation Geneva	-	11	11	-
Total for Switzerland programmes	-	98	98	-

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Syria				
Salamieh District Multi-Sectoral Humanitarian Assistance (MSHA) - Aga Khan Foundation Syria	-	3	3	367
Total for Syria programmes	-	3	3	367
Tajikistan				
Critical Infrastructure Contributing to Stability and Peace, Phase II - Aga Khan Foundation Tajikistan	-	1,386	1,386	-
Shugnan VI Energy Cross Border Project Phase I - Pamir Energy Accelerate Prosperity in Central and South Asia - Aga Khan Foundation Tajikistan	-	1,309	1,309	3,449
Supporting Cooperation and Opportunities for Regional Economic Development - Aga Khan Foundation Tajikistan	282	541	823	3,015
Schools 2030 - Aga Khan Foundation Tajikistan	165	640	805	3,788
Shugnan VII Cross-Border Energy Project - Pamir Energy	217	94	311	113
Batken-Sughd Cross Border Development Project (Phase II) - Aga Khan Foundation Tajikistan	-	174	174	264
Critical Infrastructure to Contribute to Stability and Peace in Khorog - Aga Khan Foundation Tajikistan	-	174	174	-
Integrated Health and Habitat Improvement (IHHI) Rasht - Aga Khan Foundation Tajikistan	-	149	149	297
Integrated Natural Resources Management in Zaravshon Valley for Equitable and Sustainable Development (INVEST) - Aga Khan Foundation Tajikistan	128	-	128	613
Improving livelihoods and food security through sustainable Natural Resource Management - Aga Khan Foundation Tajikistan	109	-	109	-
AP TRIGGER II - Aga Khan Foundation Tajikistan	94	-	94	57
Economic Recovery of Agricultural Value Chains in Kyrgyzstan and Tajikistan II - Aga Khan Foundation Tajikistan	88	-	88	-
Electrification of Shuhada and Ishkashim, Badakhshan Province - Badakhshan Energy and Pamir Energy	-	81	81	-
Supporting Accelerated Growth for Entrepreneurship (SAGE) - Aga Khan Foundation Tajikistan	-	45	45	-
Batken-Sughd Cross-Border Development Project - Aga Khan Foundation Tajikistan	39	-	39	43
Economic Recovery Kyrgyzstan COVID-19 - Aga Khan Foundation Tajikistan	-	-	-	360
Establishment of a fibre processing unit with dehairing and storage in cross-border areas - Aga Khan Foundation Tajikistan	-	-	-	336
Safe Drinking Water and Sanitation Management in Tajikistan (SWSMT) - Aga Khan Foundation Tajikistan	-	-	-	251
Shugnon Health Care Center - Aga Khan Foundation Tajikistan	-	-	-	49
Rushon Health Care Center - Aga Khan Foundation Tajikistan	-	-	-	16
Darvoz Health Care Center - Aga Khan Foundation Tajikistan	-	-	-	13
Khorog Rehabilitation Youth Centre - Aga Khan Foundation Tajikistan	-	-	-	13
Total for Tajikistan programmes	1,122	4,593	5,715	9

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Tanzania				
Oncology Comprehensive Cancer Project - Aga Khan Health Service (AKHS) Tanzania	1,406	-	1,406	-
Schools 2030 - Aga Khan Foundation East Africa	218	417	635	-
Enhancing the Competitiveness of Smallholder Rice Farmers in Morogoro - Aga Khan Foundation East Africa	25	106	131	127
Strengthening Resilience of Frontline Health Workers - Aga Khan Foundation East Africa	-	29	29	-
Total for Tanzania programmes	1,649	552	2,201	127
Uganda				
In Their Hands -Aga Khan Foundation East Africa	330	-	330	350
Schools 2030 -Aga Khan Foundation East Africa	-	121	121	-
Linking Community-based Saving Groups to Formal Financial Services in the West Nile region of Uganda -Aga Khan Foundation East Africa	-	-	-	46
Total for Uganda programmes	330	121	451	396
United States of America				
Schools 2030 – ECD Measure and Save the Children	-	94	94	-
Total for United States programmes	-	94	94	-
United Kingdom				
Schools 2030 - UNICEF	3	73	76	335
Disaster Risk Insurance Phase 2 - Global Parametrics & Aga Khan Agency for Habitat	-	-	-	171
Total for United Kingdom programmes	3	73	76	506
Total Grants made for social development	7,296	36,171	43,467	36,599
Non-Grant Expenditure	1,710	1,570	3,280	2,892
Total Expenditure for social development	9,006	37,741	46,747	39,491

Notes (continued)

8 Expenditure on institutional development programmes

	Unrestricted Funds £000	Restricted Funds £000	Total 2022 £000	Total 2021 £000
Aga Khan University Foundation various projects	2,040	-	2,040	2,016
The Institute of Ismaili Studies for their educational programmes	123	-	123	230
Aga Khan Academies for their educational programmes	26	-	26	416
Aga Khan Foundation Geneva, various projects	-	-	-	2,958
Aga Khan Agency for Habitat programmes	-	-	-	1
Total Grants made for institutional development	2,189	-	2,189	5,621
Non-Grant Expenditure	8,498	-	8,498	8,629
Total Expenditure for institutional development	10,687	-	10,687	14,250

9 Tangible fixed assets

	Freehold Land & Buildings £000	Long Leasehold Land & Buildings £000	Property Improvements £000	Property Fixture and fittings £000	Assets Under Construction £000	Total £000
Cost						
At 1 January 2022	34,962	133,935	1,528	10,921	407	181,753
Additions	-	-	84	15	294	393
Disposals	-	-	-	-	-	-
Transfers	-	-	390	-	(390)	-
At 31 December 2022	34,962	133,935	2,002	10,936	311	182,146
Depreciation						
At 1 January 2022	16,317	2,276	1,288	6,693	-	26,574
Charge for the year	106	1,010	37	1,576	-	2,729
Disposals	-	-	-	-	-	-
At 31 December 2022	16,423	3,286	1,325	8,269	-	29,303
Net book value						
At 31 December 2022	18,539	130,649	677	2,667	311	152,843
At 31 December 2021	18,645	131,659	240	4,228	407	155,179

All assets are held for charitable purposes.

Notes (continued)

10 Investments

Investment in shares

AKF (UK) owns one ordinary share of £1 (1% of the issued and paid up share capital) in The Institute of Ismaili Studies (2021: £1), which is incorporated in England.

Investment in property

Investment property comprises Fenman House in the Kings Cross estate that is leased to a third party. Changes in fair values are recognised as investment gains or losses in the Statement of Financial Activities.

The historical cost of this property was £20.6m and the most current valuation was carried out in May 2021 by a MRICS independent valuer of Knight Frank LLP. When arriving at their valuation, they considered sales from within the King's Cross Estate in order to compare recent sales data. The independent valuation, recent market data and recent market trends have all been taken into account by the Council in their decision to keep the balance sheet value at £24.5m

	2022 £000	2021 £000
Balance at 1 January	24,500	24,500
Acquisitions	-	-
Change in Fair Value	-	-
Balance at 31 December	24,500	24,500

11 Debtors

	2022 £000	2021 £000
Prepayments and accrued income	5,752	799
Debtors with other AKDN Agencies	45	379
Other debtors	1	50
	5,798	1,228

Debtors with other AKDN Agencies includes £1k with AKF Geneva (2021: £350k), £15k with Aga Khan Academies (2021: £0k), £29k with AKDN (2021: £0k) and £0k with Aga Khan Health Services (2021: £29k).

Notes (continued)

12 Lease commitments as a lessor

AKF (UK) has four operating lease contracts in place as a lessor. The first relates to Fenman House in the Kings Cross estate that is leased to a third party. The original lease was for 4 years until 31 January 2023 with annual rents indexed to RPI, however this was extended in January 2023 for a further 3 years to 31 January 2026.

In addition, there are contracts in place for three commercial units, the first two in Aga Khan Centre and the second in Victoria Hall. The two units in Aga Khan Centre are leased to third parties and the contract runs until 28th September 2039 and 24th December 2036 respectively. The unit at Victoria Hall is leased to a separate third party and runs until the 3rd September 2037. AKF (UK) has future minimum lease receipts under non-cancellable operating leases for each of the following periods.

	2022 £000	2021 £000
Receivable in less than 1 year	1,002	974
Receivable between 1 and 5 years	2,803	1,606
Receivable in greater than 5 years	240	240
	<hr/>	<hr/>
	4,045	2,820
	<hr/>	<hr/>

13 Creditors

	2022 £000	2021 £000
Amounts falling due within one year		
Accruals and deferred income	3,003	2,930
Grants Payable	1,128	1,247
Trade creditors	225	289
Payroll taxes	114	109
Other creditors	107	84
	<hr/>	<hr/>
	4,577	4,659
	<hr/>	<hr/>

Grants payable (all falling due within one year) £000

As at 1 January	1,247
Grants committed in the year	42,455
Grants paid in the year	(42,574)
	<hr/>

As at 31 December 1,128

Deferred income £000

As at 1 January	1,534
Amounts released to income	(1,534)
Amounts due within one year	1,344
	<hr/>

As at 31 December 1,344

Income has been deferred where it has been received in advance of contractual obligations with regards to rental income and grant income. All deferred income carried forward is released in the subsequent period.

Notes (continued)

14 Future grant commitments

Future grant commitments related to work carried out by AKF(UK)'s implementing partners amount to £57,717,219. These represent grant agreements signed before 1st January 2023 for payment in future years. All commitments are funded by institutional grants, are made in connection with institutional grants for the programmes referred to in Note 6 and there are no performance-related conditions attached to these commitments.

15 Taxation

AKF (UK) is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

16 Pension scheme

AKF (UK) operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by AKF (UK) to the scheme and amounted to £321k (2021: £270k), £47k was payable at 31 December 2022 (2021: £39k).

17 Reconciliation of net income to net cash inflow from operating activities

	2022 £000	2021 £000
Net income / movement in funds	12,826	2,624
Depreciation on tangible fixed assets	2,729	2,359
Gift in kind donations capitalised	-	(910)
Interest receivable	(25)	(8)
Increase in debtors	(4,570)	(294)
(Decrease) / increase in creditors	(82)	2,744
Net cash inflow / (outflow) from operating activities	10,878	6,515

18 Cash and cash equivalents

	2022 £000	2021 £000
Changes in the year		
At 1 January	41,729	35,740
Net cash inflow/(outflow)	10,510	5,989
At 31 December	52,239	41,729

Notes (continued)

19 Capital commitments

Conditional capital commitments

There were no material capital commitments as at 31 December 2022.

20 Reconciliation of funds

	Unrestricted Funds		Restricted	2022	2021
	General Funds	Designated Funds	Funds	Total	Total
	£000	£000	£000	£000	£000
Balance at 1 January	384	207,549	10,044	217,977	215,353
Income	3,754	24,321	43,056	71,131	56,911
Expenditure	(3,798)	(17,423)	(37,741)	(58,962)	(54,435)
Recognised Gains / (Losses)	-	1,363	(706)	657	148
Transfer of funds	(11)	11	-	-	-
Balance at 31 December	<u>329</u>	<u>215,821</u>	<u>14,653</u>	<u>230,803</u>	<u>217,977</u>
Represented by:					
Fixed assets	-	177,343	-	177,343	179,679
Current assets	630	40,451	16,956	58,037	42,957
Current liabilities	(301)	(1,973)	(2,303)	(4,577)	(4,659)
	<u>329</u>	<u>215,821</u>	<u>14,653</u>	<u>230,803</u>	<u>217,977</u>

General funds are held to provide cashflow reserves and working capital. Restricted funds relate to social development projects and will be spent in 2023. Designated funds represent funds earmarked by the Council for the following purposes:

	Social Development	Institutional Development	Social	2022	2021
	£000	£000	£000	Total	Total
Designated Funds	£000	£000	£000	£000	£000
Balance at 1 January	3,938	181,284	22,327	207,549	201,835
Income	3,499	17,940	2,882	24,321	21,915
Expenditure	(7,354)	(8,818)	(1,251)	(17,423)	(16,358)
Recognised Gains / (Losses)	1,363	-	-	1,363	157
Transfer of funds	-	-	11	11	-
	<u>1,446</u>	<u>190,406</u>	<u>23,969</u>	<u>215,821</u>	<u>207,549</u>
Represented by:					
Fixed assets	-	157,853	19,490	177,343	179,679
Current assets	1,447	34,525	4,479	40,451	29,736
Current liabilities	(1)	(1,972)	-	(1,973)	(1,866)
	<u>1,446</u>	<u>190,406</u>	<u>23,969</u>	<u>215,821</u>	<u>207,549</u>

Social Development funds will be used as co-financing for projects in 2023. Institutional Development funds are mainly fixed assets and cash reserves will be used to support AKDN institutions and mostly used in 2023. Social funds are mainly fixed assets and the cash reserves are held to develop these properties as required.

Notes (continued)

21 Called up share capital

	2022	2021
	£	£
Authorised, issued and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

According to the Memorandum of Association the liability of the members is limited. Every member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up, such amount not exceeding £1. In addition, the charitable company is precluded from making any distributions to members either by way of a dividend or on a winding up.

22 Conduit Funds

In 2022 AKF(UK) acted as a conduit for a number of entities. The amount of funds that passed through AKF(UK) in 2022 was £14,572k. The amount of funds held at the end of the year was £0. These funds were received by AKF(UK) acting as an agent and therefore are not recognised as an asset in these financial statements as they are not within AKF(UK)'s control. Consequently, the receipt and distribution of these funds are not recognised as income or expenditure.

23 Ultimate holding company

The ultimate holding company is Aga Khan Foundation Geneva, which is incorporated in Switzerland (UID - CHE-100.845.311) and beneficially owns one hundred percent of the shares of AKF (UK).

24 Related party transactions and other AKDN agencies

There have been no related party transactions between AKF (UK) and the members of the Council in 2022 (see note 2). Transactions with AKF Geneva and agencies within the Aga Khan Development Network consist of the following:

- costs associated with projects funded by other AKDN agencies (note 11); and
- grants and donations of funding for projects, programmes and other activities supported by AKF (UK) (notes 6, 7 and 8).