

Aga Khan Foundation (United Kingdom)

Directors' report and financial statements

Registered number 1100897

31 December 2009

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 Company for the year ended 31 December 2009. The Council has adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting & Reporting by Charities" (revised 2005) in preparing the annual report and financial statements of the Company.

Reference and administrative information

Members of the Council

The members of the Council at 31 December 2009 were

His Highness the Aga Khan
Prince Ayn Mohamed Aga Khan
Maitre Andre Ardoin
Guillaume de Spoelberch

National Committee

The Council is supported by a National Committee whose members, who are not directors, during the year to 31 December 2009, were

| | |
|---|------------------|
| Naguib Kheraj | Chairman |
| Yasmin Jetha | Vice Chairperson |
| Shaheen Jinnah Rajabali | |
| Alykhan Kassam | |
| Salim Niaz Nathoo | |
| Sir Timothy Lankester | |
| Sir Christopher MacRae | |
| Zauhar Meghji (resigned on 11 July 2009) | |
| Richard Premjee (resigned on 11 July 2009) | |
| Amin Mawji (elected on 11 July 2009) | |
| Karim-khan Valimamode (elected on 11 July 2009) | |

Management

| | |
|--------------|-------------------------|
| Aly Nazerali | Chief Executive Officer |
|--------------|-------------------------|

Secretary

Habib Motani

Registered office

3 Cromwell Gardens
London SW7 2HB

Registered auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT

Bankers

Lloyds TSB Private Banking Limited
50 Grosvenor Street
London W1K 3LF

Report of the Council *(continued)*

Structure, governance and management

Governing document

Aga Khan Foundation (United Kingdom) is a company limited by guarantee and having a share capital, incorporated on 9 March 1973 and registered as a charity on 4 December 1973. The objects and powers of the Company (hereinafter referred to as 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) for the time being of a simple majority of the issued shares in the capital of AKF (UK).

The members of the Council are supported by the National Committee for governance and supervision of AKF (UK). The National Committee is appointed by the members of 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 undergo an informal orientation day 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 recent financial performance of AKF (UK). During the orientation, they meet the key employees and other Council members. There were no new members of the Council appointed during 2009.

The current members of the Council have been in post for many years and have acquired in-depth knowledge of the work of AKF (UK) and Aga Khan Development Network (AKDN) as a whole. The annual AKF budget meeting involves the production of comprehensive information, including a progress report on all significant activities, an update on performance against annual budgets and update on the programmes. This process ensures that the Board, which includes a number of the members of the Council, is kept abreast of the ongoing activities of the AKF (UK). In view of this, there is no particular need for additional ongoing training for the members of the Council.

When a new National Committee member is appointed, a formal induction is arranged. New members are briefed about how AKF (UK) engages in its different roles, the objectives and expectations of AKF (UK) and the role of the National Committee to help achieve those objectives. The National Committee comprises members from different walks of life and represents a mix of skills in management, accounting, communications and healthcare.

Organisation

The Council, which can have up to seven members, governs AKF (UK). A Chief Executive Officer is appointed by the Council in connection with the day to day operations of AKF (UK). The Council meets twice a 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 reports to the National Committee.

The National Committee meets quarterly and, to facilitate effective support, has established two sub-committees. The first sub-committee supports the finance and administration of AKF (UK). The other sub-committee supports the communication, awareness raising and fund raising initiatives of AKF (UK). The skills and experience of both these sub-committees have helped AKF (UK) to become more robust in its efforts and in achieving its objectives.

Risk management

Members of the Council, through AKF (UK)'s National Committee and AKF (UK)'s CEO, annually assess the major risks to which AKF (UK) is exposed, in particular those related to its operations and finance. Some of the risks to which AKF (UK) is exposed are

- Reliance on sizeable and traditional donors,
- The potential impact of the global economic situation on the overall availability of funding for work that has historically been supported by donors,
- Donor guidelines not adhered to by the implementing agencies

Report of the Council *(continued)*

The first and second risks are mitigated by cultivating new donor relationships to increase the donor portfolio and ensuring that current relationships are maintained. The third risk is mitigated through enhanced communications with the field and sharing independent evaluations, donor assessment of programmes etc. Aga Khan Foundation Geneva (AKF Geneva) utilises internal audits to monitor all the grants and compliance with donor guidelines for all AKF field units. AKF (UK) is satisfied that appropriate systems are in place to mitigate AKF (UK)'s exposure to major risks.

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 require to be disclosed in this report.

Objective and activities

Principal activities

AKF (UK) is a registered charity and an affiliate of the international Aga Khan Foundation and part of the AKDN. Its principal activity is to promote and provide for the advancement of education, health, rural development, the environment and support to civil society organisations for the public benefit.

International programme

AKF (UK) has established long term relationships with significant institutional donors including the European Commission (EC), the Department for International Development (DFID), a number of agencies of the German and Norwegian Governments, the Swedish International Development Agency (SIDA), Johnson & Johnson (J&J) and also with various other charities and foundations. The primary role of AKF (UK) is to secure grants from European, Japanese and multilateral donors to support various AKDN and other projects in East Africa, West Africa, Central Asia and South Asia. AKF (UK) has secured grants for various themes including health, education, and rural development and AKF field offices are working with the beneficiaries to implement these grants.

Fundraising

AKF (UK) raises funds through various fundraising campaigns and events to support its development programmes. These events and campaigns are aimed towards increasing awareness of the work of AKF (UK) and AKDN and to raise funds to support the ongoing projects and new initiatives.

Achievements and performance

During the year, AKF (UK) secured 11 new grants totalling approximately £2.7 million. Five grants were secured from the EC (including European Commission's Humanitarian Aid Office) worth £1.6 million for Afghanistan, India, Mozambique, Pakistan and Tanzania. Also, AKF (UK) secured approximately £0.5 million for Syria and Egypt partnership with Johnson & Johnson. A grant of £0.6 million was secured from Oxfam Novib to enhance and sustain economic development of micro, small and medium enterprises in Tajikistan being an extension of phase I, which ended in 2008.

In addition to its own direct fundraising activities during 2009, AKF (UK) helped field units to secure some very significant grants from European donors for which AKF (UK) is the primary interface and with whom it has historical relationships. A total of 20 grants with a total value of approximately £9.8 million were obtained from a wide range of donors, including the EC and a number of German Government and Norwegian Government institutions.

AKF (UK) received donations of over £5.3 million for institutional development, these contributions were made primarily in commemoration of the Golden Jubilee of the accession of His Highness the Aga Khan.

AKF (UK) also held the bi-annual Partnership Walk and Run in July 2009 in Regent's Park that brought together over 5,000 walkers, runners and supporters. Total gross funds raised exceeded £575,000 and are being directed to support projects in India, Kyrgyz Republic and Madagascar relating to health, education and rural development respectively.

Report of the Council *(continued)*

Financial review

The balance sheet values of the assets held at the year end are, in the opinion of the members of the Council, as stated in the accounts. In the opinion of the members of the Council, adequate assets are available to fulfil the 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 9.

(i) Incoming resources:

During the year, the total incoming resources decreased by 37% (2008 increased by 67%). The principal reason is the decrease in institutional development donations, which accounted for 53% of the total decrease.

During the year, AKF (UK)'s most significant category of incoming resource was government and donor agencies and private donations for social development programmes, which contributed £8,183,410 (2008 £9,743,678) which is 54% of total incoming resources (2008 41%). AKF (UK)'s principal donor in 2009 was the EC, which contributed £4,110,376 (2008 £6,960,299) which is 50% (2008 71%) of the total resources generated for social development programmes. Note 7 to the financial statements include an analysis of the composition of the donors for the social development programmes.

The second major category of income was institutional development donations, which contributed £5,336,683 (2008 £10,043,914), representing 35% (2008 41%) of the total incoming resources. Out of the total income of Institutional development, £4,853,844 (2008 £9,124,091) was received from individuals and corporate donors towards His Highness' Golden Jubilee, which was launched in July 2007.

AKF (UK) received £1,423,779 (2008 £1,055,000) from AKF Geneva for core costs and communications and awareness raising activities, which is 9% (2008 4%) of total incoming resources.

The other incoming resource category is the donations for social and cultural centres which totalled £442,344 (2008 £268,344) this is 3% (2008 1%) of the total incoming resources. This is made up of donations received from individuals and corporate donors for cultural centres in the UK. AKF (UK) also generated investment income of £260,363 (2008 £587,275) from bank deposits, which is 2% (2008 2%) of total incoming resources. The total increase was offset by the exchange loss on revaluation foreign currency of £512,471 (2008 gain of £1,554,937).

(ii) Resources expended

During the year, the total expenditure increased by 80% (2008 increased by 7%). The most significant expenditure related to institutional development, on which £13,079,286 (2008 £989,908) was expended during the year, representing 58% (2008 8%) of the total expenditure. It includes funding for projects for The Institute of Ismaili Studies (IIS) in the UK, Aga Khan University in Pakistan and various other international projects.

The other main category of resources expended was the social development programmes amounting to £8,612,149 (2008 £10,810,392) which is 38% (2008 86%) of the total expenditure. It includes expenditure on the programme by the field units amounting to £9,925,213, an allocation of core costs of £786,445 and expenditure on the UK programme of £98,734. Details are provided in Note 8 to the Financial Statement.

The expenditure related to social and cultural centres of £597,109 (2008 £667,504) was mainly represented by the depreciation charge for cultural centres owned by AKF (UK) of £585,815 (2008 £659,290). The expenditure on social and cultural centres is 3% (2008 5%) of the total expenditure.

The other expenditure category totalling £193,764 (2008 £69,933) included the costs related to Partnership Walk and Run, costs of awareness presentations, producing communication materials and governance costs, which constitute 1% (2008 1%) of the total expenditure.

(iii) 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 (that is 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 2009 was £242,000 and anticipates that the target level of free reserves at 31 December 2010 will be approximately £280,000. As at 31 December 2009, out of the total reserve of £439,650, £109,199 represented fixed

Report of the Council *(continued)*

assets and investments and the balance of £330,451 represented actual free reserves. This was therefore above the target level. Management is monitoring the free reserves on a regular basis to align the actual free reserves and the target level of free reserves.

AKF (UK) has established a policy whereby the level of its designated reserves for social development projects should be sufficient to meet commitments on an annual basis. At 31 December 2009, out of a total balance of designated funds of £30,274,027, £18,076,194 represented designated funds for properties held by AKF (UK) as part of its charitable activities for social and cultural purposes. The balance of £12,197,833 represented the designated fund for social and institutional development projects, which was sufficient to cover the project commitments already incurred in respect of the next four years. In order to maintain the level of such reserves, AKF (UK) undertakes events to raise awareness of its work and thereby seek support, for example through sponsorships and commitments on a long-term basis.

AKF (UK) has considered its reserves and donations in the context of the current economic climate. As far as the administration funds are concerned, these are covered by receipts from AKF Geneva on the basis of approved budgets. In respect of individual donations and grants from institutions, AKF (UK) has carefully evaluated the trends over the last 12 months and considers it is not currently being significantly adversely affected by the current economic climate. At present, future plans are based on the assumption that AKF (UK) will continue to source a similar level of funds as in the recent past for the foreseeable future.

(iv) Grant making policy

AKF (UK) seeks to promote sustainable and equitable social development by encouraging innovative approaches to selected generic problems and by supporting these approaches through grants to organisations that share its goals. These organisations are primarily agencies of AKDN and organisations selected by those agencies in the field based on common approaches, goals and objectives. AKF (UK) works very closely with grantees in the design, implementation and evolution of projects with the aim of creating a critical mass of focused and innovative projects, complementing each other within and across sectors, in order to make a significant contribution to social development.

(v) Investment policy

The Council has the power to invest in such assets as it sees fit. The Council is 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 sub-committee reviews the placements every month and decides the appropriate placement periods on the basis of available funds and their intended use.

Future plans

AKF (UK) is aiming to secure a significant increase in level of grants in 2010. AKF (UK) strengthened relationships with German and Norwegian Government donor agencies are expecting to yield material increase in grants. AKF (UK) is also pursuing a number of multilateral donors for partnerships in various existing and new AKDN initiatives and projects.

AKF (UK) is continuously working with field units to support them in securing grants directly from European and multilateral donors. To facilitate this, AKF (UK) provides contact information as well as technical knowledge to the field units. AKF (UK) also assists with 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.

Disclosure of information to auditors

The members of the Council at the date of approval of this Report of the Council confirm that, so far as they are aware, there is no relevant audit information of which AKF (UK)'s auditors are unaware, and the members of the Council have 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 auditors are aware of that information.


Report of the Council *(continued)*

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed, and KPMG LLP will therefore continue in office

By order of the Council

Maitre Andre Ardoin

A handwritten signature in black ink, appearing to be 'A. Ardoin', written over the printed name 'Maitre Andre Ardoin'. The signature is stylized with a large 'A' and a long horizontal stroke.

Member of the Council

4th October 2010

Statement of responsibilities of the members of the Council in respect of the Report of the Council and the financial statements

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

Company law requires the members of the Council to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the members of 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the members of the Council are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in its activities.

The members of the Council are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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



KPMG LLP

1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

Independent Auditors' Report to the Members of Aga Khan Foundation (United Kingdom)

We have audited the financial statements of Aga Khan Foundation (United Kingdom) for the year ended 31 December 2009 set out on pages 10 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members of the Council and auditors

The Council Members (who are also directors of the company for the purposes of company law) responsibilities for preparing the Report of the Council and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of responsibilities of the members of the Council on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with UK General Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Report of the Council is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable Company has not kept adequate accounting records, if the charitable Company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Report of the Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Members of Aga Khan Foundation (United Kingdom) (Continued)

Opinion

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 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Report of the Council is consistent with the financial statements

A Mead

A Mead (Senior Statutory Auditor)

11 October 2010

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Statement of financial activities
for the year ended 31 December 2009

| | Notes | Unrestricted Funds | | Restricted Funds | Total 2009 | Total 2008 |
|--|-------|--------------------|--------------------|------------------|--------------------|-------------------|
| | | General Funds | Designated Funds | | | |
| | | £ | £ | £ | £ | £ |
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | | | | | | |
| Grants and donations received for | | | | | | |
| Social development programmes | 7 | - | 964,909 | 7,218,501 | 8,183,410 | 9,743,678 |
| Institutional development | 8 | - | 5,336,683 | - | 5,336,683 | 10,043,914 |
| Social and cultural centres | | - | 442,344 | - | 442,344 | 268,344 |
| Core costs | | 1,230,015 | - | - | 1,230,015 | 985,067 |
| Communications and awareness raising | | 193,764 | - | - | 193,764 | 69,933 |
| Investment income | | - | 260,363 | - | 260,363 | 587,275 |
| Other incoming resources | | | | | | |
| Gain on sale of fixed assets | | - | - | - | - | 756,202 |
| Exchange gain/(loss) | | 431 | (648,904) | 136,002 | (512,471) | 1,554,937 |
| Total incoming resources | | 1,424,210 | 6,355,395 | 7,354,503 | 15,134,108 | 24,009,350 |
| Resources expended | | | | | | |
| Costs of generating funds | | | | | | |
| Costs of generating voluntary income | | - | 104,127 | - | 104,127 | - |
| Charitable activities | | | | | | |
| Social development programmes | 9 | | | | | |
| - International | | 1,003,679 | 160,227 | 7,359,689 | 8,523,595 | 10,650,151 |
| - UK | | 44,073 | 44,481 | - | 88,554 | 160,241 |
| Institutional development | | 81,201 | 12,998,085 | - | 13,079,286 | 989,908 |
| Social and cultural centres | | 7,246 | 589,863 | - | 597,109 | 667,504 |
| Communications and awareness raising | | 193,764 | - | - | 193,764 | 69,933 |
| Governance costs | 4 | 50,055 | - | - | 50,055 | 57,470 |
| Total resources expended | | 1,380,018 | 13,896,783 | 7,359,689 | 22,636,490 | 12,595,207 |
| Net movement in funds | | 44,192 | (7,541,388) | (5,186) | (7,502,382) | 11,414,143 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 395,458 | 37,815,415 | 5,186 | 38,216,059 | 26,801,916 |
| Total funds carried forward | | 439,650 | 30,274,027 | - | 30,713,677 | 38,216,059 |

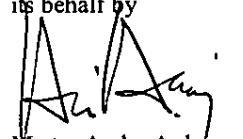
All of the above results are derived from continuing activities. All gains and losses recognised in the year are included in the above.

The notes on pages 13 to 25 form part of these financial statements.

Balance sheet
at 31 December 2009

| | Notes | 2009 £ | 2008 £ |
|--|-------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible assets | 10 | 18,185,492 | 18,675,216 |
| Investments | 11 | 1 | 1 |
| | | <u>18,185,493</u> | <u>18,675,217</u> |
| Current assets | | | |
| Debtors | 12 | 1,535,060 | 752,877 |
| Cash at bank and in hand | 17 | 11,406,089 | 19,176,687 |
| | | <u>12,941,149</u> | <u>19,929,564</u> |
| Creditors amounts falling due within one year | 13 | <u>(412,865)</u> | <u>(388,622)</u> |
| Net current assets | | <u>12,528,284</u> | <u>19,540,942</u> |
| Net Assets | | <u>30,713,777</u> | <u>38,216,159</u> |
| Share capital and reserves | | | |
| Called up share capital | 21 | 100 | 100 |
| Funds. | | | |
| Unrestricted funds | | | |
| General funds | 20 | 439,650 | 395,458 |
| Designated funds | 20 | 30,274,027 | 37,815,415 |
| Restricted funds | 20 | - | 5,186 |
| | | <u>30,713,777</u> | <u>38,216,159</u> |

The financial statements on pages 10 to 25 were approved by the Council on 4th October 2010 and were signed on its behalf by


Maitre Andre Ardon
Member of the Council

Cash flow statement

For the year ended 31 December 2009

| | Notes | 2009 £ | 2008 £ |
|---|-----------|-------------------|-------------------|
| Net cash inflow from continuing operating activities | <i>16</i> | (7,945,732) | 10,708,243 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 298,912 | 548,726 |
| Capital Expenditure | | | |
| Payments to acquire tangible fixed assets | | (123,778) | (4,803) |
| Receipts from sale of tangible fixed assets | | - | 813,253 |
| Increase/(Decrease) in cash and cash equivalents | <i>17</i> | (7,770,598) | 12,065,419 |
| Net cash resources at 1 January | | 19,176,687 | 7,111,268 |
| Net cash resources at 31 December | | <u>11,406,089</u> | <u>19,176,687</u> |

The notes on pages 13 to 25 form part of these financial statements

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting & Reporting by Charities" (revised 2005), Companies Act 2006 and applicable Accounting Standards

Funds

General funds are unrestricted funds available for use at the discretion of the Council in furtherance of the general objectives of the Company 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 the Company as part of its charitable activities for social and cultural 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 the Company at the time of the donation. Fixed assets with an acquisition cost of less than US dollar 5,000 are not capitalised

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows

| | % |
|--------------------------------|--|
| Freehold buildings | 2 |
| Leasehold buildings | amortised over the period of the lease |
| Property fixtures and fittings | 15 |
| Office furniture and equipment | 15 |
| Computer equipment | 33.3 |

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term

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 or at a contracted rate, if applicable

Exchange gains or losses are included in the statement of financial activities

Pension costs

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

The pension costs for the year were £29,787 (2008 £26,842) at the year end there were £11,691 (2008 £nil) of outstanding pensions expenses included in accruals

Notes (continued)

1 Principal accounting policies (continued)

Incoming resources

Grants and donations received represent those received from AKF Geneva, aid agencies and other donors

These revenues are accounted for on a receipts basis, as there is no material difference between this and accounting for them on a receivable basis

Resources expended

Grants made and all expenditures are recorded on an accrual 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 the Company. Expenditure under designated funds is incurred to provide support to social development and institutional development projects and in respect of properties held by the Company as part of its charitable activities for social and cultural purposes. Expenditure under restricted funds is allocated specifically to the related projects.

2 Council Members' emoluments

No emoluments were paid to, nor reimbursement of expenses received by Council members for their duties (2008 £nil)

3 Employee information

| | 2009 £ | 2008 £ |
|--------------------------|----------------|----------------|
| Gross wages and salaries | 490,493 | 386,144 |
| Social security costs | 61,467 | 48,702 |
| Pension costs | 29,787 | 26,842 |
| Other benefits | 50,005 | 19,785 |
| | <u>631,752</u> | <u>481,473</u> |

One senior employee earned between £70,001 and £80,000 (2008 nil) and one employee between £90,000 and £110,000 (2008 1) respectively. A pension contribution of £11,911 was made for one employee during the year.

None of the directors received any emoluments during the year (2008 £nil)

The average number of full time equivalent staff employed by the Company during the year is set out below

| | 2009 Number | 2008 Number |
|----------------------------------|----------------|----------------|
| Administration and communication | 6 | 6 |
| Grant administration | 5 | 4 |
| | <u>11</u> | <u>10</u> |

Notes (continued)

4. Governance Costs

The governance costs of the Company consisted of the following direct and indirect costs

| | Total 2009 £ | Total 2008 £ |
|--------------------------------|-----------------------------|-----------------------------|
| Audit fee | 13,850 | 13,250 |
| Legal and professional charges | 4,372 | 3,862 |
| Support costs allocated | 31,833 | 40,358 |
| | 50,055 | 57,470 |

5. Resources Expended

Resources expended figures for the year are stated after charging the following costs

| | 2009 £ | 2008 £ |
|---|-------------------|-------------------|
| Depreciation | 613,502 | 665,992 |
| Audit fee – audit of these financial statements | 13,850 | 13,250 |

6. Support costs

The support costs of the Company consisted of three cost elements. Support costs are allocated on a basis consistent with the use of resources

| | Human Resources £ | Office Expense and Information Technology £ | Travel Expenses £ | Total 2009 £ | Total 2008 £ |
|--------------------------------------|----------------------------------|--|----------------------------------|-----------------------------|-----------------------------|
| Unrestricted funds | | | | | |
| Social development programmes | | | | | |
| - International | 495,670 | 273,196 | 234,813 | 1,003,679 | 724,938 |
| - UK | 24,230 | 11,601 | 8,242 | 44,073 | 61,507 |
| Institutional development | 49,924 | 23,903 | 7,374 | 81,201 | 63,253 |
| Social and cultural centres | 4,460 | 2,135 | 651 | 7,246 | 7,319 |
| Communications and awareness raising | 103,576 | 63,349 | 26,839 | 193,764 | 69,933 |
| Governance costs | 27,981 | 3,684 | 168 | 31,833 | 40,358 |
| | 705,841 | 377,868 | 278,087 | 1,361,796 | 967,308 |

Notes (continued)

7 Grants and donations received for social development programmes

| | Designated Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|--|--------------------------|--------------------------|--------------------|--------------------|
| Belgian Ministry of Foreign Affairs | - | 427,187 | 427,187 | 326,356 |
| Comic Relief | - | 98,351 | 98,351 | 98,451 |
| Department for International Development – PPA Grant | - | 1,217,500 | 1,217,500 | 765,000 |
| European Commission (including ECHO) | - | 4,110,376 | 4,110,376 | 6,960,299 |
| Gesellschaft für Technische Zusammenarbeit GmbH | - | - | - | 230,370 |
| Johnson & Johnson | - | 679,731 | 679,731 | 126,075 |
| Oxfam Novib | - | 272,414 | 272,414 | 71,370 |
| Pro Victimis Foundation | - | 75,650 | 75,650 | 211,400 |
| Swedish International Development Cooperation Agency | - | 337,292 | 337,292 | 474,106 |
| Other donations | 964,909 | - | 964,909 | 480,251 |
| Total grants and donations received | 964,909 | 7,218,501 | 8,183,410 | 9,743,678 |

8. Grants and donations made for social development programmes

| | Designated Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|---|--------------------------|--------------------------|--------------------|--------------------|
| Afghanistan | | | | |
| Provision of Safe Drinking Water Supply and Sanitation in Afghanistan - <i>Aga Khan Foundation, Afghanistan</i> | - | - | - | 57,402 |
| Promoting Food Security, Regional Cooperation and Stability in Badakhshan, Afghanistan - <i>Aga Khan Foundation, Afghanistan</i> | - | - | - | 242,946 |
| Improving Agriculture based Livelihoods through Integrated Crop Management (ICM) - <i>Aga Khan Foundation, Afghanistan</i> | - | 442,808 | 442,808 | - |
| Community Based Disaster Risk Management in Badakhshan Province, Afghanistan, Phase I - <i>Focus Humanitarian Assistance, Afghanistan</i> | - | 55,048 | 55,048 | 65,413 |
| Civil Society Programme, Afghanistan - <i>Aga Khan Foundation, Afghanistan</i> | - | 90,489 | 90,489 | 108,818 |
| Belgium Govt -Enterprise Development for Improved Livelihoods in Northern Afghanistan (Takhar and Badakhshan Provinces) - <i>Aga Khan Foundation, Afghanistan</i> | - | - | - | 322,669 |
| BBC World Service Trust Programme - <i>BBC</i> | 33,220 | - | 33,220 | 28,598 |
| Provision of assistance to cover essential needs in Baghlan and Takhar, Afghanistan - <i>Aga Khan Foundation, Afghanistan</i> | - | - | - | 326,891 |
| FMIC Kabul - <i>Aga Khan University</i> | - | - | - | 50,000 |
| Community Based Disaster Risk Management in Badakhshan Province, Afghanistan, Phase II - <i>Focus Humanitarian Assistance, Afghanistan</i> | - | 119,439 | 119,439 | - |
| Fostering food security for flood affected vulnerable households in Badakhshan, Afghanistan - <i>Focus Humanitarian Assistance, Afghanistan</i> | - | 62,496 | 62,496 | - |
| Total for Afghanistan programmes | 33,220 | 770,280 | 803,500 | 1,202,737 |

Notes (continued)

8 Grants and donations made for social development programmes (continued)

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| East Africa | | | | |
| Community based Early Childhood Education, Kenya - <i>Madrasa Resource Centre, Kenya</i> | 200 | 65,506 | 65,706 | 26,023 |
| Community based Early Childhood Education, Uganda - <i>Madrasa Resource Centre, Uganda</i> | - | 65,506 | 65,506 | 2,525 |
| Community based Early Childhood Education, Tanzania - <i>Zanzibar Madrasa Resource Centre</i> | - | 65,506 | 65,506 | 25,245 |
| Enhancement of Universal Primary Education and Community, Uganda - <i>Aga Khan Education Service, Uganda</i> | - | 98,351 | 98,351 | 98,451 |
| Advanced Nursing Studies, East Africa - <i>Aga Khan University Hospital, East Africa</i> | - | 275,126 | 275,126 | 95,931 |
| Coastal Rural Support Programme, Kenya - <i>Aga Khan Foundation, Kenya</i> | - | - | - | 25,000 |
| Raha Leo Community Health Programme, Zanzibar - <i>Aga Khan Foundation, Tanzania</i> | - | 52,405 | 52,405 | - |
| Civil Society Programme, East Africa - <i>Aga Khan Foundation, Kenya, Uganda & Tanzania</i> | - | 399,482 | 399,482 | 267,399 |
| Upgrading the dental facility in Dar in Tanzania - <i>Aga Khan Health Services, Tanzania</i> | - | - | - | 55,301 |
| Safe Motherhood in Kenya Improving Maternal and Child Health in Cost province - <i>Aga Khan Health Services, Tanzania</i> | 25,346 | - | 25,346 | |
| Total for East Africa programmes | 25,546 | 1,021,882 | 1,047,428 | 595,875 |
| Egypt | | | | |
| Support initiatives in community health and ECD in Al Darb Al Ahmer, a poor neighbourhood in Cairo and to advance programmes in nurse education and training and ECD in Aswan - <i>Aga Khan Foundation, Egypt</i> | - | 15,427 | 15,427 | - |
| Support initiatives in community health & ECD in Al Darb Al Ahmer - <i>Aga Khan Foundation, Egypt</i> | - | 15,427 | 15,427 | - |
| J&J CSR mission to make life changing, longterm differences, in human health by targeting, through community engagement, the world's major health related issues (ADAA & Aswan) - <i>Aga Khan Foundation, Egypt</i> | - | 30,855 | 30,855 | - |
| Total for Egypt programme | - | 61,709 | 61,709 | - |

Notes (continued)

8. Grants and donations made for social development programmes (continued)

| | Unrestricted Funds | Restricted Funds | Total 2009 | Total 2008 |
|--|-----------------------|---------------------|------------------|------------------|
| | £ | £ | £ | £ |
| India | | | | |
| Sustainable Community-based Approaches to Livelihoods Enhancement | - | 3,309,386 | 3,309,386 | 3,254,167 |
| - <i>Aga Khan Rural Support Program, India</i> | | | | |
| - <i>Development Support Centre</i> | | | | |
| - <i>Association for Rural Advancement Through Voluntary Action and Local Involvement</i> | | | | |
| South Asian Earthquake Reconstruction | - | 6,835 | 6,835 | 56,215 |
| - <i>Aga Khan Foundation, India</i> | | | | |
| Building Disaster Reliant Communities through Creating a Culture of Safety in Schools, Gujarat, India | - | 2,630 | 2,630 | |
| - <i>Focus Humanitarian Assistance, India</i> | | | | 36,785 |
| Enhancing Disaster Resilience and Promoting a culture of safety among vulnerable communities of Rural Gujarat in India | - | 168,099 | 168,099 | - |
| - <i>Focus Humanitarian Assistance, India</i> | | | | |
| Total for India programmes | - | 3,486,950 | 3,486,950 | 3,347,167 |
| Kyrgyz Republic | | | | |
| Civil Society Programme, Kyrgyz Republic | - | 239,057 | 239,057 | 94,055 |
| - <i>Aga Khan Foundation, Kyrgyz Republic</i> | | | | |
| Total for Kyrgyz Republic programme | - | 239,057 | 239,057 | 94,055 |
| Mali | | | | |
| Civil Society Programme, Mali | - | 86,649 | 86,649 | 73,850 |
| - <i>Aga Khan Foundation, Mali</i> | | | | |
| Total for Mali programme | - | 86,649 | 86,649 | 73,850 |

Notes (continued)

8. Grants and donations made for social development programmes (continued)

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Pakistan | | | | |
| Institute of Educational Development | - | - | - | 743,564 |
| - <i>Institute of Educational Development Pakistan</i> | | | | |
| Northern Pakistan Education Project | - | - | - | 2,029,506 |
| - <i>Aga Khan Education Service, Pakistan</i> | | | | |
| - <i>Aga Khan Rural Support Programme, Pakistan</i> | | | | |
| Disaster preparedness and Risk Management Project in Mountain Districts of Northern Pakistan | - | - | - | 53,028 |
| - <i>Aga Khan Foundation, Pakistan</i> | | | | |
| - <i>Focus Humanitarian Assistance, Pakistan</i> | | | | |
| Civil Society Programme, Pakistan | - | 129,332 | 129,332 | 69,813 |
| - <i>Aga Khan Foundation, Pakistan</i> | | | | |
| Building Local Leadership and Mainstreaming Disaster Risk Reduction in Northern Pakistan | - | - | - | 103,462 |
| - <i>Aga Khan Foundation, Pakistan</i> | | | | |
| - <i>Focus Humanitarian Assistance Pakistan</i> | | | | |
| South Asian Earthquake Reconstruction | - | 69,997 | 69,997 | 176,476 |
| - <i>Aga Khan Foundation, Pakistan</i> | | | | |
| Strengthening Partnerships for Disaster preparedness and response in Mountainous Areas | - | 227,996 | 227,996 | - |
| - <i>Focus Humanitarian Assistance, Pakistan</i> | | | | |
| | 27,400 | - | 27,400 | - |
| Total for Pakistan programmes | 27,400 | 427,325 | 454,725 | 3,175,849 |
| Portugal | | | | |
| Early childhood education grant | - | 36,593 | 36,593 | - |
| - <i>Aga Khan Foundation, Portugal</i> | | | | |
| Total for Portugal programme | - | 36,593 | 36,593 | - |
| Syria | | | | |
| Improving the well being of the community through health and ECD initiatives | - | 61,710 | 61,710 | - |
| - <i>Aga Khan Foundation, Syria</i> | | | | |
| Total for Syria programme | - | 61,710 | 61,710 | - |

Notes (continued)

8. Grants and donations made for social development programmes (continued)

| | Unrestricted Funds £ | Restricted Funds £ | Total 2009 £ | Total 2008 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Tajikistan | | | | |
| Humanitarian Assistance (Food Aid, Food Security, Water Supply & Sanitation) | - | - | - | 18,862 |
| - Mountain Societies Development Support Programme, Tajikistan | | | | |
| - Aga Khan Foundation, Tajikistan | | | | |
| Fostering Disaster Resilient Communities in Isolated Mountain Areas, Tajikistan Phase III & V | - | 74,611 | 74,611 | 408,993 |
| - FOCUS Humanitarian Assistance -USA | | | | |
| Income Generation and Strengthening of Civil society Activities, Tajikistan | - | - | - | 71,429 |
| - Mountain Societies Development Support Programme, Tajikistan | | | | |
| Tajikistan Governance and Livelihoods Project- Phase 2 | - | 328,026 | 328,026 | 493,937 |
| - Mountain Societies Development Support Programme, Tajikistan | | | | |
| Civil Society Programme, Tajikistan | - | 272,491 | 272,491 | 151,065 |
| - Aga Khan Foundation, Tajikistan | | | | |
| Partnering for Education Reform in GBAO, Tajikistan | - | 220,670 | 220,670 | 291,394 |
| - Aga Khan Foundation, Tajikistan | | | | |
| | 74,061 | 271,736 | 271,736 | - |
| Total for Tajikistan programmes | 74,061 | 1,167,534 | 1,241,595 | 1,435,680 |
| Support costs – International programmes | 1,003,679 | - | 1,003,679 | 724,938 |
| Total International programmes including support costs | 1,163,906 | 7,359,689 | 8,523,595 | 10,650,151 |
| United Kingdom | | | | |
| Social Inclusion Studies – Self administered project | 44,481 | - | 44,481 | 98,734 |
| Support costs – UK programmes | 44,073 | - | 44,073 | 61,507 |
| Total for UK programmes | 88,554 | - | 88,554 | 160,241 |
| Total grants and donations for social development programmes | 1,252,460 | 7,359,689 | 8,612,149 | 10,810,392 |

Notes (continued)

9. Grants and donations for Institutional development programmes

Included in the total expenditure in this category, donations of £7,896,777 were made to AKF (UK)'s Parent, AKF Geneva for various international projects of the Aga Khan Development Network

Further, grants totalling £4,555,406 were made to IIS which is a subsidiary of AKF Geneva for their educational programmes

10. Tangible fixed assets

| | Freehold land and buildings £ | Long leasehold land and buildings £ | Property fixtures and fittings £ | Office furniture and equipment £ | Total £ |
|---------------------------|-------------------------------------|--|--|--|------------|
| Cost | | | | | |
| At 1 January 2009 | 28,095,520 | 24,003 | 1,707,013 | 129,046 | 29,955,582 |
| Additions | - | - | - | 123,778 | 123,778 |
| Disposals during the year | | | | (78,687) | (78,687) |
| At 31 December 2009 | 28,095,520 | 24,003 | 1,707,013 | 174,137 | 30,000,673 |
| Depreciation | | | | | |
| At 1 January 2009 | 9,498,305 | 8,077 | 1,658,145 | 115,839 | 11,280,366 |
| Charge for the year | 561,911 | 286 | 23,618 | 27,687 | 613,502 |
| Disposals during the year | | | | (78,687) | (78,687) |
| At 31 December 2009 | 10,060,216 | 8,363 | 1,681,763 | 64,839 | 11,815,181 |
| Net book value | | | | | |
| At 31 December 2009 | 18,035,304 | 15,640 | 25,250 | 109,298 | 18,185,492 |
| At 31 December 2008 | 18,597,215 | 15,926 | 48,868 | 13,207 | 18,675,216 |

All assets are held for charitable purposes

11. Investments

The Company owns one ordinary share of £1 (1% of the issued and paid up share capital) in the IIS, which is incorporated in England

Notes (continued)

12. Debtors

| | 2009 £ | 2008 £ |
|--------------------------|------------------|----------------|
| Inter-company debtors | 5,909 | 2,695 |
| Capital work-in-progress | 513,837 | 2,421 |
| Accrued income | 367,058 | 539,049 |
| Interest receivable | - | 38,549 |
| Other debtors | 648,256 | 170,163 |
| | <u>1,535,060</u> | <u>752,877</u> |

13 Creditors

| | 2009 £ | 2008 £ |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Trade creditors | 55,199 | 30,782 |
| Payroll Taxes | 21,841 | 19,742 |
| Accruals | 25,541 | 70,567 |
| Repayable to Agency Donors and Projects | - | 2,619 |
| Other creditors | 310,284 | 264,912 |
| | <u>412,865</u> | <u>388,622</u> |

14. Taxation

The Company is a registered charity and is not liable to taxation on its charitable activities. Tax deducted under gift aid donations is reclaimed by the Company.

15. Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £29,787 (2008 £26,842).

16. Reconciliation of net movement in resources to net cash inflow from operating activities

| | 2009 £ | 2008 £ |
|---|--------------------|-------------------|
| Net movement in resources for the year | (7,502,382) | 11,414,143 |
| Depreciation on tangible fixed assets | 613,502 | 665,992 |
| Transfer from CWIP to fixed asset | - | (66,763) |
| Profit on disposal of tangible fixed assets | - | (756,202) |
| Interest receivable | (260,363) | (548,726) |
| (Increase) / Decrease in debtors | (820,732) | 208,122 |
| Increase / (Decrease) in creditors | 24,243 | (208,323) |
| | <u>(7,945,732)</u> | <u>10,708,243</u> |

Notes (continued)

17. Cash and cash equivalents

| | 2009 £ | 2008 £ |
|---------------------------|-------------|------------|
| Changes in the year | | |
| At 1 January | 19,176,687 | 7,111,268 |
| Net cash (outflow)/inflow | (7,770,598) | 12,065,419 |
| At 31 December | 11,406,089 | 19,176,687 |

18. Lease commitments

At 31 December 2009, the Company had annual commitments under non-cancellable operating leases as follows

| | 2009 Land & Buildings £ | 2009 Other £ | 2008 Land & Buildings £ | 2008 Other £ |
|---|----------------------------------|--------------------|----------------------------------|--------------------|
| Not later than one year | - | - | - | - |
| Later than one year and not later than five years | - | - | - | - |
| Later than five years | 2,938,088 | - | 2,938,088 | - |
| | <u>2,938,088</u> | <u>-</u> | <u>2,938,088</u> | <u>-</u> |

AKF (UK) has a 7 year lease with the Wellcome Trust in respect of office accommodation at 210 Euston Road, London NW1 2DA. The lease was signed on 1 December 2008. This annual rental charge commenced from 1 September 2009 as the terms of the lease included a rent free period from 1 December 2008 to 31 August 2009. AKF (UK) shares the building with the IIS and the Institute for the Study of Muslim Civilisations (ISMC). AKF (UK), IIS and ISMC share premises' costs on the basis of the proportion of the total amount of space that they each use. Accordingly, IIS and ISMC reimburse AKF (UK) for their share of premises' costs on a regular basis.

19. Financial commitments

At 31 December 2009, the Company had capital commitments of £695,546 (2008 £1,164,445) to Imara (UK) Limited in connection with the building of a cultural centre in East London.

Notes (continued)

20 Reconciliation of funds

| | Unrestricted Funds | | Restricted Funds | 2009 Total | 2008 Total |
|--|--------------------|-----------------------|------------------|-------------------|-------------------|
| | General Funds £ | Designated Funds £ | £ | £ | £ |
| Balance at 1 January | 395,458 | 37,815,415 | 5,186 | 38,216,059 | 26,801,916 |
| Movements in year | | | | | |
| Net movement in resources for the year | 44,192 | (7,541,388) | (5,186) | (7,502,382) | 11,414,143 |
| | <u>439,650</u> | <u>30,274,027</u> | <u>-</u> | <u>30,713,677</u> | <u>38,216,059</u> |
| Represented by | | | | | |
| Tangible fixed assets | 109,298 | 18,076,194 | - | 18,185,492 | 18,675,216 |
| Investment | 1 | - | - | 1 | 1 |
| Current assets | 441,109 | 12,266,043 | 233,997 | 12,941,149 | 19,929,564 |
| Current liabilities | (110,658) | (68,210) | (233,997) | (412,865) | (388,622) |
| | <u>439,750</u> | <u>30,274,027</u> | <u>-</u> | <u>30,713,777</u> | <u>38,216,159</u> |
| Share capital | (100) | - | - | (100) | (100) |
| | <u>439,650</u> | <u>30,274,027</u> | <u>-</u> | <u>30,713,677</u> | <u>38,216,059</u> |

21. Called up share capital

| | 2009 £ | 2008 £ |
|--|------------|------------|
| 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 Company undertakes to contribute to the assets of the Company in the event of it being wound up, such amount not exceeding £1. In addition, the Company is precluded from making any distributions to members either by way of a dividend or on a winding up.

22. Ultimate holding company

The ultimate holding company is regarded by the Council members as being the AKF Geneva, which is incorporated in Switzerland, which holds ninety nine percent of the shares of the Company.

23 Related party transactions

The intercompany debtors are the receivables from the holding company and other AKF field offices working as either branches of AKF Geneva or as affiliated units. These debtors represent the amounts paid for travel and other expenditure on behalf of these offices.

Notes *(continued)*

During the year, there were significant transactions with IIS. The total receipts from IIS were £974,902 (2008 Nil) in respect of the reimbursements for the use of AKF (UK)'s rented premises. Also, grants totalling £4,555,406 (2008 72,487) were made in respect of educational programmes of IIS. At the end of the year, there was a receivable of £472,558 (2008 Nil) from IIS in respect of outstanding charges for the use of AKF (UK)'s rented premises and a payable of £16,283 (2008 47,406) in respect of educational programmes of IIS.