

Aga Khan Foundation (United Kingdom)

Report of Council and Financial Statements

31 December 2017

Registered Number 1100897

Registered Charity Number 266518



Contents

Report of the Council and Strategic Report	1
Statement of the Council's responsibilities in respect of the Report of the Council and Strategic Report and the financial statements	8
Independent Auditor's Report to the Members of Aga Khan Foundation (United Kingdom)	9
Statement of Financial Activities, including Income and Expenditure Account	11
Balance Sheet	12
Cash Flow Statement	13
Notes	14

Report of the Council and Strategic Report

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 2017. The Council has adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting & Reporting by Charities” (revised 2015) in preparing the annual report and financial statements.

Reference and administrative information

Members of the Council

The members of the Council at 31 December 2017 were:

His Highness the Aga Khan
Prince Ayn Mohamed Aga Khan
Guillaume de Spoelberch

National Committee

The Council is supported by a National Committee, whose members (who are not directors) at 31 December 2017, were:

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

Secretary

Habib Motani

Chief Executive Officer

Matthew Todd Reed

Registered office

3 Cromwell Gardens
London SW7 2HB

Registered auditor

KPMG LLP
15 Canada Square
London E14 5GL

Bankers

Lloyds Bank plc
39 Threadneedle Street
London EC2R 8AU

Report of the Council and Strategic Report *(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 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 is 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 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 members of the Council. There were no new members of the Council appointed during 2017.

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 the Aga Khan Development Network (hereinafter "AKDN") as a whole. The annual international 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 sub-meetings on specific topics of concern to the Council are scheduled on an as-needed basis. This process ensures that the Council is kept abreast of the on-going activities of AKF (UK) and has a strong understanding of the relationships and transactions between 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.

A new National Committee was appointed on 1 May 2017. 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, 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, legal, communications and healthcare.

Organisation

The Council, which can have up to eight 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 in full, with meetings of its subcommittees 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 worldwide and consideration of the CEO's depth of experience in the sector and role.

Report of the Council and Strategic Report *(continued)*

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.

Objectives and Activities

Principal activities

AKF (UK) is registered as a charity in England, is an affiliate of the international Aga Khan Foundation, and is part of the Aga Khan Development Network. Its principal activities are social development, institutional development and social and cultural activities. These activities promote and provide for the advancement of education, health, rural development, the environment and support to civil society. 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.

Fundraising

AKF (UK)'s fundraising activities are substantially directed at government agencies and institutions and not at the general public. AKF (UK) organises events to increase awareness of its and the AKDN's activities, and donations are from time to time received following such an event. 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 holds a charity walk in some years. Fundraising activities are carried out by AKF(UK) staff or volunteers and one minor complaint was received relating to them during the year.

Social development

The primary role of AKF (UK) 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 from donors for projects implemented by AKDN agencies, managing and reporting on grants, and other associated liaison between donors and implementing agencies. AKF (UK) has established long term relationships with significant institutional donors through Memoranda of Understanding, grant contracts, or their equivalent including with: Asian Development Bank, East African Community (EAC), European Commission (EC), the UK's Department for International Development (DFID), German Development Cooperation, the Norwegian Government, Japan International Cooperation Agency, Johnson & Johnson (J&J) and various other charities, foundations and government agencies.

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. These 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 the quality of life.

Institutional development

In June 2011, AKF (UK) entered into a conditional contract with KCCLP to acquire residential apartments under development in Kings Cross, London. Pursuant to this, in January 2018, AKF UK acquired 25 apartments following practical completion of the building. All the apartments have been sub-let to one company and income from this investment will be used for AKF (UK)'s charitable purposes.

In June 2011, AKF (UK) acquired the option to acquire the leasehold interest in a building known as 'R1' in Kings Cross, London. In April 2016, the option to acquire this building for construction for educational and office use was exercised. In July 2018, AKF (UK) acquired this building, now known as the 'Aga Khan Centre'. It now houses the AKF (UK) offices and the space is also used by the Institute of Ismaili Studies and the Aga Khan University Institute for the Study of Muslim Civilisations as part of AKF (UK)'s educational charitable objectives.

Report of the Council and Strategic Report *(continued)*

Achievements and performance

Social development

AKF (UK) assesses its performance and impact 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 2017, AKF (UK) secured 10 grants to support AKDN and partner programmes in Asia and Africa. The largest grant, for £46.9 million, was secured from DFID.

In addition, AKF (UK) helped other AKDN agencies secure significant grants from European donors with whom AKF (UK) has the primary relationship. A further £43.0 million was obtained for these AKDN agencies from a wide range of partners including the EC, the UK, German, Swedish and Swiss Government institutions as well as from foundation and corporate donors.

Fundraising

A new fundraising initiative was started in 2017 which will raise funds for the next 5 years. The funds raised from this initiative have been allocated to various social, institutional and cultural development programmes

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 on page 12. 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 11.

Income

During the year, the total income increased by 33% to £37.3m (2016: *decreased by 62%*). This was driven principally by an increase in the amount of income from donations, including those from other AKDN affiliates, which were designated for institutional development. In 2017 this was £16.5m (2016: £7.2m).

Income from grants decreased by 4% to £16.9m (2016 *increase by 24% to £17.6m*). 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 the 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 2017 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 2017, total expenditure increased by 39% to £35.0m as a result of an increased value of grant contracts and increased donations designated for institutional development activities (2016: *increased by 29%*).

The excess of income over expenditure in 2017 is due to the fact that a new fundraising initiative was started in 2017 which will raise funds for the next 5 years (2016: *excess*).

The most significant expenditure related to social development, of which £19.6m (2016: £19.8m) was disbursed during the year, benefiting projects implemented by AKDN institutions around the world. For international programmes supported directly through AKF (UK) in 2017, resources expended contributed to significant efforts in education, energy and infrastructure, governance, health and rural development. The largest programmes were implemented in Afghanistan, where £11.1m project expenditure was made (2016: £10.0m), in particular on projects funded by DFID.

Report of the Council and Strategic Report *(continued)*

The other main category of resources expended was institutional development programmes amounting to £14.3m (2016: £4.3m). This includes funding for projects for The Institute of Ismaili Studies (IIS) in the UK, property in King's Cross, London and the Aga Khan University (notes 6, 8 and 18).

The core costs of managing AKF (UK) and administering the resource mobilisation and grants management functions remained static at £1.6m (2016: £1.6m). These core costs are primarily funded by the Aga Khan Foundation Geneva (AKF Geneva). All voluntary income is applied to AKF (UK)'s charitable objectives, especially to programme expenditure on social development projects and institutional development.

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 2017 was £0.3m (2016: £0.3m) and anticipates that the target level of free reserves at 31 December 2018 will be approximately £0.3m. As of 31 December 2017, the total unrestricted general reserve of £0.5m (2016: £0.5m) represented actual free reserves. This was therefore above the target level but the members of the Council expect this to reduce during 2018.

AKF (UK) has established a policy whereby the level of its designated reserves for social and institutional development projects should be sufficient to meet commitments on an annual basis. At 31 December 2017, out of a total balance of designated funds of £92.6m (2016: £89.3m), £17.3m (2016: £18.0m) represented designated funds held by AKF (UK) as part of its charitable activities for social and cultural purposes. The balance of £75.3m (2016: £71.3m) represented the designated funds for social and institutional development projects. In order to maintain the level of such reserves, AKF (UK) undertakes events to raise awareness of AKF (UK) 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 administration costs are concerned, these are covered by donations 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 significantly adversely affected at present by the current economic climate. At present plans are based on the assumption that AKF (UK) will continue to source a similar level of funds as in the recent past and for the foreseeable future and therefore the members of the Council consider AKF(UK) to be a going concern.

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 Committee reviews the placements on a regular basis and decides the appropriate placement periods on the basis of available funds and their intended use.

Report of the Council and Strategic Report *(continued)*

Future plans

In 2018, 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. It will continue to pursue new partnerships and funding opportunities with bi-lateral and multi-lateral donors, especially to deepen its relationships with DFID, the European Commission, and Germany, among other potential partners. AKF (UK) seeks to diversify sources of funding through new partnerships with foundations and corporations.

AKF (UK) works with field units of AKDN to support them in securing grants directly from European, Asian and multi-lateral donors. AKF (UK) is strengthening 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 grow in 2018 and in the future.

Principal Risks and Uncertainties

The Council, assisted by AKF (UK)'s National Committee and AKF (UK)'s CEO, annually assesses the major risks to which AKF (UK) is exposed. 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 are shared with AKF (UK). AKF (UK) is satisfied that appropriate systems are in place to mitigate AKF (UK)'s exposure to major risks.

Report of the Council and Strategic Report *(continued)*

Disclosure of information to auditors

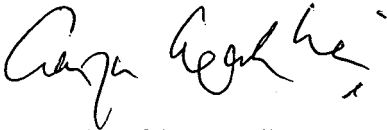
The members of the Council at the date of approval of this Report of the Council and Strategic Report confirm that, so far as they are aware, there is no relevant audit information of which AKF (UK)'s auditor is unaware; and the members of the Council have taken all the steps that they ought to have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

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.

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

Prince Ayn Mohamed Aga Khan



Member of the Council



September 2018

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;
- 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; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- 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.

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

Opinion

We have audited the financial statements of the Aga Khan Foundation (United Kingdom) ("the charitable company") for the year ended 31 December 2017 which comprise the Statement of Financial Activities including Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes, including the principal accounting policies in note 1.

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Report of the Council and Strategic Report

The Council are responsible for the Report of the Council and Strategic Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Report of the Council and Strategic Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Council and Strategic Report;
- in our opinion the information given in the Report of the Council and Strategic Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records 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; or

We have nothing to report in these respects.

Council's responsibilities

As explained more fully in their statement set out on page 8, 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; 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; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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. 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 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 and its members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ian Pennington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square, London, E14 5GL

26th September 2018

Statement of Financial Activities, including Income and Expenditure Account

for the year ended 31 December 2017

	Notes	Unrestricted Funds		Restricted Funds	Total 2017	Total 2016
		General Funds £000	Designated Funds £000	£000	£000	£000
Income						
Income from grants, donations and legacies						
Grants, donations and legacies for:						
Social development programmes	6	-	728	16,898	17,626	18,050
Institutional development	6	-	16,457	-	16,457	7,212
Social and cultural centres		-	-	-	-	51
Communications and awareness raising		328	-	-	328	405
Core costs		1,256	-	-	1,256	1,269
Other income						
Rental income		-	1,547	-	1,547	908
Investment income		8	39	-	47	88
Other income		-	28	-	28	-
Total income		1,592	18,799	16,898	37,289	27,983
Expenditure						
Charitable activities						
Social development programmes	7	1,152	599	17,859	19,610	19,777
Institutional development	8	134	14,139	-	14,273	4,349
Social and cultural centres		20	754	-	774	606
Communications and awareness raising		328	-	-	328	409
Total expenditure		1,634	15,492	17,859	34,985	25,141
Net income / (expenditure) for the year		(42)	3,307	(961)	2,304	2,842
Transfers between funds		-	-	-	-	-
Net expenditure before other recognised gains and losses		(42)	3,307	(961)	2,304	2,842
Net gain/(loss) from foreign exchange		-	(24)	-	(24)	(18)
Net movement in funds		(42)	3,283	(961)	2,280	2,824
Reconciliation of funds						
Total funds brought forward		532	89,322	1,131	90,985	88,161
Total funds carried forward	19	490	92,605	170	93,265	90,985

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 14 to 27 form part of these financial statements.

Balance Sheet
at 31 December 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	9	73,712	72,841
Investments	10	-	-
		<u>73,712</u>	<u>72,841</u>
Current assets			
Debtors	11	1,601	4,733
Cash at bank and in hand	16	19,205	18,520
		<u>20,806</u>	<u>23,253</u>
Creditors: amounts falling due within one year	12	<u>(1,253)</u>	<u>(5,109)</u>
Net current assets		<u>19,553</u>	<u>18,144</u>
Total assets less current liabilities		<u>93,265</u>	<u>90,985</u>
Net Assets		<u>93,265</u>	<u>90,985</u>
Share capital and reserves			
Called up share capital	20	-	-
Funds:			
Unrestricted funds			
General funds	19	490	532
Designated funds	19	92,605	89,322
Restricted funds	19	170	1,131
		<u>93,265</u>	<u>90,985</u>

The financial statements on pages 11 to 27 were approved by the Council on 22 September 2018 and were signed on its behalf by:



Prince Aamyn Mohamed Aga Khan

Member of the Council

Cash Flow Statement
for the year ended 31 December 2017

	<i>Notes</i>	2017 £000	2016 £000
Net cash inflow from continuing operating activities	<i>15</i>	2,248	4,670
Cash flows from investing activities			
Interest received		47	88
Payments to acquire tangible fixed assets		(1,610)	(3,074)
Increase/(decrease) in cash and cash equivalents	<i>16</i>	685	1,684
Net cash at 1 January	<i>16</i>	18,520	16,836
Net cash at 31 December	<i>16</i>	19,205	18,520

The notes on pages 14 to 27 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 charitable company'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 financial statements have been prepared on a Going Concern basis as the members of the Council are satisfied that AKF (UK) will continue its activities. The going concern basis of preparation is appropriate as funding for core costs is secure for the period to 31 December 2018, sufficient reserves are held for on-going operation and the activities of AKF (UK) are supported by funding received from donors.

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 properties to be held by AKF (UK) 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 AKF (UK) at the time of the donation. Fixed assets with an acquisition cost of less than £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	over the period of the lease
Property fixtures and fittings	4%-15%
Office furniture and equipment	4%-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.

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 are recognised when they become receivable and tax reclaimed on gift aid donations is accounted for in the period of the associated gift. Grants receivable 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.

Notes (continued)

1 Principal accounting policies (continued)

Expenditure.

Grants made are recorded on a commitment basis 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 and cultural 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.

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 (2016: £0).

3 Employee information

	2017 £000	2016 £000
Salaries and wages	1,068	904
Social security costs	122	105
Pension costs	55	72
Other benefits	39	41
	<u>1,284</u>	<u>1,122</u>

Senior Management personnel earned total salary and benefits of £537k (2016: £465k) and pension contributions totalling £39k (2016: £47k). None of the directors received any emoluments during the year (2016: £0).

The average number of full time equivalent staff employed by AKF (UK) during the year is set out below:

	2017 Number	2016 Number
Administration and communication	5	7
Grant administration	8	5
Student accommodation	7	5
	<u>20</u>	<u>17</u>

Employees earning above £60,000	2017 Number	2016 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£140,001 - £150,000	-	1
£160,001 - £170,000	-	1
£200,001 - £210,000	1	-

Pension contribution totalling £37K were made for these employees during the year (2016: £72K).

Notes (continued)**4 Expenditure**

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

	2017	2016
	£000	£000
Depreciation (note 9)	739	742
Audit fee – audit of these financial statements	13	19
Auditor's remuneration for non-audit services	4	10
	<u> </u>	<u> </u>

5 Support costs

The support costs of AKF (UK) consisted 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 & Information Technology £000	Travel Expenses £000	Total 2017 £000	Total 2016 £000
Unrestricted funds					
Social development programmes	772	230	150	1,152	1,093
Institutional development	100	30	4	134	142
Social and cultural centres	11	3	6	20	2
Communications and awareness raising	236	70	22	328	409
	<u>1,119</u>	<u>333</u>	<u>182</u>	<u>1,634</u>	<u>1,646</u>

6 Grants and donations received

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Social development programmes				
UK Department for International Development (DFID)	-	11,153	11,153	10,021
European Commission (including ECHO)	-	2,331	2,331	2,731
KfW	-	1,797	1,797	3,157
Johnson & Johnson	-	1,114	1,114	1,222
Porticus Foundation	-	309	309	193
International Fund for Agricultural Development (IFAD)	-	105	105	108
Finnish Ministry for Foreign Affairs	-	-	-	141
Other Donations	728	89	817	477
	<u>728</u>	<u>16,898</u>	<u>17,626</u>	<u>18,050</u>

Notes (continued)

6 Grants and donations received (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Institutional development				
Donations in commemoration of His Highness the Aga Khan's Diamond Jubilee	6,178	-	6,178	-
Donations designated to properties in Kings Cross, London	5,248	-	5,248	4,053
Donations designated to the Institute of Ismaili Studies	3,201	-	3,201	281
Donations designated to the Aga Khan University	1,540	-	1,540	2,531
Other Donations	290	-	290	347
	<u>16,457</u>	<u>-</u>	<u>16,457</u>	<u>7,212</u>

7 Expenditure on social development programmes

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Afghanistan				
DFID GEC STAGES II - Aga Khan Foundation, Afghanistan	-	9,550	9,550	-
DFID GEC STAGES - Aga Khan Foundation, Afghanistan	-	1,513	1,513	10,021
	<u>-</u>	<u>11,063</u>	<u>11,063</u>	<u>10,021</u>
Total for Afghanistan programmes	<u>-</u>	<u>11,063</u>	<u>11,063</u>	<u>10,021</u>
Bangladesh				
Community Based Early Childhood Development for Children of the Garment Sector - Aga Khan Foundation, Bangladesh	29	246	275	213
'Sustainability of Urban Childcare Centres (Pilot) - Aga Khan Foundation, Bangladesh	-	50	50	-
	<u>29</u>	<u>296</u>	<u>325</u>	<u>213</u>
Total for Bangladesh programmes	<u>29</u>	<u>296</u>	<u>325</u>	<u>213</u>

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
East Africa				
Madrasa Resource Centre and Early Childhood Development in East Africa - Aga Khan Foundation, East Africa	-	488	488	-
Early Childhood Development in Tanzania - Aga Khan Foundation, East Africa	-	410	410	-
Enhancing Access to Quality Nursing and Midwifery Education in East Africa - Aga Khan University, East Africa and Aga Khan Health Services, Kenya	-	345	345	269
Horticultural Value Chain Development - Aga Khan Foundation, East Africa and Tanzania Horticultural Association	-	266	266	414
Strengthening Nursing and Midwifery Associations in East Africa - Aga Khan Foundation, East Africa	-	227	227	77
Health Improvement Project, Tanzania - Aga Khan Foundation, East Africa	-	158	158	118
Sustainable Formation of Savings Group in Chiure Cabo Delgado - Aga Khan Foundation, Mozambique	118	-	118	53
Linking Community-based Saving Groups to Formal Financial Services in the West Nile region of Northern Uganda - Aga Khan Foundation, East Africa	72	-	72	96
Supporting the Government of Kenya's Values-Based Education Policy and Practice - Aga Khan Foundation, East Africa	27	-	27	-
Improving Social and Economic Opportunities for Youth in Northern Kenya - Aga Khan Foundation, East Africa	-	-	-	1,395
Promoting Youth Social and Economic Empowerment - Aga Khan Foundation, East Africa	-	-	-	129
The Business of Education in Africa - Caerus Capital LLC	-	-	-	32
Incorporating Cultural Traditions into Multi-input Area Development in the Swahili Coast of Southern Tanzania and Northern Mozambique - Aga Khan Foundation, Mozambique	-	-	-	24
The Healthcare Quality Challenge	-	-	-	16
Stepping Up Efforts to Safe Motherhood and Child Healthcare - Aga Khan University, East Africa	-	-	-	9
Total for East Africa programmes	217	1,894	2,111	2,632
Egypt				
Early Childhood Development - Aga Khan Foundation, Egypt	-	171	171	158
Women & Childhood Development (Cairo), ECD (Aswan), Nursing (Aswan) - Aga Khan Foundation, Egypt	-	-	-	142
Total for Egypt programmes	-	171	171	300

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
India				
Strengthening Participation in Local Governance to Enhance Access to Entitlements and Basic Services by Marginalised Tribal Communities - Aga Khan Rural Support Programme, India	4	-	4	3
Total for India programmes	<u>4</u>	<u>-</u>	<u>4</u>	<u>3</u>
Ivory Coast				
Supportive Caregiving: Reading, Playing and Healthy Living with Children - Aga Khan Foundation, West Africa	-	41	41	-
Total for Ivory Coast programmes	<u>-</u>	<u>41</u>	<u>41</u>	<u>-</u>
Kyrgyz Republic				
Small and Medium Enterprise Growth - Mountain Societies Development Support Programme, Kyrgyz Republic	18	26	44	29
Total for Kyrgyz Republic programmes	<u>18</u>	<u>26</u>	<u>44</u>	<u>29</u>
Tajikistan				
Fostering Disaster Resilience in Isolated Mountain Environments of Tajikistan - Aga Khan Foundation, Tajikistan	58	288	346	-
Safe Drinking Water and Sanitation Management in Tajikistan - Aga Khan Foundation, Tajikistan	120	-	120	-
Mobilising Public-Private Partnerships in Support of Women-led Small Business Development - Aga Khan Foundation, Tajikistan	-	102	102	107
Power Lines in the Barsem Area of GBAO, Tajikistan - Pamir Energy	-	-	-	542
Enhancing Resilience to the Negative Effects of Climate Change Through Improved Water Management in GBAO - Aga Khan Foundation, Tajikistan	-	-	-	141
Integrated Health and Habitat Improvement in the Rasht Valley - Aga Khan Foundation, Tajikistan	-	-	-	134
Improving Livelihoods and Food Security Through Sustainable Natural Resource Management - Aga Khan Foundation, Tajikistan	-	-	-	38
Strengthening Civil Society Capacities for Greater Community Empowerment in Reducing Poverty - Mountain Societies Development Support Programme, Tajikistan	-	-	-	12
Total for Tajikistan programmes	<u>178</u>	<u>390</u>	<u>568</u>	<u>974</u>

Notes (continued)**7 Expenditure on social development programmes (continued)**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Pakistan				
WASH for Life, Pakistan - Aga Khan Foundation, Pakistan, Aga Khan Planning and Building Service, Pakistan, HOPE'87 Pakistan and HOPE'87 Austria	-	475	475	-
Early Education Programmes in Developing Areas of Northern Pakistan - Aga Khan Foundation, Pakistan	-	89	89	-
Deepening Participatory Governance in Gilgit-Baltistan - Aga Khan Rural Support Programme, Pakistan	35	-	35	-
Emergency relief action to provide food, non-food items and essential health services in flood affected areas of Chitral - Aga Khan Foundation, Pakistan	-	33	33	-
Total for Pakistan programmes	35	597	632	-
Cross-Border				
Supporting Cooperation and Opportunities for Regional Economic Development - Aga Khan Foundation Afghanistan, Aga Khan Foundation Tajikistan, AP Tajikistan & Mountain Societies Development Support Programme	-	1,182	1,182	-
Rushan I Cross Border Energy Project - Pamir Energy	-	671	671	2,428
Pakistan, Afghanistan, Tajikistan Regional Integration Programme - Aga Khan Foundation Afghanistan, Aga Khan Foundation Pakistan, Aga Khan Foundation Tajikistan, Focus Humanitarian Assistance and Pamir Energy	-	429	429	1,000
Cross Border School Building - Aga Khan Foundation, Afghanistan and Aga Khan Foundation, Tajikistan	-	288	288	-
Vomar Dam extension, Nusai Road Rehabilitation and construction of Vanj Cross Border Market external area - Aga Khan Foundation Afghanistan	-	256	256	345
Early Childhood Development - Aga Khan Foundation, Kyrgyz Republic and Aga Khan Foundation, Tajikistan	-	160	160	145
Improved Access to Clean Water and Gender Empowerment in the High Mountain Border Regions of Pakistan and Afghanistan - Aga Khan Foundation, Pakistan	-	96	96	-
Fostering Disaster-Resilient Communities in Isolated Mountain Environments of Tajikistan and Kyrgyzstan - FOCUS Humanitarian Assistance, Tajikistan and Mountain Societies Development Support Programme, Kyrgyz Republic	90	-	90	509
Total for Cross-Border programmes	90	3,082	3,172	4,427
Portugal				
Early Childhood Development - Aga Khan Foundation, Portugal	-	108	108	85
Total for Portugal programmes	-	108	108	85

Notes (continued)

7 Expenditure on social development programmes (continued)

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Total Grants made for social development programmes	571	17,668	18,239	18,684
Non-Grant Expenditure	1,180	191	1,371	1,093
Total Expenditure for social development programmes	1,751	17,859	19,610	19,777

8 Expenditure on institutional development programmes

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Institute of Ismaili Studies for their educational programmes	4,095	-	4,095	1,382
Aga Khan University Foundation various projects	2,899	-	2,899	1,172
Other projects including property in King's Cross, London	6,021	-	6,021	676
Total Grants made for institutional development programmes	13,015	-	13,015	3,230
Non-Grant Expenditure	1,258	-	1,258	1,119
Total Expenditure for institutional development programmes	14,273	-	14,273	4,349

Notes (continued)

9 Tangible fixed assets

	Freehold land and buildings £000	Long leasehold land and buildings £000	Property fixtures and fittings £000	Office furniture and equipment £000	Assets under construction £000	Total £000
Cost						
At 1 January 2017	30,186	52,449	2,280	166	3,986	89,067
Additions	-	-	-	-	1,672	1,672
Disposals	-	(62)	-	-	-	(62)
Transfers	-	3,294	36	-	(3,330)	-
At 31 December 2017	30,186	55,681	2,316	166	2,328	90,677
Depreciation						
At 1 January 2017	14,221	46	1,797	162	-	16,226
Charge for the year	604	38	96	1	-	739
Disposals	-	-	-	-	-	-
At 31 December 2017	14,825	84	1,893	163	-	16,965
Net book value						
At 31 December 2017	15,361	55,597	423	3	2,328	73,712
At 31 December 2016	15,965	52,403	483	4	3,986	72,841

All assets are held for charitable purposes.

10 Investments

AKF (UK) owns one ordinary share of £1 (1% of the issued and paid up share capital) in the Institute of Ismaili Studies Limited (2016: £1), which is incorporated in England.

Notes (continued)

11 Debtors

	2017 £000	2016 £000
Debtors with other AKDN Agencies and affiliated institutions	1,261	450
Prepayments and accrued income	261	396
Other debtors	79	3,887
	<u>1,601</u>	<u>4,733</u>

Debtors with other AKDN Agencies comprises £129K with the Aga Khan University (2016: £59K), £51K with AKF Geneva (2016: £74K), £29K with AKF Portugal (2016: £29k), £0K with AKF Tajikistan (2016: £1K), £957k with the Institute of Ismaili Studies (2016: £287k), £42k with Aga Khan Academies (2016: £0k), £42k with Aga Khan Education Services (2016: £0k), £11k with AKDN (2016: £0K) and £2K with Pamir Energy (2016: £0K).

12 Creditors

	2017 £000	2016 £000
Amounts falling due within one year		
Accruals for grants payable	39	3,924
Trade creditors	111	163
Payroll taxes	68	48
Accruals	264	216
Other creditors	771	758
	<u>1,253</u>	<u>5,109</u>

13 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, AKF (UK) 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.

14 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 £55k (2016: £72k), £30k was payable at 31 December 2016 (2016: £0).

Notes (continued)

15 Reconciliation of net income/ (expenditure) to net cash inflow from operating activities

	2017 £000	2016 £000
Net movement in funds	2,280	2,824
Depreciation on tangible fixed assets	739	742
Interest receivable	(47)	(88)
(Increase) / decrease in debtors	3,132	1,697
Increase / (decrease) in creditors	(3,856)	(505)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,248	4,670
	<hr/>	<hr/>

16 Cash and cash equivalents

	2017 £000	2016 £000
Changes in the year		
At 1 January	18,520	16,836
Net cash inflow/(outflow)	685	1,684
	<hr/>	<hr/>
At 31 December	19,205	18,520
	<hr/>	<hr/>

17 Lease commitments

At 31 December 2017, AKF (UK) had annual commitments under non-cancellable operating leases as follows:

	2017 Land & Buildings £000	2016 Land & Buildings £000
Not later than one year	2,470	-
Later than one year and not later than five years	-	3,705
Later than five years	-	-
	<hr/>	<hr/>
	2,470	3,705
	<hr/>	<hr/>

AKF (UK) holds a 9 year 9 month 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 and expires on 31 August 2018. The 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 usage of the building with the Institute of Ismaili Studies (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 usage. Accordingly, IIS and ISMC reimburse AKF (UK) for their share of premises' usage costs on a regular basis.

Notes (continued)

18 Capital commitments

Conditional capital commitments

In June 2011 AKF (UK) entered into a series of agreements with Kings Cross Central Limited Partnership ("KCCLP") in relation either to options to purchase, or in one case a conditional agreement to purchase, further buildings and land in Kings Cross, London for educational, office, cultural, residential and retail uses. The agreements are conditional on a number of matters including obtaining the relevant permissions, KCCLP and AKF (UK) agreeing the design and specification of the buildings and KCCLP delivering infrastructure and making progress on the overall Kings Cross Central development. On 20 April 2016, the option to acquire a building for construction in King's Cross, London for educational and office use was exercised. The timing and amounts payable are uncertain at this time.

In 2017 AKF (UK) has incurred certain costs relating to these commitments, which have been capitalised as Assets under construction in the Balance Sheet (see note 9).

19 Reconciliation of funds

	General Funds £000	Unrestricted Funds Designated Funds £000	Restricted Funds £000	2017 Total £000	2016 Total £000
Balance at 1 January	532	89,322	1,131	90,985	88,161
Movements in year					
Net income for the year	(42)	3,283	(961)	2,280	2,824
Balance at 31 December	490	92,605	170	93,265	90,985
Represented by:					
Tangible fixed assets	3	73,709	-	73,712	72,841
Investment	-	-	-	-	-
Current assets	858	19,738	210	20,806	23,253
Current liabilities	(371)	(842)	(40)	(1,253)	(5,109)
	490	92,605	170	93,265	90,985

Notes (continued)

19 Reconciliation of funds (continued)

Designated funds represent funds earmarked by the Council for the following purposes:

	Social Development £000	Institutional Development £000	Social and Cultural £000	2017 Total £000	2016 Total £000
Balance at 1 January	5,321	65,965	18,036	89,322	86,063
Movements in year					
Net movement in resources for the year	133	3,899	(749)	3,283	3,259
Transfers between funds	-	-	-	-	-
	<u>5,454</u>	<u>69,864</u>	<u>17,287</u>	<u>92,605</u>	<u>89,322</u>
Represented by:					
Tangible fixed assets	-	58,333	15,376	73,709	72,837
Investment	-	-	-	-	-
Current assets	5,454	12,373	1,911	19,738	17,422
Current liabilities	-	(842)	-	(842)	(937)
	<u>5,454</u>	<u>69,864</u>	<u>17,287</u>	<u>92,605</u>	<u>89,322</u>

20 Called up share capital

	2017 £	2016 £
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.

21 Ultimate holding company

The ultimate holding company is regarded by the members of the Council as being Aga Khan Foundation Geneva, which is incorporated in Switzerland and beneficially holds one hundred percent of the shares of AKF (UK).

Notes (continued)

22 Related party transactions and other AKDN agencies

There have been no related party transactions between AKF (UK) and the members of the Council in 2017. Transactions with AKF Geneva and other agencies within the Aga Khan Development Network consist of the following:

- the reimbursement of staff costs associated with projects funded by other AKDN agencies (note 11);
- the reimbursement of costs incurred with respect to 210 Euston Road (notes 11 and 17); and
- grants and donations of funding for projects, programmes and other activities supported by AKF (UK) (notes 6, 7, 8 and 18).