

COMPANIES HOUSE COPY

THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM

A COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
COMPANY INFORMATION**

| | |
|---------------------------|---|
| Board of Directors | The Aga Khan University Aga Khan Education Services S.A. |
| Secretary | Nilufer Nasser |
| Company Number | 04448389 |
| Registered Office | 3 Bedford Square London WC1B 3RA |
| Principal Office | 3 Bedford Square London WC1B 3RA |
| Auditors | UHY Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH |
| Bankers | Lloyds TSB Pall Mall 8-10 Waterloo Place London SW1Y 4BE |

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
CONTENTS

| | Page |
|---|-------------|
| Report of the Board of Directors | 1-2 |
| Statement of the Board of Directors' responsibilities | 3 |
| Corporate governance statement | 4 |
| Independent auditors' report | 5 |
| Income and expenditure account | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8-13 |

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors is pleased to submit its report and financial statements for the period 1st January 2003 to 31st December 2003.

Principal Activity

The Aga Khan University (International) in the United Kingdom is a company limited by guarantee ("the University") and was incorporated on 27th May 2002. It operates under the name "Institute for the Study of Muslim Civilisations" (AKU-ISMC) which is an academic unit of the Aga Khan University, chartered in 1983 as Pakistan's first private international university.

The goal of the University is to strengthen research and teaching on the heritage of Muslim societies in all their historic diversity. The University will study systems of moral and ethical thought, structures of governance and public life, as well as artistic and creative expressions in all forms.

The objects of the University shall be the advancement of education research, teaching and publication in the field of humanities in general and Muslim societies, in particular. The dissemination and sharing of knowledge through conferences, seminars and other media will be an integral part of the University's strategy for fostering pluralism and acting as a catalyst for development within Muslim societies and the wider community.

Results for the period

Financial Statements:

The results for the year and the University's financial position at the end of the year are shown in the attached financial statements.

Sources of Funding:

At the inception of the University, the Aga Khan University Foundation in Geneva underwrote a \$10.4 million grant to be released at different periods to fund the University's operational requirements as and when it is necessary. Of this grant £1,847,997 has been received and £308,157 was receivable as at 31 December 2003.

Deferred Income:

At 31 December 2003 there was a surplus of £208,809 (2002: £33,821) of grant received in excess of expenditure for the year excluding expenditure relating to central support services. Accordingly this sum has not been spent during the year then ended. This is carried in the balance sheet as deferred income and not taken to the income and expenditure account as income for the year. This accounting treatment is adopted on the basis that the conditions attached to the grant are that any grants received in an accounting period which are in excess of the total amounts required to cover the expenses for that period are to be carried in the next accounting period to cover the expenses for that period. A separate claim of £308,157 has been made for the cost of central support services which is included in income for the year ended 31 December 2003 and in other debtors as at that date.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE BOARD OF DIRECTORS**

Board of Directors

The Board of Directors who served the University during the year were as follows:

The Aga Khan University
Aga Khan Education Services S.A.

The Directors are also the sole members of the University. The limit of the guarantees given by the members amounts to £2 and can be found within members' funds in the balance sheet.

Review and the way forward

The objective during the year ended 31 December 2003 was to continue with the development of the administrative infrastructure and the recruitment of faculty and support staff.

Over the next few years as the University expands in size and scope, faculty members will continue to focus on educational activities, the primary objective being to disseminate knowledge on Muslim civilisations through work in the following three inter related areas:

1. Educational Programmes;
2. Research and Publications; and
3. The Annotated Bibliography Project.

Auditors

A resolution to re-appoint UHY Hacker Young, formerly known as Hacker Young, as auditors for the ensuing year will be proposed at the Board of Directors meeting in accordance with section 385 of the Companies Act 1985.

On behalf of the Board of Directors

The Aga Khan University, Director
per:



Mr Nurallah Merchant
Director General University Administration
The Aga Khan University

Date May 26, 2004

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES**

In accordance with the Memorandum and Articles of Association, the Board of Directors of the Aga Khan University (International) in the United Kingdom ("the University") is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

Company law requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that period.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice and relevant accounting standards.

In causing the financial statements to be prepared, the Board of Directors has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue to be in operation.

The Board of Directors has taken reasonable steps to:

- ensure that funds from the Aga Khan University Foundation, Geneva are used only for the purpose for which they have been given and in accordance with any conditions which they may prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard funds;
- safeguard the assets of the University and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the resources and expenditure of the University.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic departments and administrative sections;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Directors.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
CORPORATE GOVERNANCE STATEMENT**

The following statement is provided to enable readers of the Annual Report and Accounts of the University to obtain a better understanding of the governance of the University.

The University is committed to high standards of corporate governance and intend to comply with the principles set out in Section 1 of the Combined Code on Corporate Governance in so far as they relate to the University and to a University of this size.

Since incorporation the Board of Directors has been primarily concerned with developing the infrastructure of the University. During this year, and in view of the nature and size of the University, there has been no substantial requirement for adherence to the recommendation of the Code. However, as the University expands and develops, formal policies and procedures, as regards to compliance with the Combined Code will be established as the Board of Directors deem appropriate.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom on pages 6 to 13 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the University's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of the Board of Director's responsibilities on page 3 the University's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions. We also report to you if, in our opinion, the Report of Board of Directors is not consistent with the financial statements, if the University has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the University is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the University'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the University's affairs as at 31 December 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions.

UHY Hacker Young
UHY Hacker Young
Chartered Accountants
Registered Auditors

10 June 2004

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

| | Note | Year ended 31/12/03 £ | 7 months ended 31/12/02 £ |
|--|------|-----------------------------|---------------------------------|
| INCOME | | | |
| Funding grant | 2 | 1,010,383 | 764,221 |
| Other income | 3 | - | 1,442 |
| Investment income | 4 | 1,580 | 188 |
| | | <hr/> | <hr/> |
| Total income | | 1,011,963 | 765,851 |
| | | <hr/> | <hr/> |
| EXPENDITURE | | | |
| Staff costs | 5 | 492,545 | 210,158 |
| Other operating expenses | 6 | 441,104 | 511,635 |
| Depreciation | | 78,108 | 43,727 |
| Bank and finance charges | | 206 | 331 |
| | | <hr/> | <hr/> |
| Total expenditure | | 1,011,963 | 765,851 |
| | | <hr/> | <hr/> |
| Results on operations before tax | | - | - |
| Taxation | 7 | - | - |
| Results on operations after tax | | - | - |
| | | <hr/> | <hr/> |

The income and expenditure account is in respect of continuing activities.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET
AS AT 31 DECEMBER 2003

| | Note | 2003 £ | 2002 £ |
|---|------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 172,741 | 221,956 |
| Investments | 9 | 1 | 1 |
| | | <u>172,742</u> | <u>221,957</u> |
| Current assets | | | |
| Debtors | 10 | 455,977 | 144,221 |
| Cash at bank and in hand | | 38,930 | 60,877 |
| | | <u>494,907</u> | <u>205,098</u> |
| Creditors: amounts falling due within one year | 11 | (494,906) | (205,097) |
| Net current assets | | <u>1</u> | <u>1</u> |
| Net assets | | <u>172,743</u> ===== | <u>221,958</u> ===== |
| Represented by: | | | |
| Members fund | 13 | 2 | 2 |
| Deferred capital grant | 14 | 172,741 | 221,956 |
| Total | | <u>172,743</u> ===== | <u>221,958</u> ===== |

The financial statements on pages 6 to 13 were approved by the Board of Directors on May 26, 2004 and were signed on its behalf by:



Mr Nurallah Merchant
Director General University Administration
The Aga Khan University

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

1. Accounting policies

The financial statements are prepared in accordance with applicable accounting standards, the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions and the Companies Act 1985.

a) Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

c) Recognition of income

Income from grants is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. Grants that have been received during the year but which relate to future expenditure are deferred to future years.

Grants received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Donations and other income are recognised in the income and expenditure account in the year to which they relate.

Income from short term deposits is credited to the income and expenditure account in the period in which it is earned.

d) Foreign currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling either at the rate of exchange prevailing at the year end or where there are related forward foreign exchange contracts, at contract rates.

The resulting exchange differences are dealt with in the determination of income and expenditure for the year.

e) Pensions

Payments to the University's defined contribution pension scheme are charged to the income and expenditure account as they become payable.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

1. Accounting policies (continued)

f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and permanent diminutions in value. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

| | |
|--|---------------------|
| Leasehold improvements | 33.3% straight line |
| Computer equipment | 33.3% straight line |
| Office equipment (included within other equipment) | 25% straight line |
| Library books (included within other equipment) | nil (see below) |

Library books are accounted for on a 'stock' accounting basis. Any books purchased are capitalised at cost and as they become obsolete or out of date or unusable, they are scrapped and the original cost is written off to the income and expenditure account in full. The books held therefore, maintain high residual values in relation to costs and due to this, they are not depreciated. The University maintains an appropriate register of books in order to apply this accounting policy.

g) Investments

Fixed asset investments are carried at historic cost less any provision for impairment in value.

h) Cashflow statement

The University has taken advantage of the exemption permitted by FRS1, whereby a cashflow statement need not be prepared by a small company as defined in the Companies Act 1985.

2. Funding Grant

| | 2003 £ | 2002 £ |
|---|------------------|----------------|
| Aga Khan University Foundation (AKUF), Geneva | | |
| Amounts received during the year (excluding deferred capital grant) | 799,106 | 754,315 |
| Add: income due from AKUF Geneva (see note 10) | 308,157 | - |
| Add: deferred grant brought forward | 33,821 | - |
| Release of deferred capital grant | 78,108 | 43,727 |
| Less: grant deferred to future periods | (208,809) | (33,821) |
| | <u>1,010,383</u> | <u>764,221</u> |

3. Other income

| | £ | £ |
|------------------------------------|----------|--------------|
| Provision of conference facilities | - | 1,442 |
| | <u>-</u> | <u>1,442</u> |

4. Investment income

| | £ | £ |
|---------------------|--------------|------------|
| Interest receivable | 1,580 | 188 |
| | <u>1,580</u> | <u>188</u> |

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

5. Staff costs

The average monthly number of persons (including senior post-holders) employed by the University during the period was:

| | 2003 Number | 2002 Number |
|------------------|------------------------|------------------------|
| Faculty | 3 | 1 |
| Support services | 8 | 6 |
| | <u>11</u> | <u>7</u> |

Staff costs for the above persons:

| | £ | £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 411,412 | 186,570 |
| Social security costs | 46,288 | 18,797 |
| Other pension costs | 28,070 | 4,791 |
| Other staff costs | 6,775 | - |
| | <u>492,545</u> | <u>210,158</u> |

6. Other operating expenses

| | £ | £ |
|---------------------------------|----------------|----------------|
| Hotel expenses | 20,984 | 8,450 |
| Entertainment | - | 1,598 |
| Gratuities | 118 | 125 |
| Honorarium | 7,099 | 3,150 |
| Subsistence | 6,135 | 3,567 |
| Travel | 35,604 | 19,249 |
| Recruitment costs | 27,785 | 9,051 |
| Consultancy fees | 5,263 | 81,935 |
| Rent and service charge | 112,302 | 96,879 |
| Rates | 6,735 | 2,584 |
| Telephone and fax | 11,310 | 9,540 |
| Repairs and maintenance | 35,078 | 38,962 |
| Legal and professional | 8,987 | 54,847 |
| Insurance | 2,792 | 1,557 |
| Office supplies | 10,491 | 7,582 |
| Office cleaning and maintenance | 12,111 | 4,420 |
| Sundry | 1,566 | 901 |
| Central support costs (note 15) | 120,000 | 167,238 |
| Promotional | 4,348 | - |
| New premises | 12,396 | - |
| | <u>441,104</u> | <u>511,635</u> |

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

6. Other operating expenses (continued)

| | 2003 | 2002 |
|---|--------------|--------------|
| | £ | £ |
| Other operating expenses include: | | |
| Auditors' remuneration (included in legal and professional) | 7,500 | 7,500 |
| | <u>=====</u> | <u>=====</u> |

7. Taxation

The University was established to undertake its activities on a non-commercial basis, funded by grants. On this basis no taxation has been provided for in these accounts.

8. Tangible fixed assets

| | Leasehold improvements | Computer equipment | Other equipment | Total |
|-----------------------|-----------------------------------|-------------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| Brought forward | 107,197 | 31,809 | 126,677 | 265,683 |
| Additions | 446 | 6,396 | 22,051 | 28,893 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| Carried forward | 107,643 | 38,205 | 148,728 | 294,576 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| Depreciation | | | | |
| Brought forward | 20,844 | 6,185 | 16,698 | 43,727 |
| Charge for year | 35,881 | 12,735 | 29,492 | 78,108 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| | 56,725 | 18,920 | 46,190 | 121,835 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| Net book value | | | | |
| At 31 December 2003 | 50,918 | 19,285 | 102,538 | 172,741 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |
| At 31 December 2002 | 86,353 | 25,624 | 109,979 | 221,956 |
| | <u>=====</u> | <u>=====</u> | <u>=====</u> | <u>=====</u> |

(a) The life of the lease is 5 years from 20 March 2002 with a 3 year break clause.

(b) The other equipment includes library books of £30,759 (2002: £12,178)

9. Investments

| | £ | £ |
|--------------------|--------------|--------------|
| Subsidiary company | 1 | 1 |
| | <u>=====</u> | <u>=====</u> |

The University owns 100% of the issued ordinary £1 shares of The Institute For The Study Of Muslim Civilisations Limited, a company incorporated in England and Wales with one issued share. The subsidiary has been dormant since its acquisition.

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

10. Debtors

| | 2003 £ | 2002 £ |
|-------------------------|----------------|----------------|
| Trade debtors | - | 1,226 |
| Other debtors (note 15) | 408,157 | 102,448 |
| Prepayments | 47,820 | 40,547 |
| | <u>455,977</u> | <u>144,221</u> |

Other debtors include a refundable rent deposit of £100,000 and an amount of £308,157 due from Aga Khan University Foundation, Geneva to cover central support costs, payable in accordance with the grant agreement.

11. Creditors: amounts falling due within one year

| | £ | £ |
|--|----------------|----------------|
| Creditors for services | 6,743 | 23,243 |
| Amounts owed to subsidiary undertaking | 1 | 1 |
| Taxation and social security | 15,082 | 8,160 |
| Other creditors (note 15) | 255,371 | 114,452 |
| Deferred income | 208,809 | 33,821 |
| Accruals | 8,900 | 25,420 |
| | <u>494,906</u> | <u>205,097</u> |

Deferred income is made up of grant funding received during the year from Aga Khan University Foundation, Geneva that has been provided to fund expenditure in future years.

12. Financial Commitments

At 31 December the University had annual commitments under operating leases as follows:

| | Land and Buildings £ | £ |
|-----------------------|-------------------------|----------------|
| Expiry date: | | |
| Between 2 and 5 years | <u>100,000</u> | <u>100,000</u> |

13. Control

The limit of the total guarantees of the members of the University amounted to £2 at the beginning and end of the year. These are held 50% by the Aga Khan University and 50% by the Aga Khan Education Services S.A.

14. Deferred capital grant

| | |
|--|----------------|
| At 1 January 2002 | 221,956 |
| Grant utilised during the year for purchase of fixed assets (note 8) | 28,893 |
| Released to income and expenditure account | (78,108) |
| | <u>172,741</u> |
| At 31 December 2003 | <u>172,741</u> |

THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

15. Related party transactions

Parties related to the University are the Aga Khan University, Aga Khan Education Services S.A and the Aga Khan University Foundation, Geneva.

Included within other creditors at the year end is a balance due to Aga Khan University of £255,370 (2002: £114,452). This balance is made up as follows:

| | 2003 £ | 2002 £ |
|--|----------------|----------------|
| Balance at 1 January | 114,452 | - |
| Central support costs | 120,000 | 167,238 |
| Other expenses included within the appropriate expense headings (within note 6) | 20,918 | - |
| Aga Khan University expenditure paid by the University | - | (52,786) |
| | <u>255,370</u> | <u>114,452</u> |
| Balance at 31 December | <u>255,370</u> | <u>114,452</u> |

Central support costs represent the allocation of senior management's time and travel expenses.

Included within other debtors at the year end is a balance due from Aga Khan University Foundation, Geneva of £308,157 (2002: £nil). This balance is made up as follows:

| | 2003 £ | 2002 £ |
|---------------------------------|----------------|-------------|
| Balance at 1 January | - | - |
| <i>Amounts recognised as:</i> | | |
| Funding grant (note 2) | 799,106 | 754,315 |
| Capital grant (note 14) | 28,893 | 265,683 |
| Central support costs (note 10) | 308,157 | - |
| Cash received | (827,999) | (1,019,998) |
| | <u>308,157</u> | <u>-</u> |
| Balance at 31 December | <u>308,157</u> | <u>-</u> |