

Company Registration Number 04448389
Charity Registration Number 01179136

**THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM**

A COMPANY LIMITED BY GUARANTEE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



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

COMPANY INFORMATION

Board of Directors

Al-Karim Haji	
Asif Fancy	Appointed on April 20, 2018
Gulzar Khoja	Appointed on April 20, 2018
Habib Motani	Appointed on April 20, 2018
Salimah Currimbhoy	Appointed on April 20, 2018
Professor Richard Pring	Appointed on June 19, 2018

Secretary

Saima Faisal Ali

Company Number

04448389

Charity Number

01179136

Registered Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Principal Office

Aga Khan Centre
10 Handyside Street
London
NC1 4DN

Auditors

UHY Hacker Young LLP
Chartered Accountants
Quadrant House
4 Thomas More Square
London E1W 1YW

Bankers

Lloyds Bank Plc
Pall Mall
8-10 Waterloo Place
London
SW1Y 4BE

Habib Bank UK
9 Portman Street
London
W1H 6DZ

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors is pleased to submit its report and financial statements for the year ended 31 December 2018.

Legal Status and Principal Activities

The Aga Khan University (International) in the United Kingdom ("the University") was incorporated on 27 May 2002 under the Companies Act 1985 (England and Wales) as a company limited by guarantee. The University is an academic unit of The Aga Khan University, which is a statutory body corporate in Pakistan by virtue of its Charter granted in 1983 as Pakistan's first private international university. The University is also registered with Charity Commission effective July 10, 2018.

The objective of the University is higher education through the provision of instruction, training and teaching in any branch of learning. Currently, the University is focusing on strengthening research and education for the purpose of enhancing knowledge of the heritage of Muslim civilisations.

The Aga Khan University (International) in the United Kingdom, in turn, established a non-profit corporation in the United States of America, under the name Aga Khan University (U.S.A) Foundation which will essentially create awareness of and solicit funds in the US for AKU's global activities. The non-profit corporation was incorporated in the State of Delaware on December 24, 2014.

Results for the Year

Financial Statements:

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

Sources of Funding:

During the year, the University received £3,305,197 (2017: £3,696,000) from The Aga Khan University Foundation, Geneva to meet its funding requirement.

The Aga Khan Foundation, United Kingdom contributed £856,214 (2017: nil) as in-kind donation for the usage of the Aga Khan Centre, London and Student Accommodation at King Cross.

The Aga Khan University contributed £370,800 (2017: £299,605) for central support costs.

Deferred Income:

As at 31 December 2018, grants received in excess of expenditure for the year were £189,971. Accordingly, this sum has not been recognised as income during the year then ended. This is carried in the balance sheet as Unutilized Operating Donations (within Creditors) 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/donation are that any grant/donation 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.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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REPORT OF THE BOARD OF DIRECTORS

Board of Directors

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

- | | |
|---|---|
| 1. Al-Karim Haji | 2. Asif Fancy (Appointed on April 20, 2018) |
| 3. Gulzar Khoja (Appointed on April 20, 2018) | 4. Habib Motani (Appointed on April 20, 2018) |
| 5. Salimah Currimbhoy (Appointed on April 20, 2018) | 6. Professor Richard Pring (Appointed on June 19, 2018) |

The limit of the guarantees amounts to £2 and can be found within members' funds in the balance sheet (note 10 to the financial statements).

Review and the way forward

The University offers a Master of Arts in Muslim Cultures.

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. Muslim Civilisation Abstracts.

The University has an equal opportunities policy in place to ensure fair consideration of applications made by employees and students.

Auditors

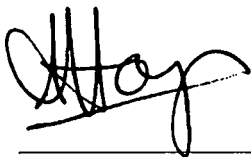
The auditors, UHY Hacker Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the University's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Directors have taken advantage of the small company's exemptions from preparing a strategic report and consolidated financial statements.

On behalf of the Board of Directors



Mr. Al-Karim Haji
Chairman

Date: May 2, 2019

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES

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

The Companies Act 2006 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the results of the University for that year.

The Board of Directors is responsible for keeping adequate accounting records 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 "Accounting in Further and Higher Education" 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 it 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
IN THE UNITED KINGDOM
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Opinion

We have audited the financial statements of The Aga Khan University (International) in the United Kingdom (the 'University') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income and Expenditure, Balance Sheet, the Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Generally Accepted Accounting Practice (FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and the Statement of Recommended Practice "Accounting in Further and Higher Education".

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 December 2018 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 United Kingdom Generally Accepted Accounting Practice (FRS102); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the University's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
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Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Directors' are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Board of Directors and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Directors.

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

- the information given in the Report of the Board of Directors is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF THE AGA KHAN UNIVERSITY (INTERNATIONAL)
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Responsibilities of Directors

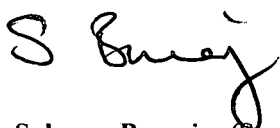
As explained more fully in the Statement of the Board of Directors' Responsibilities, the University's Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**Subarna Banerjee (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young**

Chartered Accountants
Statutory Auditors

27/8/2019

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

INCOME	Notes	2018 £	2017 £
Tuition fees & other income	2	120,738	97,670
Grants utilized		206,866	41,452
Investment income		1,258	55
Deferred capital grants released		76,928	91,216
		<hr/>	<hr/>
Total income before donations		405,790	230,393
Donations	3	4,193,906	3,853,267
		<hr/>	<hr/>
Total income		4,599,696	4,083,660
		<hr/>	<hr/>
EXPENDITURE			
Staff costs	4	1,383,423	1,570,829
Other operating expenses	5	3,136,831	2,420,653
Depreciation	7	76,928	91,216
Interest and other finance costs		2,514	962
		<hr/>	<hr/>
Total expenditure		4,599,696	4,083,660
		<hr/>	<hr/>
Result before tax		-	-
Taxation	6	-	-
		<hr/>	<hr/>
Result for the year		-	-
		<hr/>	<hr/>
Total comprehensive result for the year		-	-
		<hr/>	<hr/>

All items of income and expenditure relate to continuing activities.

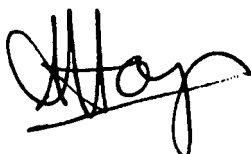
There have been no items requiring disclosure in the Statement of changes in reserves and therefore this statement has not been presented as part of these financial statements.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**BALANCE SHEET
AS AT DECEMBER 2018**

	Notes	2018 £	2017 £
Non-current assets			
Fixed assets	7	195,056	123,650
Investments	8	1	1
		<hr/>	<hr/>
		195,057	123,651
		<hr/>	<hr/>
Current assets			
Debtors	9	482,984	653,203
Cash and cash equivalents		1,148,852	294,190
		<hr/>	<hr/>
		1,631,836	947,393
		<hr/>	<hr/>
Less: Creditors: amounts falling due within one year	10	(1,696,492)	(1,010,104)
		<hr/>	<hr/>
Net current liabilities		(64,655)	(62,711)
		<hr/>	<hr/>
Creditors: amounts falling due in greater than one year	11	(130,401)	(60,940)
		<hr/>	<hr/>
Total net assets		-	-
		=====	=====
		<hr/>	<hr/>
Total Reserves		-	-
		=====	=====

The financial statements on pages 7 to 19 were approved by the Board of Directors on May 2, 2019 and were signed and authorised for issue on its behalf by:



**Mr. Al-Karim Haji
Chairman**

Company Registration No. 04448389 (England and Wales)

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

**STATEMENT OF CASHFLOWS
AS AT 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Cash flow from operating activities		-	-
Adjustment for non-cash items			
Depreciation	7	76,928	91,216
Decrease/(Increase) in debtors	9	170,219	(24,616)
Increase in creditors	10 & 11	755,849	4,339
Adjustment for investing or financing activities			
Investment income		(1,258)	(55)
Interest and other finance cost		2,514	962
Net cash inflow from operating activities		<u>1,004,252</u>	<u>71,846</u>
Cash flows from investing activities			
Investment income		1,258	55
Payments made to acquire fixed assets		(148,334)	(26,178)
		<u>(147,076)</u>	<u>(26,123)</u>
Cash flows from financing activities			
Interest and other finance cost		(2,514)	(962)
Increase in cash and cash equivalents in the year		<u>854,662</u>	<u>44,760</u>
Cash and cash equivalents at beginning of the year		<u>294,190</u>	<u>249,429</u>
Cash and cash equivalents at end of the year		<u>1,148,852</u>	<u>294,190</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 2018**

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice, "Accounting for Further and Higher Education" and the Companies Act 2006.

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2015) and in accordance with Financial Reporting Standards (FRS102). The financial statements are prepared in accordance with the historical cost convention.

The operations of The Aga Khan University (International) in the United Kingdom ("the University") are funded primarily from donations received from The Aga Khan University Foundation, Geneva ("the Foundation"). The Directors believe that the Foundation will continue to support the University as they have done so in the past. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

b) Group accounts

The financial statements present information about the University as an individual undertaking and not about the group. The University and its subsidiary undertaking comprise a small-sized group. The University has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

c) Recognition of income and grant accounting

Tuition fees are recognised as income over the period of instruction.

Income from grants/donations is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. Grants/donations that have been received but which relate to future expenditure are deferred to future years. Where expenditure is in excess of grants received during the year, prior year deferrals are released to reduce the loss down to nil.

The University has adopted the accrual model for grants/donations received in respect of the acquisition of fixed assets. Such funds are treated as deferred income and are recognised within income over the periods in which the University recognises the related costs for which the grant/donation is intended to compensate. The deferred income within creditors is allocated between creditors due within one year and due after more than one year as appropriate.

Donations and other income with no restrictions are recognised in the income and expenditure account when the University is entitled to the funds.

All other income is recorded on an accruals basis.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

f) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. In line with University policy, only items over £160 (USD250) are capitalised. Depreciation is provided at rates calculated to charge the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold improvements	25% straight line (over the remaining lease period)
Computer equipment	33.3% straight line
Office and other equipment	15% straight line
Library books	15% straight line

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

g) Investments

Investments are carried at historic cost less any provision for impairment in value.

h) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the University is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Tuition Fees & other income

	2018 £	2017 £
Tuition fees	70,191	63,694
Contributions, donations and other income	50,547	33,976
	<u>120,738</u>	<u>97,670</u>

3. Donations

	2018 £	2017 £
Unutilised operating donations brought forward	715,778	599,618
Donations from:		
The Aga Khan University Foundation, Geneva	3,305,197	3,696,000
The Aga Khan University – Central Support Costs	370,800	299,605
The Aga Khan Foundation, United Kingdom – In kind	856,214	-
	<u>4,532,212</u>	<u>3,995,605</u>
Capital expenses	(148,334)	(26,178)
Unutilised operating donations as at 31 December	<u>(905,749)</u>	<u>(715,778)</u>
Donations	<u>4,193,906</u>	<u>3,853,267</u>

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Staff costs

Staff costs consist of:

	2018	2017
	£	£
Salaries	1,038,490	1,203,533
Social security costs	127,706	151,468
Other pension costs	120,923	117,611
Other staff costs	96,304	98,217
	<u>1,383,423</u>	<u>1,570,829</u>
	=====	=====

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2018	2017
	£	£
Key management personnel compensation	192,249	168,153
	<u>=====</u>	<u>=====</u>

The figures above represent salary and benefits excluding employer's pension contributions.

The average monthly number of persons employed by the University during the year was:

	2018	2017
	Number	Number
Faculty	9	10
Support services	18	14
Visiting lecturers	3	6
Research Fellows	2	1
	<u>32</u>	<u>31</u>
	=====	=====

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Other operating expenses

	2018 £	2017 £
Staff related costs	62,396	78,966
Rent and other property expenses	1,740,994	1,365,476
Supplies and subscriptions	52,723	76,731
Student expenses	301,594	260,745
Professional fees	122,958	114,823
Administrative and general expenses	278,500	182,855
Grant expenditure	206,866	41,452
Central support costs (note 15.1)	370,800	299,605
	<u>3,136,831</u>	<u>2,420,653</u>
	=====	=====
	2018 £	2017 £
Other operating expenses include:		
Auditors' remuneration (included in professional fees)	14,830	14,400
Building rental and related cost	1,100,528	1,165,419
	<u>=====</u>	<u>=====</u>

6. Taxation

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

**THE AGA KHAN UNIVERSITY (INTERNATIONAL) IN THE UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Tangible fixed assets

	Leasehold Improvements	Computer equipment	Office and other equipment	Library books	Manuscripts	Total
	£	£	£	£	£	£
Cost						
As at 1 January 2018	1,191,225	149,912	186,186	491,391	19,900	2,038,614
Additions	-	148,334	-	-	-	148,334
Deletion	(1,191,225)	-	(186,186)	-	-	(1,377,411)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2018	-	298,246	-	491,391	19,900	809,537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation						
As at 1 January 2018	1,148,597	137,736	186,186	442,445	-	1,914,964
Charge for year	42,628	21,326	-	12,974	-	76,928
Deletion	(1,191,225)	-	(186,186)	-	-	(1,377,411)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2018	-	159,062	-	455,419	-	614,481
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value						
As at 31 December 2018	-	139,185	-	35,972	19,900	195,056
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2017	42,628	12,176	-	48,946	19,900	123,650
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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8. Investments

	2018 £	2017 £
Subsidiary company	1 =====	1 =====

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

A subsidiary of the University exists in the United States of America, to create awareness of the Aga Khan University's international activities and to solicit funds in the USA to support the said activities. The subsidiary is a non-profit corporation without share capital, thus no capital had been provided by The Aga Khan University in consideration for this subsidiary.

9. Debtors

	2018 £	2017 £
Other debtors	470,062	333,618
Prepayments	12,922	319,585
	<u>482,984</u> =====	<u>653,203</u> =====

Included within other debtors are student loans of £195,171 (2017: £189,320) that are due after more than one year.

Included within other debtors is a sum of £26,438 (2017: £nil) due from The Aga Khan University, Pakistan, £23,726 (2017: £nil) due from The Aga Khan University, Kenya, £nil (2017: £22,835) due from The Aga Khan University, Tanzania.

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10. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade payables	64,451	75,902
Amounts owed to subsidiary undertaking	1	1
Deposits held	7,343	1,980
Deferred research grants	518,373	-
Taxation and social security	78,460	71,051
Unutilised operating donations (note 3)	905,749	715,778
Accruals and deferred income	122,112	145,390
Members' funds	2	2
	<u>1,696,491</u>	<u>1,010,104</u>
	=====	=====

Unutilised operating donations are made up of donations received during the year from The Aga Khan University Foundation, Geneva that has been provided to fund expenditure in future years.

Deferred income

Included within accruals and deferred income is the following item of income which has been deferred until specific performance related conditions have been met.

	2018	2017
	£	£
Deferred capital grant	64,655	62,710
	<u>=====</u>	<u>=====</u>

11. Creditors: amounts falling due in greater than one year

	2018	2017
	£	£
Deferred income	130,401	60,940
	<u>=====</u>	<u>=====</u>

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12. Lease obligations

At 31 December the University had total commitments net of VAT under operating leases as follows:

	Land and Buildings		Other	
	2018	2017	2018	2017
	£	£	£	£
Expiry date:				
Less than 1 year	-	994,644	-	1,824
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	994,644	-	1,824
	<u> </u>	<u> </u>	<u> </u>	<u> </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 owned 50% by The Aga Khan University and 50% by Aga Khan Education Services S.A.

14. Deferred capital grant

	2018	2017
	£	£
As at 1 January 2018	123,650	188,688
Grant utilised during the year for the purchase of fixed assets (note 7)	148,334	26,178
Released to income and expenditure account	(76,928)	(91,216)
	<u> </u>	<u> </u>
As at 31 December 2018	195,056	123,650
	<u> </u>	<u> </u>

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15. Related party transactions

Parties related to the University are The Aga Khan University, Pakistan and Aga Khan Education Services S.A.

i) Outstanding balances arising from transactions carried out with other related parties are as follow:

	2018	2017
	£	£
Receivable from:		
Aga Khan University, Kenya Campus	23,726	-
Aga Khan University, Tanzania	-	22,835
Aga Khan Education Services	-	336
Aga Khan University Pakistan	26,438	-
Owing to:		
Aga Khan University Pakistan	-	595
	=====	=====

15.1 Central support costs represent the allocation of senior management's time and related overhead costs.

The Aga Khan University Pakistan has contributed £370,800 (2017: £299,605) for central support costs for 2018.