

Charity Registration No. 1092321

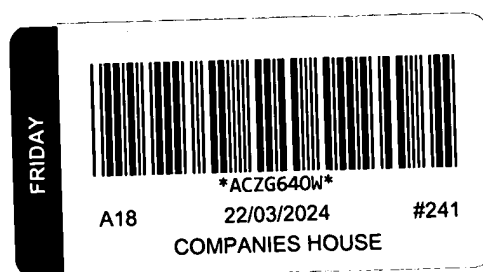
Company Registration No. 03005603

**HULT INTERNATIONAL BUSINESS
SCHOOL LTD**

(a company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 July 2023



HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Trustees' report	5
Independent Auditor's Report	10
Statement of financial activities (including income and expenditure account)	14
Balance sheet	15
Cash flow statement	16
Notes to the cash flow statement	17
Notes to the financial statements	18

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

OFFICERS AND PROFESSIONAL ADVISERS

CHARITY REGISTRATION NUMBER: 1092321

COMPANY REGISTRATION NUMBER: 03005603

OFFICE FOR STUDENTS REGISTRATION NUMBER: 10003212

REGISTERED OFFICE

33-35 Commercial Road
London
E1 1LD

WEBSITE ADDRESS

www.hult.edu

TRUSTEES

C Ahlberg – Appointed 31st of December 2022
N Barber- Appointed 31st of December 2022
C Burns - Appointed 31st of December 2022
D Chen - Appointed 27th of June 2023
D Collis - Appointed 31st of December 2022
P Hult - Appointed 31st of December 2022
C Jedrey - Appointed 31st of December 2022
M Lilley - Appointed 31st of December 2022
A Rangne Blendow - Appointed 31st of December 2022
C Serenhov - Appointed 31st of December 2022
J Sintros - Appointed 31st of December 2022
R Walsh - Appointed 31st of December 2022
D Bennet - Resigned 31st of December 2022
R Goonesena - Resigned 31st of December 2022
F Henriksson - Resigned on 31st of December 2022
R Beltzer - Resigned 31st of December 2022

DEANS

Ian Dougal – Post Graduate
Monique Jordan - Undergraduate

COMPANY SECRETARY

Emilie McCarthy

BANKERS

Lloyds TSB Bank Plc
2nd Floor, 39 Threadneedle Street
London
EC2R 8AU

AUDITORS

Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

STRATEGIC REPORT

For the year ended 31 July 2023

OBJECTIVES AND ACTIVITIES

The principal charitable objective of Hult International Business School Ltd ("the School") is the provision of higher educational courses, services and facilities at university level. In particular, it aims to provide and promote:

- undergraduate major programmes;
- masters degree programmes;
- scholarships for exceptionally well-qualified students from all over the world to study at the School, thus raising academic quality and expectations; and
- a caring environment for the pursuit of academic and experiential learning and living in central London.

The provision of higher educational courses is conducted through the School and Hult International Business School Ltd has on October 1st 2023 been granted degree awarding power.

The long term objective is to build a renowned university.

PLANS FOR FUTURE DEVELOPMENT

Student enrolment and retention have shown strong results and the School expects to continue the increase in student intake in years to come. The board of directors have continuously monitored the situation in Ukraine and the impact for the business in regards to the financial statements and going concern.

FINANCIAL REVIEW

The final result of FY2023 was a surplus of £0.8m (FY2022: surplus of £0.9m) for the School, which decreased the net liabilities to £9m in FY2023 from £10 m in FY2022. The decrease in the surplus between the periods is due to the an increase of interest rate of long term loan.

The School received a donation under gift aid of £0.45m (FY2022: £0.35m) during the financial period.

ACHIEVEMENT, PERFORMANCE AND KEY PERFORMANCES INDICATORS ("KPIs")

The trustees consider student numbers (target of 5% sustainable long-term growth over a five-year cycle), student satisfaction, as per page 3, (target of 4.0 and above) and diversity (whilst there is no current stipulated target for diversity, the trustees consider current diversity of the student body to be excellent) to be key performance indicators. Student satisfaction is also tracked and all faculty members are rated for every course they teach creating the Faculty Evaluation score which is tracked and analysed after every module. Targets are based on a scale of the level of student satisfaction in surveys carried out.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

STRATEGIC REPORT (continued)
For the year ended 31 July 2023

ACHIEVEMENT, PERFORMANCE AND KEY PERFORMANCES INDICATORS (“KPIs”) (continued)

• **STUDENT NUMBERS**

In FY2023 there were 1,876 students (FY2022: 1,516), of which 986 started (FY2022: 734) and 890 (FY2022: 731) continued their studies at the School.

	2023 Intake		2022 Intake	
	New	Returners	New	Returners
UG	434	776	313	627
EMBA	40	41	19	36
MBA	136	61	150	18
MIB	240	8	282	2
MIM	63	4	68	-
Total	986	890	833	683

• **STUDENT SATISFACTION**

The survey question was "Overall, how satisfied were you with your studies?" on a scale from 1 to 5.

	31 July 2023	31 July 2022
UG	3.87	4.00
EMBA	4.32	4.33
MBA	4.25	4.12
MIB	3.87	4.04
MIM	3.79	4.11

• **DIVERSITY**

FY2023 The School had 143 nationalities enrolled at the School and out of the total 1,876 students 42% were female and 58% male (FY2022: 1,516 students 44% were female and 56% male).

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have examined the major risks that the School faces and have documented these in a risk register, which is updated on a periodic basis. The School has developed systems to monitor and control these risks to mitigate any impact that they may have on the School in the future.

The primary identified risk is reduced student numbers due to changed Visa regulations following Brexit and an increased cost of living in the UK. The board continuously monitors the regulatory environment and does not see this risk as material. Moreover, the School is a cost plus entity with the educational revenue guaranteed by Hult International Business School, Inc. (the US charity), so it will always generate a surplus and the US charity has a strong financial position.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

STRATEGIC REPORT (continued)
For the year ended 31 July 2023

GOING CONCERN

The School made a surplus of £0.8m (FY2022: surplus of £0.9m) for the period ended 31 July 2023 reducing negative reserves to £9.1m (from £10 m in FY2022) in line with expectations. The charity has £20.8m (FY2022: £20.3m) of creditors. However, this includes £12.9m (FY2022: £13.6m) of creditors falling due after more than one year. The School has net current liabilities of £1.9m (FY2022: £2.1m) and loans due after one year of £11.5m (FY2022: £12.2m).

The 2015 loan agreement between the School and Hult International Business School AG includes terms that if the annual amortisation payment or interest payments would endanger the solvency of the School, the parties shall enter into discussions and agree on a reduced amortisation payment that may equal zero. The School services the loan with annual repayments of £250k and as of 31 July 2023 the remaining loan balance was £11.55m. During FY2023 additional £450k repayment of loan was made during the year along with the annual repayment of £250k.

The charity is operating on cost-plus basis where the costs are recharged to Hult International Business School, Inc. (a US charity) with a mark-up on an arm's length basis. The US charity has strong financials and an excellent liquidity position, hence, the revenue risk for the charity is low.

The trustees have continued to prepare the financial statements on a going concern basis. Further details regarding the going concern basis can be found in the accounting policies (note 1 on page 18 to the financial statements).

Approved by the Board of Trustees
and signed on behalf of the Board

Christopher Ahlberg

C Ahlberg

Trustee

Date: Jan 8, 2024

TRUSTEES' REPORT

For the year ended 31 July 2023

HULT INTERNATIONAL BUSINESS SCHOOL LTD **(a company limited by guarantee)**

The trustees have chosen in accordance with section 414C (11) of the Companies Act 2006 to set out in the company's strategic report the following which the trustees believe to be of strategic importance.

The School is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. The directors of the company (referred to as the School in this report), are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees present their report and financial statements for the period ended 31 July 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Due to the charity being limited by guarantee, each trustee undertakes to contribute such amount as may be required, not exceeding £1,000 each, to the charity's assets if it should be wound up while he or she is a trustee or within one year after he or she ceases to be a trustee. The trustees serve without remuneration.

The Articles of Association were updated in the financial year and provide for rotation of trustees and the appointment of an independent member of the board. The trustees who served during the period and subsequently are noted on page 1.

The board of trustees hold formal meetings as required to discuss the performance of the School, covering academic issues, student recruitment, student retention and satisfaction, financial performance, governance and other issues.

The key management personnel are the CEO and the Deans. Remuneration for management personnel is determined by current market conditions, experience and skills. These budgeting items are approved by the board of trustees.

PLANS FOR FUTURE DEVELOPMENT

Details of the plans for future developments can be found in the Strategic Report on page 2.

PRINCIPAL RISKS AND UNCERTAINTIES

Details of the principal risks and uncertainties can be found in the Strategic Report on page 3.

TRUSTEE APPOINTMENT, INDUCTION AND TRAINING

The method of appointment and retirement by rotation of the trustees is set out in the charity's Articles of Association. Trustee appointments are made based on the expertise and skills brought by the individuals involved. The trustees receive further training in trustee meetings as required. No induction training was required as there were no new trustees appointed in the period.

TRUSTEES' INDEMNITIES

The Charity has made qualifying third party indemnity provisions for the benefit of its trustees which were made during the period and remain in force at the date of this report.

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also directors of the School for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

TRUSTEES' REPORT (continued)
For the year ended 31 July 2023

TRUSTEES' RESPONSIBILITIES STATEMENT (continued)

The trustees are responsible for keeping adequate accounting records that 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the School's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PUBLIC BENEFIT

The trustees have complied with their duty in section 4 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission.

The trustees provide a public benefit primarily by awarding scholarships to students who would otherwise not be in a position to fund their studies. This academic year the School had 26 full scholars.

The ethos of awarding scholarships remains a high priority within the institution and is aimed at students with exceptional academic educational qualities and those in financial need.

The School also conducts and disseminates research by its faculty.

RESERVES POLICY

The School currently has negative reserves of £9.1m (FY2022: £10m). The trustees believe that the net asset position will build up again and are confident that the School is on track to make surpluses as it is a cost-plus entity which will restore and build reserves to an adequate level. The reserves policy is to reach a positive net assets level of reserves, with a longer-term objective of having reserves equal to at least one year's costs as an adequate reserves level.

AUDITOR

Each of the persons who is a trustee at the date of approval of this annual report confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the trustee has taken all the steps that he ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Trustees
and signed on their behalf

Christopher Ahlberg

C Ahlberg
Trustee

Date: Jan 8 2024

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
for the year ended 31 July 2023

This Statement of Corporate Governance and Internal Control covers the period for the year ended 31 July 2023 and up to the date of approval of the financial statements.

GOVERNANCE

The Trustees are listed within the Officers and Professional Advisers. The constitution of the board ensures that no individual dominates the decision-making process and that it can exercise its responsibilities independently from the management of the School.

The boards regulatory and stewardship responsibilities centre on its role as the ultimate legal authority and for safeguarding the Trust's assets, its financial sustainability, and receiving assurance that its system complies with the legal and regulatory obligations, including as a Charity, and in respect of the Office for Students (OfS).

The board of directors schedule to meet a few times a year. Formal agenda, papers and reports are supplied to the board in a timely manner prior to the board meetings. Briefings are also provided on an ad-hoc basis. Reports include overall financial performance of the Trust together with other relevant information such as performance against targets. The board review and approve the financial statements and also receive and consider reports from regulators such as the OfS, and monitors adherence with the continuing conditions of registration with the OfS and other legal and regulatory requirements.

Minutes of board meetings are recorded and approved at the following meeting.

The day-to-day management of Hult International Business School is undertaken by the President who is appointed by the Trustees. The President has delegated authority for finance, employment, and other operational matters.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of the School as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Trustees are required to:

- select accounting policies and apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of the School at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of the School taking reasonable steps to prevention and detection of fraud and other irregularities.

INTERNAL CONTROL

The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively, and economically. This process accords with OfS guidance.

The system uses a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting systems with an annual budget that is reviewed and agreed upon by the board of directors
- Regular reviews by the board of directors of periodic and annual financial reports which indicate financial performance against forecast
- Setting targets to measure financial and operational performance
- A clear approval and authorisation process for expenditures

The School's internal control system is supported by a number of policies. These include a Risk Register, an Anti-Bribery and Corruption Policy, a Modern Slavery Act statement, comprehensive internal financial policies and regulations which detail financial controls and procedures.

The Trustees have the responsibility for reviewing the effectiveness of the system of internal control and ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity.

The review of the effectiveness of the system is informed by:

- The work of external auditors
- The work of senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework which is reported as needed by the Chief Financial Officer to the governing body.
- Comments made by the organisation's financial statements and regulatory inspections in their management letters and other reports
- Regularly reviewing the approval and authorisation process to ensure its relevancy to the business operations and organisational structure

There are no significant internal control weaknesses reported for the period.

The trustees, who are also directors of the School for the purposes of company law, has delegated its day-to-day responsibility to the President, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board any material weaknesses or breakdowns in internal control. The day-to-day responsibility for risk management and monitoring is assigned to the Chief Finance Officer and Program Presidents.

The board of directors and the Accountable Officer confirm that after due enquiry and to the best of their knowledge, it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the School's financial regulations. We confirm that, during the year to 31 July 2023 or since the period end, no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any such instances are identified after the date of this statement will be notified to the OfS in accordance with the School's compliance obligations.

Approved by the Trustees
and signed on their behalf

Christopher Ahlberg

C Ahlberg
Trustee

Date: Jan 8 2024

matthew lilley

M. Lilley
President

Date: 9 January 2024

Hult International Business School Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HULT INTERNATIONAL BUSINESS SCHOOL LTD (a company limited by guarantee)

Opinion

We have audited the financial statements of Hult International Business School Ltd (the 'charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- the charitable company's grant and fee income, as disclosed in note 17 to these Financial Statements has been materially misstated.

Basis of 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Charitable Company is required to comply with both company law and charity law and certain conditions of OIS registration including compliance with the OFS' latest Accounts Direction and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the charitable company complied with its legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the charitable company's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- We identified a risk over correct cut-off of revenue due from Hult International Business School Inc under the agreement, in respect of costs incurred in the period. We tested a sample of costs and accruals to determine correct cut-off of recoverable costs, as well as recalculating the revenue accrued at the year based on the agreement with Hult international School Inc.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions. No restricted income was identified.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.**

Simon Goodridge

Simon Goodridge

9 January 2024

2023

Senior Statutory Auditor

for and on behalf of Knox Cropper LLP

Statutory Auditor

65 Leadenhall Street

London EC3A 2AD

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 July 2023

	Note	Year ended 31 July 2023 £	Year ended 31 July 2022 £
INCOME FROM:			
Donations		<u>450,000</u>	<u>350,000</u>
Charitable activities	3	<u>16,825,310</u>	<u>14,839,899</u>
TOTAL INCOME		<u>17,275,310</u>	<u>15,189,899</u>
EXPENDITURE ON:			
Charitable activities	5	<u>16,447,885</u>	<u>14,294,800</u>
TOTAL EXPENDITURE		<u>16,447,885</u>	<u>14,294,800</u>
NET INCOME FOR THE PERIOD	8	<u>827,425</u>	<u>895,099</u>
NET MOVEMENT IN FUNDS		<u>827,425</u>	<u>895,099</u>
TOTAL UNRESTRICTED FUNDS BROUGHT FORWARD		<u>(10,016,075)</u>	<u>(10,911,173)</u>
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		<u>(9,188,650)</u>	<u>(10,016,075)</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward		(10,016,075)	(10,911,174)
Net movement in funds for the period		<u>827,425</u>	<u>895,099</u>
Total funds carried forward		<u>(9,188,650)</u>	<u>(10,016,075)</u>

All income and expenditure derive from continuing operations.

There are no other recognised gains or losses other than as stated above.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

BALANCE SHEET
As at 31 July 2023

	Note	31 July 2023 £	31 July 2022 £
FIXED ASSETS			
Tangible assets	9	<u>5,620,077</u>	<u>5,660,603</u>
CURRENT ASSETS			
Debtors	10	1,190,522	972,507
Cash at bank and in hand		4,775,415	3,678,798
		<u>5,965,937</u>	<u>4,651,305</u>
CREDITORS: amounts falling due within one year			
Creditors	11	(3,136,258)	(3,141,552)
Deferred income	4	<u>(4,725,000)</u>	<u>(3,600,000)</u>
		<u>(7,861,258)</u>	<u>(6,741,552)</u>
NET CURRENT LIABILITIES		<u>(1,895,321)</u>	<u>(2,090,247)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,724,756	3,570,356
CREDITORS: amounts falling due after more than one year	12	(11,550,000)	(12,250,000)
Provisions for liabilities	13	<u>(1,363,406)</u>	<u>(1,336,431)</u>
NET LIABILITIES		<u>(9,188,650)</u>	<u>(10,016,075)</u>
FUNDS			
Deficit on unrestricted funds		<u>(9,188,650)</u>	<u>(10,016,075)</u>
TOTAL FUNDS		<u>(9,188,650)</u>	<u>(10,016,075)</u>

The financial statements of Hult International Business School Ltd, registered number No. 03005603, were approved by the Board of Trustees and authorised for issue on

Signed on behalf of the Board of Trustees

Christopher Ahlberg

C Ahlberg
Trustee



M. Lilley
President

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

CASH FLOW STATEMENT
For the year ended 31 July 2023

	Note	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Net cash inflow from operating activities	1	3,153,317	152,682
Cash flows from investing activities			
Purchase of tangible fixed assets	9	(928,415)	(760,713)
Net cash outflow from investing activities		(928,415)	(760,713)
Cash flows from financing activities			
Repayment of borrowings	2	(700,000)	(1,250,000)
Interest		(428,284)	(161,769)
Net cash outflow from financing activities		(1,128,284)	(1,411,769)
Net Increase/(Decrease) in cash and cash equivalents	2	1,096,618	(2,019,800)
Cash at beginning of period		3,678,798	5,698,598
Cash at end of period		4,775,416	3,678,798

Cash and cash equivalents comprise of cash at bank and in hand. Cash equivalents (i.e. not bank) for the Year ended 31 July 2023 were £nil (year ended 31 July 2022: nil)

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE CASH FLOW STATEMENT
For the year ended 31 July 2023

1. RECONCILIATION OF SURPLUS FOR THE PERIOD TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Net surplus for the period	827,425	895,099
Depreciation of tangible fixed assets	968,941	871,993
Interest	428,284	161,769
Decrease in debtors	(218,015)	(555,404)
(Decrease)/Increase in creditors	1,146,682	(1,220,775)
Cash generated from operating activities	3,153,317	152,683

2. ANALYSIS OF CHANGES IN NET DEBT

Analysis of changes in net debt	As at 1 August 2022 £	Cashflows £	Transfer £	As at 31 July 2023 £
Cash	3,678,798	(1,096,617)	-	4,775,416
Loans falling due within one year	(250,000)	250,000	(250,000)	(250,000)
Loans falling due after more than one year	(12,500,000)	700,000	250,000	(11,550,000)
TOTAL	(9,071,202)	(2,046,617)	-	(7,024,584)

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

1. ACCOUNTING POLICIES

Basis of accounting

The School, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are twelve Trustees. Each trustee has undertaken to contribute to the assets in the event of a winding up a sum not exceeding £1,000. The Charity is a registered charity. The registered office is listed on page 1.

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2019; and the Companies Act 2006.

The principal accounting policies of the charity are set out below.

Going concern

At 31 July 2023, the School has negative reserves of £9.2m, as expected. The School made a surplus of £0.8m for the period ended 31 July 2023 and will continue to have surpluses in future years.

The School received a loan in 2015 of £20m from Hult International Business School AG to enable it to make the payments required by a Strategic Alliance Agreement with Ashridge (Bonar Law Memorial) Trust. The loan agreement between the School and Hult International Business School AG includes terms that if the annual amortisation payment (repayments of £250k per annum) or interest payments would endanger the solvency of the School, the parties shall enter into discussions and agree on a reduced amortisation payment that may equal zero.

The long term loan from Hult International Business School AG matures in 2035. Considering the improved results that the School has had in the last few years, the expectation is that the School during the coming 13 years will be able to make positive results and service the loan. During the period the School has repaid £.700k of the loan. Thanks to the strong liquidity position, the Trustees decided in FY2023 to make an additional repayment of £450k of the loan with the benefits to reduce the interest cost for the charity. Given that the liquidity position is maintained, the Trustees may in the future opt to further accelerate that loan repayment. The School has net current liabilities of £1.9m. Forecasts have been prepared and show that liabilities can be settled as they fall due over at least the next 12 months.

The School is operating on cost-plus basis where all costs are recharged to Hult International Business School, Inc. with a mark-up on an arm's length basis, Hence, the School will always generate surplus.

Having considered the above, the trustees believe it is reasonable to continue to adopt the going concern basis.

Provisions

Dilapidation reserves are made to provide for the works required to return the leasehold properties to the state found at the commencement of the terms. The dilapidation estimate is capitalized and is depreciated over the remainder of the lease and liabilities are credited with the full estimated amount adjusted by the annual inflation accretion.

Reserves

The charity maintains unrestricted reserves as follows:

Unrestricted reserves

Unrestricted reserves represent income which is expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

1. ACCOUNTING POLICIES (continued)

Income

Turnover is recognised on fees in respect of those services that are delivered within the financial year being reported on a cost-plus basis at an arm's length. Fees received in advance for future services are credited to deferred income.

Donations

Monetary donations are included in full in the Statement of Financial Activities when receivable, provided there are no donor-imposed restrictions as to the timing of the related expenditure, in which case recognition is deferred until the specific conditions have been met.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is charged on an accruals basis.

Costs are allocated to activities based on what they are directly attributable to.

Expenditure is analysed by category between a number of separate headings as per note 5.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal instalments over their expected useful lives. The rates generally applicable are:

Leasehold improvements	Over the shorter of the life of the asset or the period of the lease
Fixtures and fittings	3-5 years
Office equipment	3-5 years

Foreign currencies

The reporting and functional currency is sterling (GBP). Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the exchange rate at the balance sheet date.

Employee benefits contributions to pension funds

The charity contributes to a defined contribution scheme for the benefit of the employees and the pension costs charged to the SOFA in the period represent the contributions payable to the scheme in respect of the accounting period.

Leased assets

Leases are regarded as operating leases and the payments made under them are charged to the SOFA on a straight-line basis over the lease term.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The company only have financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Concessionary loans

Concessionary loans are initially measured at the amount received or paid. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any accrued interest payable or receivable, less any impairment loss.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

3. INCOME FROM CHARITABLE ACTIVITIES

	Net income from charitable activities year ended 31 July 2023 £	Net income from charitable activities year ended 31 July 2022 £
Income		
Educational Services	<u>16,825,310</u>	<u>14,839,899</u>

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

4. DEFERRED INCOME

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Educational Services	<u>4,725,000</u>	<u>3,600,000</u>
	2023 £	2022 £
Balance as at 1 August	(3,600,000)	(3,332,770)
Amount released to income	3,600,000	3,332,770
Amount deferred in the period	<u>(4,725,000)</u>	<u>(3,600,000)</u>
Balance at 31 July	<u>(4,725,000)</u>	<u>(3,600,000)</u>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

Year ended 31 July 2023	Direct costs £	Support costs £	Total 2023 £
Education	<u>7,066,901</u>	<u>9,380,984</u>	<u>16,447,885</u>

Year ended 31 July 2022	Direct costs £	Support costs £	Total 2022 £
Education	<u>5,115,945</u>	<u>9,178,855</u>	<u>14,294,800</u>

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Analysis of support costs		
Establishment costs	5,442,876	4,808,064
School administration costs	3,253,171	3,772,108
Professional	137,467	183,912
Governance costs	30,400	27,200
Other costs	517,070	387,571
	<u>9,380,984</u>	<u>9,178,855</u>

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

6. GOVERNANCE COSTS

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Audit fees	25,300	27,200

7. INFORMATION REGARDING EMPLOYEES

	Year ended 31 July 2023 No	Year ended 31 July 2022 No
The average number of employees in period was	107	95
	£	£
Staff costs during the period were:		
Wages and salaries	6,302,854	5,451,641
Social security costs	694,548	648,632
Pension contribution	174,614	116,151
	7,172,016	6,216,424

The number of employees whose emoluments, excluding pension contributions and employer's national insurance, but including benefits in kind, were in excess of £60,000 were:

	Year ended 31 July 2023 No	Year ended 31 July 2022 No
£60,000 - £69,999	7	8
£70,000 - £79,999	6	5
£80,000 - £89,999	5	1
£90,000 - £99,999	2	1
£100,000 - £199,999	9	5
£200,000 - £249,999	1	-

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

Senior staff

The School has given regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs when determining senior staff remuneration.

The number of senior staff with a full-time equivalent basic salary over £100,000 per annum on 31 July were:

	Year ended 31 July 2023 No	Year ended 31 July 2022 No
£100,000 - £104,999	1	
£105,000 - £109,999		
£110,000 - £114,999		
£115,000 - £119,999		1
£120,000 - £124,999		
£125,000 - £129,999	1	2
£130,000 - £134,999	1	
£135,000 - £139,999		
£140,000 - £144,999	1	1
£145,000 - £149,999	1	
£150,000 - £154,999		
£155,000 - £159,999		
£160,000 - £164,999		
£165,000 - £169,999		0.5

- The table above excludes, as per guidance, staff who joined or left part-way through the year but who would have received a salary in these bands in a full year
- No member staff were on reduced pay such as for maternity or sickness leave that would otherwise be part of the above table

The President Matthew Lilley total annual remuneration is £206,200. This represents the total annual remuneration paid by the School & Ashridge (Bonar Law Memorial) Trust. Ashridge (Bonar Law Memorial) Trust was responsible for funding £103,450 and the School was responsible for funding £102,750. The breakdown of this total remuneration is as follows:

- From Hult International Business School Ltd:
 - Base salary of £99,999.
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.
 - No Performance-related pay and other bonuses have been awarded.
 - Pension Contribution of £2,750
 - No payment made by the provider in pension contributions as part of National Insurance savings
 - No other type of benefits and remuneration have been paid to the head provider.
 - Hult International Business School Ltd does not provide to the President private healthcare benefit.
- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £103,450.
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

- No Performance-related pay and other bonuses have been awarded.
- No payment made by the provider in pension contributions on behalf of the head of provider during the year.
- No payment made by the provider in pension contributions as part of National Insurance savings.
- No other type of benefits and remuneration have been paid to the head provider.
- Ashridge (Bonar Law Memorial) Trust provided private healthcare benefit to the President for a value of £450.

The President's salary is set by the Trustees.

Process for judging performance

The President has an annual performance review meeting with the board of directors to review and assess performance against objectives and to discuss objectives for the next year.

Approach and justification to the Presidents remuneration

The President's salary is reviewed annually and reflects the following:

- Market rate by size and complexity of institution
- The scale and complexity of the job
- Comparisons with benchmarks
- Performance as measured against objectives set by the board of directors

Pay multiple

The relationship between the President's remuneration and that for all other staff is as follows (combined remuneration of President between the School & Ashridge (Bonar Law Memorial) Trust):

- The current head of the provider's basic salary is 5.96 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The current head of the provider's total remuneration is 5.45 times the median total remuneration of staff.

The pay multiple represents the President's pay divided by the median pay for all other staff at the "charitable company", on a full-time equivalent basis. The median pay for all other staff is calculated using pay data for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC (July 2023). All other staff is capturing staff employed by the School.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

8. NET INCOME FOR THE PERIOD

Net income is stated after charging:

	Year ended 31 July 2023 £	Year ended 31 July 2022 £
Auditor's remuneration		
Fees payable to the charity's auditor for the audit of the charity's financial statements	30,400	27,200
Rental under operating leases		
Land and buildings	2,437,285	2,393,723
Other	11,890	24,800
Depreciation of tangible fixed assets		
Owned (note 9)	968,941	871,993
	<u>968,941</u>	<u>871,993</u>

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	WIP leasehold improvements £	Total £
Cost					
At 1 August 2022	8,890,494	893,676	9,100	637,054	10,430,324
Additions	1,037,796	416,849	110,824	(637,054)	928,415
Disposals	-	-	-	-	-
At 31 July 2023	<u>9,928,290</u>	<u>1,310,525</u>	<u>119,924</u>	<u>-</u>	<u>11,358,739</u>
Depreciation					
At 1 August 2022	4,390,107	377,085	2,528	-	4,769,720
Charge for the period	628,095	280,735	6,112	-	968,941
Disposals	-	-	-	-	-
At 31 July 2023	<u>5,072,202</u>	<u>657,820</u>	<u>8,640</u>	<u>-</u>	<u>5,738,662</u>
Net book value					
At 31 July 2023	<u>4,856,088</u>	<u>652,705</u>	<u>111,284</u>	<u>-</u>	<u>5,620,077</u>
At 1 August 2022	<u>4,500,387</u>	<u>516,591</u>	<u>6,572</u>	<u>-</u>	<u>5,660,603</u>

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

10. DEBTORS

	31 July 2023 £	31 July 2022 £
Trade debtors	22,062	-
Amounts owed from other Hult undertakings (Note 20)	724,476	564,513
Other debtors	32,233	4,737
Prepayments	411,752	403,257
	<u>1,190,523</u>	<u>972,507</u>

All debtors are due within one year and there is no interest payable on Amounts owed from Hult undertakings (Note 20).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2023 £	31 July 2022 £
Trade creditors	847,770	289,621
Loans owed to other Hult undertakings (Note 20)	250,000	250,000
Amounts owed to other Hult undertakings (Note 20)	-	21,626
Other creditors	191,859	107,272
Accruals	1,846,629	2,473,033
	<u>3,136,258</u>	<u>3,141,552</u>

There is no interest payable on Amounts owed to Hult undertakings (Note 20).

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2023

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 July 2023 £	31 July 2022 £
Loans owed to other Hult undertakings (note 20)	11,800,000	12,500,000

Included within the above are amounts due as follows:

	31 July 2023 £	31 July 2022 £
Between 1 and 2 years	250,000	250,000
Between 2 and 5 years	750,000	750,000
More than 5 years	10,800,000	11,500,000
	<u>11,800,000</u>	<u>12,500,000</u>

The £11.8m of the loan is payable annually in instalments and bears interest at 5.25% from 1 January 2023 (2022: 1.25%). The loan is repayable by 29 January 2035.

13. PROVISIONS FOR LIABILITIES: FALLING MORE THAN ONE YEAR

	31 July 2023 £	31 July 2022 £
Balance as at 1 August	1,336,431	1,309,990
Charged to SOFA	26,975	26,441
Balance as at 31 July	<u>1,363,406</u>	<u>1,336,431</u>

Provisions consists of dilapidations on leasehold improvements which will be realised at the end of the lease term.

14. TAXATION

The School is a registered charity and does not trade for tax purposes. It is not liable to tax on any surplus derived from charitable activities.

HULT INTERNATIONAL BUSINESS SCHOOL LTD
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

15. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	31 July	31 July	31 July	31 July
	2023	2022	2023	2022
	£	£	£	£
Leases which fall due:				
In one year or less	2,290,123	2,184,839	-	-
Between one and two years	2,395,000	2,191,720	-	-
Between two and five years	5,009,795	5,973,302	-	-
In more than five years	3,363,644	3,575,578	-	-
	<u>12,058,562</u>	<u>13,925,439</u>	<u>-</u>	<u>-</u>

16. CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees. The School is a company limited by guarantee registered with UK's Company Registry and a charity registered with the Charity Commission of England and Wales, so has no owner and it has an independent Board of Trustees.

17. DETAILS OF GRANT DISCLOSURE AND FEE INCOME

The School does not receive any grants.

18. RELATED PARTY TRANSACTIONS

During the financial year 2023, interest of £428,284 was charged on a loan to the School of £11.8m advanced by Hult international Business School AG, a company owned by the father of Mr Hult, a director of the company. There were no other related party transactions in the year.

19. POST BALANCE SHEET EVENTS

On October 1st 2023 Hult International Business School Ltd was granted Degree Awarding Powers.

20. HULT INTERNATIONAL BUSINESS SCHOOL

Hult International Business School Inc:

Hult International Business School Ltd manages essential production services, facilitating faculty and academic operations at our London campuses for both undergraduate and postgraduate programs. These services are contracted through service agreement with Hult international Business School Inc.

Hult international Business School AG:

Hult International Business School Ltd has a long term loan where Hult international Business School AG acts as lender and Hult International Business School Ltd as Borrower.