

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 10 months ended 31 July 2021

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

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

CONTENTS	Page
Officers and professional advisers	1
Strategic report	2
Strategic report	2
Trustees' report	5
Statement of financial activities (including income and expenditure account)	10
Balance sheet	11
Cash flow statement	12
Notes to the cash flow statement	13
Notes to the financial statements	14

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

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

OFFICERS AND PROFESSIONAL ADVISERS

CHARITY REGISTRATION NUMBER: 1092321

COMPANY REGISTRATION NUMBER: 03005603

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TRUSTEES

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R Goonesena
F Henriksson
R Beltzer

DEANS

Samineh Shaheem
Ronan Gruenbaum

COMPANY SECRETARY

Emilie McCarthy

BANKERS

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London
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AUDITOR

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL
United Kingdom

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

STRATEGIC REPORT

For the 10 months ended 31 July 2021

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 programs;
- masters degree programs;
- 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.

The long term objective is to build a renowned university.

CHANGE OF ACCOUNTING PERIOD

This financial year the accounting reference date has been changed to 31st July effective from year 2021, hence making these financial statements for the 10 months ending 31st July 2021.

PLANS FOR FUTURE DEVELOPMENT

Student numbers are remarkably positive given the COVID-19 lockdowns in the UK during the last years. Student enrolment and retention have shown strong results and only a minor change compared to 2020. The School expects a to continue the increase in student intake in years to come, as Covid restrictions on international travel are gradually lifted.

FINANCIAL REVIEW

The final result of FY2021 was a surplus of £0.6m (FY2020: surplus of £0.8m) for Hult International Business School Ltd, which decreased the net liabilities to £10.9m in FY2021 from £11.6m in FY2020. The decrease in the surplus between the periods is due to the change in the financial year shortened to 31st July during FY21, making a 10 month financial period.

The school received a donation under gift aid of £0.25m (FY2020: £0.35m) during the financial period.

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

The COVID-19 pandemic has had an impact on higher-education globally. Hult International Business School closed its campuses in London in line with the government’s social distancing policies for a period during which the education was maintained and carried out online leading to minimal disruption to the business. The student satisfaction remained high through the implementation and delivery of the virtual learning. The school proactively offered blended learning opportunity including discounts for the time that education is carried out remotely. The offer has mitigated the risk of material decrease in enrolment.

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 faculties 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 10 months ended 31 July 2021

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

• **STUDENT NUMBERS**

In FY2021 there were 1,465 students (FY2020: 1,441), of which 734 started (FY2020: 710) and 731 (FY2020: 731) continued their studies at the School. In September 2020 the School welcomed Undergraduate, MBA, Executive MBA and Masters students and in January 2021 the School welcomed Undergraduate students.

	Sep 2020 Intake		Sep 2019 Intake	
	New	Returns	New	Returns
UG	290	678	290	643
EMBA	45	53	62	53
MBA	91	-	69	-
MIB	232	-	272	-
MIM	76	-	95	-
Total	734	731	788	696

• **STUDENT SATISFACTION**

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

	31 July 2021	30 September 2020
UG	3.79	3.66
EMBA	4.56	3.98
MBA	3.74	3.94
MIB	3.71	4.01
MIM	-	4.08

• **DIVERSITY**

FY2021 The School had 125 nationalities enrolled at the school and out of the total 1,465 students 44% were female and 56% male (FY2020: 1,441 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.

Prior to COVID-19, the primary identified risk was reduced student numbers due to Brexit, should the UK visa rules change in the future. The board continuously monitors the regulatory environment and does not see this risk as material. More recently, the COVID-19 virus has had an impact on higher-education globally. The board acknowledges the risk but deems the operational disruption to be limited as education is maintained and carried out online, in addition, the student satisfaction remained high through the implementation and delivery of the virtual learning. For the September 2020 intake, the school proactively offered blended learning opportunity including discounts for the time that education is carried out online in the event that travel restrictions are still in place. The offer has mitigated the risk of material decrease in enrolment. Moreover, Hult International Business School Ltd 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 10 months ended 31 July 2021

GOING CONCERN

The School made a surplus of £0.6m (FY2020: surplus of £0.8m) for the period ended 31 July 2021 reducing negative reserves to £10.9m (from £11.6m in FY2020) in line with expectations. The charity has £22.8m (FY2020 : £25.4m) of creditors. However, this includes £14.8m (FY2020: £16.0m) of creditors falling due after more than one year. The School has net current liabilities of £1.9m (FY2020: £2.1m) and loans due after one year of £13.5m (FY2020: £14.8m).

The 2015 loan agreement between Hult International Business School Ltd and Hult International Business School AG includes terms that if the annual amortisation payment or interest payments would endanger the solvency of Hult International Business School Ltd, 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 2021 the remaining loan balance was £13.75m. During FY2021 additional £1m 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 14 to the financial statements).

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



R Goonesena

Trustee

Date: 16 November 2021

HULT INTERNATIONAL BUSINESS SCHOOL LTD

(a company limited by guarantee)

TRUSTEES' REPORT

For the 10 months ended 31 July 2021

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.

Hult International Business School Ltd 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 2021.

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 provide for rotation of trustees. 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 Hult International Business School Ltd 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 10 months ended 31 July 2021

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 Hult International Business School Ltd had 20 full scholars out of which 5 were through the local councils.

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 £10.9m (FY2020: £11.6m). 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



R Goonesena
Trustee

Date: 16 December 2021

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Hult International Business School Ltd (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including income and expenditure account);
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 17.

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).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to 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.

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 purpose 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 charitable 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the charitable company's industry and its control environment, and reviewed the charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act and UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty. These included the Charity Commission for England and Wales (Charity Commission) regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- We identified a risk over correct cut-off of revenue due from the parent charity 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 the parent charity.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making

accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and made enquiries to confirm there was no correspondence with Charity Commission.

Report on other legal and regulatory requirements

Opinions 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 strategic report and the directors' report prepared for the purposes of company law for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report included within the trustees' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Sarah Anderson FCCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

19 December 2021

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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the 10 months ended 31 July 2021

	Note	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
INCOME FROM:			
Donations	1	<u>250,000</u>	<u>350,000</u>
Charitable activities	3	<u>11,209,805</u>	<u>12,778,116</u>
TOTAL INCOME		<u>11,459,805</u>	<u>13,128,116</u>
EXPENDITURE ON:			
Charitable activities	5	<u>10,812,936</u>	<u>12,335,650</u>
TOTAL EXPENDITURE		<u>10,812,936</u>	<u>12,335,650</u>
NET INCOME FOR THE PERIOD	8	<u>646,869</u>	<u>792,466</u>
NET MOVEMENT IN FUNDS		646,869	792,466
TOTAL UNRESTRICTED FUNDS BROUGHT FORWARD		<u>(11,558,042)</u>	<u>(12,350,508)</u>
TOTAL UNRESTRICTED FUNDS CARRIED FORWARD		<u>(10,911,173)</u>	<u>(11,558,042)</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward		(11,558,042)	(12,350,508)
Net movement in funds for the period		<u>646,869</u>	<u>792,466</u>
Total funds carried forward		<u>(10,911,173)</u>	<u>(11,558,042)</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 2021

	Note	31 July 2021 £	30 September 2020 £
FIXED ASSETS			
Tangible assets	9	5,771,883	6,576,562
CURRENT ASSETS			
Debtors	10	417,103	897,725
Cash at bank and in hand		5,698,598	6,345,480
		6,115,701	7,243,205
CREDITORS: amounts falling due within one year			
Creditors	11	(4,655,997)	(5,773,589)
Deferred income	4	(3,332,770)	(3,565,865)
		(7,988,767)	(9,339,454)
NET CURRENT LIABILITIES		(1,873,066)	(2,096,249)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,898,817	4,480,313
CREDITORS: amounts falling due after more than one year	12	(13,500,000)	(14,750,000)
Provisions for liabilities	13	(1,309,990)	(1,288,355)
NET LIABILITIES		(10,911,173)	(11,558,042)
FUNDS			
Deficit on unrestricted funds		(10,911,173)	(11,558,042)
TOTAL FUNDS		(10,911,173)	(11,558,042)

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 16 December 2021

Signed on behalf of the Board of Trustees



R Goonesena
Trustee

HULT INTERNATIONAL BUSINESS SCHOOL LTD
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CASH FLOW STATEMENT
For the 10 months ended 31 July 2021

	Note	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Net cash inflow from operating activities	1	717,587	6,945,369
Cash flows from investing activities			
Purchase of tangible fixed assets	9	(114,469)	(794,448)
Net cash outflow from investing activities		(114,469)	(794,448)
Cash flows from financing activities			
Repayment of borrowings	2	(1,250,000)	(250,000)
Net cash outflow from financing activities		(1,250,000)	(250,000)
Net (decrease)/increase in cash and cash equivalents	2	(646,882)	5,900,921
Cash at beginning of period		6,345,480	444,559
Cash at end of period		5,698,598	6,345,480

Cash and cash equivalents comprise of cash at bank and in hand. Cash equivalents (i.e. not bank) for the 10 months ended 31 July 2021 were £nil (year ended 30 September 2020: £nil.)

HULT INTERNATIONAL BUSINESS SCHOOL LTD
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NOTES TO THE CASH FLOW STATEMENT
For the 10 months ended 31 July 2021

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

	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Net surplus for the period	646,869	792,466
Depreciation of tangible fixed assets	919,149	991,916
Decrease in debtors	480,622	158,642
(Decrease)/Increase in creditors	(1,329,053)	5,002,345
Cash generated from operating activities	717,587	6,945,369

2. ANALYSIS OF CHANGES IN NET DEBT

Analysis of changes in net debt	As at 1 October 2020 £	Cashflows £	Transfer £	As at 31 July 2021 £
Cash	6,345,480	(646,882)	-	5,698,598
Loans falling due within one year	(250,000)	250,000	(250,000)	(250,000)
Loans falling due after more than one year	(14,750,000)	1,000,000	250,000	(13,500,000)
TOTAL	(8,654,520)	603,118	-	(8,051,402)

HULT INTERNATIONAL BUSINESS SCHOOL LTD
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NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

1. ACCOUNTING POLICIES

Basis of accounting

Hult International Business School Ltd, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are four 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 2021, the school has negative reserves of £10.9m, as expected. The school made a surplus of £0.6m for the period ended 31 July 2021 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 Hult International Business School Ltd 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 Hult International Business School Ltd, 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 Hult International Business School Ltd during the coming 14 years will be able to make positive results and service the loan. During the period Hult International Business School Ltd has amortised £1.25m of the loan. Thanks to the strong liquidity position, the Trustees decided in FY2021 to make an additional amortization of £1m 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 amortization. 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.

Hult International Business School Ltd 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 entity will always generate surplus.

The outbreak of COVID-19 virus has had an impact on higher-education globally. The board acknowledges the risk but deems the operational disruption to be limited as education is maintained and carried out online until the campuses are opened. Subsequently educational revenue is continued.

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

Provisions

Dilapidation reserves are made to provision 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.

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

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 10 months ended 31 July 2021

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 31 July 2021 £	Net income from charitable activities 30 September 2020 £
Income		
Educational Services	<u>11,209,805</u>	<u>12,778,116</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

4. DEFERRED INCOME

	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Educational Services	<u>3,332,770</u>	<u>3,565,865</u>
	2021 £	2020 £
Balance as at 1 October	(3,565,865)	-
Amount released to income	3,565,865	-
Amount deferred in the period	<u>(3,332,770)</u>	<u>(3,565,865)</u>
Balance at 31 July / 30 Sep	<u>(3,332,770)</u>	<u>(3,565,865)</u>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

31 July 2021	Direct costs £	Support costs £	Total 2021 £
Education	<u>4,277,467</u>	<u>6,535,469</u>	<u>10,812,936</u>

30 September 2020	Direct costs £	Support costs £	Total 2020 £
Education	<u>4,328,782</u>	<u>8,006,868</u>	<u>12,335,650</u>

	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Analysis of support costs		
Establishment costs	4,025,855	4,801,823
School administration costs	2,036,546	2,700,404
Staff costs	266,964	296,011
Professional	179,404	183,430
Governance costs	26,700	25,200
	<u>6,535,469</u>	<u>8,006,868</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

6. GOVERNANCE COSTS

	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Audit fees	26,700	25,200

7. INFORMATION REGARDING EMPLOYEES

	10 months ended 31 July 2021 No	Year ended 30 September 2020 No
The average number of employees in period was	67	83
	£	£
Staff costs during the period were:		
Wages and salaries	3,807,180	4,214,287
Social security costs	437,326	448,530
Pension contribution	91,431	125,619
	4,335,937	4,788,436

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:

	10 months ended 31 July 2021 No	Year ended 30 September 2020 No
£60,000 - £69,999	6	6
£70,000 - £79,999	3	3
£80,000 - £89,999	1	1
£90,000 - £99,999	-	-
£100,000 - £199,999	6	6
£200,000 - £249,999	1	1

The key management personnel of the Charity are shown on page 5. The total remuneration (including pension contributions and social security costs) of the key management personnel of the charity totalled £493,318.

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

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

8. NET INCOME FOR THE PERIOD

Net income is stated after charging:

	10 months ended 31 July 2021 £	Year ended 30 September 2020 £
Auditor's remuneration		
Fees payable to the charity's auditor for the audit of the charity's financial statements	26,700	25,200
Rental under operating leases		
Land and buildings	2,078,784	2,366,748
Other	17,683	2,531
Depreciation of tangible fixed assets		
Owned (note 9)	919,149	991,916
	<u>919,149</u>	<u>991,916</u>

9. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 October 2020	11,428,506	1,087,512	5,520	12,521,538
Additions	95,400	19,070	-	114,470
Disposals	-	-	-	-
At 31 July 2021	<u>11,523,906</u>	<u>1,106,582</u>	<u>5,520</u>	<u>12,636,008</u>
Depreciation				
At 1 October 2020	5,681,304	258,918	4,754	5,944,976
Charge for the period	712,411	205,972	766	919,149
Disposals	-	-	-	-
At 31 July 2021	<u>6,393,715</u>	<u>464,890</u>	<u>5,520</u>	<u>6,864,125</u>
Net book value				
At 31 July 2021	<u>5,130,191</u>	<u>641,692</u>	<u>-</u>	<u>5,771,883</u>
At 30 September 2020	<u>5,747,202</u>	<u>828,594</u>	<u>766</u>	<u>6,576,562</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

10. DEBTORS

	31 July 2021 £	30 September 2020 £
Trade debtors	1,639	1,639
Amounts owed from other Hult undertakings	30,602	-
Other debtors	350	4,667
Prepayments	384,512	891,419
	<u>417,103</u>	<u>897,725</u>

All debtors are due within one year and there is no interest payable on Hult undertakings.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 July 2021 £	30 September 2020 £
Trade creditors	701,902	936,605
Loans owed to other Hult undertakings	250,000	250,000
Amounts owed to other Hult undertakings	2,243,662	2,822,741
Other creditors	99,920	96,247
Accruals	1,360,513	1,667,996
	<u>4,655,997</u>	<u>5,773,589</u>

There is no interest payable on Amounts owed to Hult undertakings.

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

NOTES TO THE FINANCIAL STATEMENTS
For the 10 months ended 31 July 2021

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

	31 July 2021 £	30 September 2020 £
Loans owed to other Hult undertakings	13,500,000	14,750,000

Included within the above are amounts due as follows:

	31 July 2021 £	30 September 2020 £
Between 1 and 2 years	250,000	250,000
Between 2 and 5 years	750,000	750,000
More than 5 years	12,500,000	13,750,000
	<u>13,500,000</u>	<u>14,750,000</u>

£13.5m of the loan owed to other Hult undertakings is payable annually in instalments and bears interest at 1.5% from 1 October 2020 (2019: 1.75%) and 1.0% from 1 January 2021(2020: 1.5%). The loan is repayable by 29 January 2035.

13. PROVISIONS FOR LIABILITIES: FALLING MORE THAN ONE YEAR

	31 July 2021 £	30 September 2020 £
Balance as at 1 October	1,288,355	1,262,866
Charged to SOFA	21,635	25,489
Balance as at 31 July	<u>1,309,990</u>	<u>1,288,355</u>

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

14. TAXATION

The company 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 10 months ended 31 July 2021

15. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	30	30	30	30
	31 July	September	31 July	September
	2021	2020	2021	2020
	£	£	£	£
Leases which fall due:				
In one year or less	2,621,807	2,614,674	-	4,380
Between one and two years	2,621,807	1,320,000	-	-
Between two and five years	8,134,920	4,119,500	-	-
In more than five years	1,599,066	2,598,034	-	-
	<u>14,977,600</u>	<u>10,652,208</u>	<u>-</u>	<u>4,380</u>

16. CONTROLLING PARTY

The ultimate controlling party is the Board of Trustees. The charity is a company limited by guarantee, so has no owner and it has an independent Board of Trustees.

In FY2021 £17,456 (FY2020: £nil) was paid to a trustee's legal firm for professional services and trustees received reimbursement of travel expenses of £nil (FY2020: two trustees received reimbursement of travel expenses of £2,854) from the charity.

17. Comparability towards previous periods

The company decided to change its fiscal year so that it ends 31st July instead of 30th September, better aligning the accounts to the academic year for students. 2021 is the first period implementing this change, and is therefore only 10 months (October 2020 to July 2021). 2022 fiscal year will be 1 August 2021 until 31 July 2022.

31 May 2022
Private and Confidential

The Board of Trustees
Hult International Business School Limited
35 Commercial Road
London
E1 1LD

Dear Trustees

Report of Factual Findings – Reporting to Office for Students - Addendum to Annual Report for 10 months ended 31 July 2021 (“the Addendum”)

We have performed the following procedures as agreed by Hult International Business School Limited (“the Company”) on the Additional disclosure related to senior staff included in the Addendum to Annual Report for 10 months ended 31 July 2021, as provided by the Trustees of the Company in accordance with our engagement letter dated 13 May 2022.

The procedures were performed solely for the purpose of satisfying the requirements of reporting to Office for Students on the Additional disclosure related to senior staff included in the Addendum to Annual Report for 10 months ended 31 July 2021.

Scope of our work and factual findings

The procedures performed were as follows:

- comparison and agreement to supporting documents for the salary bandings data and Stephen Hodge’s total annual remuneration, as set out in the “Additional disclosure related to senior staff” section of the Addendum.

No exceptions were noted from performing the procedures set out above.

The scope of our work in preparing this report (“Report”) was limited solely to those procedures set out above. Accordingly we do not express any opinion or overall conclusion on the procedures we have performed. You are responsible for determining whether the scope of our work specified is sufficient for your purposes and we make no representation regarding the sufficiency of these procedures for your purposes. If we were to perform additional procedures, other matters might come to our attention that would be reported to you.

Our Report should not be taken to supplant any other enquiries and procedures that may be necessary to satisfy the requirements of the recipients of the Report.

The procedures we performed did not constitute a review or an audit of any kind. We did not subject the information contained in our Report or given to us by the Trustees to checking or verification procedures except to the extent expressly stated above. This is normal practice when carrying out such limited scope procedures, but contrasts significantly with, for example, an audit. The procedures we performed were not designed to and are not likely to reveal fraud.

Audit work

The audit work of Deloitte LLP on the financial statements of the Company was carried out in order to report to the Trustees as a body in accordance with the statutory obligations under Chapter 3 of Part 16 of the Companies Act 2006 and is subject to a separate engagement letter. The audit work was undertaken to state to the Trustees those matters required to be stated in an auditor's report and for no other purpose. The audits of the Company's financial statements were not planned or conducted to address or reflect matters in which anyone other than such Trustees as a body may be interested.

In particular, the scope of the audit work was set and judgements made by reference to the assessment of materiality in the context of the audited accounts taken as a whole, rather than in the context of the Report contemplated in this letter. Deloitte LLP have not expressed an opinion or other form of assurance on individual account balances, financial amounts, financial information or the adequacy of financial, accounting or management systems.

Deloitte LLP do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for their audit work, for their audit report or for the opinions they have formed. To the fullest extent permitted by law, Deloitte LLP do not accept or assume responsibility or liability to anyone by virtue of this engagement or our Report in relation to our audits of the Company's financial statements.

Use of Report

Our Report has been prepared solely for your exclusive use and solely for the purpose of satisfying the requirements set out in the grant funding agreement. However, we understand that a copy of our Report has been requested by Office for Students solely for the purpose of reviewing senior staff disclosures. We agree that a copy of our Report may be provided to Office for Students for their information in connection with this purpose but only on the basis that we accept no duty, liability or responsibility to Office for Students in relation to our Report. Our Report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without our prior written express consent. We accept no duty, responsibility or liability to any party, other than the Company, in connection with the Report or this engagement.

Yours faithfully

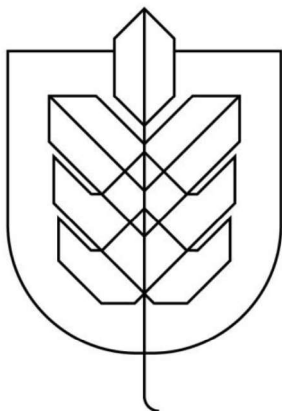
A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Deloitte LLP

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

ADDENDUM
TO
THE ANNUAL REPORT FOR THE 10 MONTHS ENDED
31 July 2021

Charity Registration Number: 1092321
Company Registration Number: 03005603
Office for Students Registration Number: 1000321

CONTENTS

PURPOSE OF THIS DOCUMENT	3
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE 10 MONTHS ENDED 31 JULY 2021	4
ADDITIONAL DISCLOSURE RELATED TO SENIOR STAFF	7
DETAILS OF GRANT DISCLOSURE AND FEE INCOME	8

PURPOSE OF THIS DOCUMENT

This is an addendum to the audited financial statements of Hult International Business School Limited for the 10 months ended July 31, 2021. It serves to provide additional details related to Regulatory Advice 9 issued by the Office for Students (OfS) under the OFS regulatory framework not required by 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).

LEGAL AND ADMINISTRATIVE DETAILS

Registration Numbers:

- Charity Registration Number: 1092321
- Company Registration number: 03005603
- Office for Students Registration Number: 1000321

Registered Office:

33-35 Commercial Road
London
E1 1LD

Website Address:

- www.hult.edu

Trustees:

- D Bennett
- R Goonesena
- F Henriksson
- R Beltzer

Deans:

- Samineh Shaheem
- Ronan Gruenbaum

Company Secretary:

- Emilie McCarthy

Bankers:

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

Auditor:

Deloitte LLP
Statutory Auditor
1 City Square
Leeds
LS1 2AL
United Kingdom

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE 10 MONTHS ENDED 31 JULY 2021

This Statement of Corporate Governance and Internal Control covers the period for the 10 months ended 31 July 2021 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 free from management.

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 systems comply with the legal and regulatory obligations, including as a Charity, the Office for Students and OFSTED.

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 OFSTED and Office for Students, and monitors adherence with the 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 Hult International School Ltd 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 suitable 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 Hult International School Ltd at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Hult International School Ltd 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 the Office for Students 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

Hult International Business School Ltd 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

The trustees, who are also directors of Hult International Business School Ltd 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 organisations financial regulations. We confirm that, during the 10 months to 31 July 2021 or since the period end, no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, if any instances are identified after the date of this statement these will be notified to the Office for Students.

Approved by the Trustees
And signed on their behalf
Mr R. Goonesena
Trustee



Date: 31 May 2022

Hult International Limited Ltd
Mr. Matt Lilley
President



[matthew lilley \(May 31, 2022 14:47 GMT+1\)](#)

Date: May 31, 2022

ADDITIONAL DISCLOSURE RELATED TO SENIOR STAFF

Hult International Business School Ltd 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 expressed on a full-time equivalent basis who received basic annual salaries in the following ranges on 31 July 2021 were:

	10 months ended 31 July 2021 - FTE No	Year end ended 30 September 2020 - FTE No
£100,000 - £104,999	-	-
£105,000 - £109,999	-	-
£110,000 - £114,999	1.0	1.0
£115,000 - £119,999	-	-
£120,000 - £124,999	1.0	2.0
£125,000 - £129,999	-	-
£130,000 - £134,999	1.0	1.0
£135,000 - £139,999	1.0	1.0
£140,000 - £144,999	-	-
£145,000 - £149,999	-	-
£150,000 - £154,999	-	-
£155,000 - £159,999	-	-
£160,000 - £164,999	-	-
£165,000 - £169,999	1.0	1.0
£170,000 - £174,999	-	-
£175,000 - £179,999	-	-
£180,000 - £184,999	-	-
£185,000 - £189,999	-	-
£190,000 - £194,999	-	-
£195,000 - £199,999	-	-
£200,000 - £204,999	0.5	0.5
Total FTE	5.5	6.5

- 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 Stephen Hodges' total annual remuneration is £306,690 for the 10 months ended 31 July 2021. This represents the total annual remuneration paid by Hult International Business School Ltd & Ashridge (Bonar Law Memorial) Trust. Ashridge (Bonar Law Memorial) Trust was responsible for funding £100,000 for the year ended 31 December 2021. Hult International Business School Ltd was responsible for funding £206,690. The breakdown of this total remuneration is as follows:

- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £100,000
 - 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.
 - 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 paid made to the head provider.
 - Ashridge (Bonar Law Memorial) Trust does not provide to the President private healthcare benefit
- From Hult International Business School Ltd:
 - Base salary of £200,000
 - 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.
- A total amount of £6,000 has been paid by the provider in pension contributions on behalf of the head of provider during the year.
- A total amount of £690 has been paid by the provider in pension contributions as part of National Insurance savings
- No other type of benefits and remuneration have paid made to the head provider.
- Hult International Business School Ltd does not provide to the President private healthcare benefit

The Presidents 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 Presidents 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 Presidents remuneration and that for all other staff is as follows (*combined remuneration of President between Hult International Business School Ltd & Ashridge (Bonar Law Memorial) Trust*):

- The head of the provider's basic salary is 10.0 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 head of the provider's total remuneration is 9.8 times the median total remuneration of staff

The pay multiple represents the Presidents 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 in the year for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC (July 2021). All other staff is capturing staff employed by Hult International Business School Ltd.

DETAILS OF GRANT DISCLOSURE AND FEE INCOME

Hult International Business School Ltd does not receive any grants whatsoever.