

Charity Registration No. 1069380

SAID BUSINESS SCHOOL FOUNDATION

Annual Report and Financial Statements

for the year ended 31 August 2020

SAID BUSINESS SCHOOL FOUNDATION

REPORT AND FINANCIAL STATEMENTS 2019/20

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SAID BUSINESS SCHOOL FOUNDATION

TRUSTEE, OFFICERS AND PROFESSIONAL ADVISERS

CORPORATE TRUSTEE

Saïd Business School Foundation Trustee Ltd.

(Registered company no. 10318633)

BOARD OF DIRECTORS OF SAID BUSINESS SCHOOL FOUNDATION TRUSTEE LTD

Lord Powell of Bayswater KCMG (Chairman)

Sir Victor Blank

Sir John Hood

Sir Bruce MacPhail

Professor Louise Richardson

Mr Wafic Rida Saïd (Benefactor)

Mr Khaled Rida Saïd

Mr Philip Seers

Professor Peter Tufano

ADMINISTRATION

Director: Ms Catherine Thomé

Financial Controller: Mr Daniel Bird

Senior Finance Officer: Ms Nicole D'Angelo

Administration Officer: Ms Fouzia Iqbal

REGISTERED OFFICE

Saïd Business School

Park End Street

Oxford OX1 1HP

BANKERS

Metro Bank plc

One Southampton Row

London WC1B 5HA

SOLICITORS

Bates Wells LLP

10 Queen Street Place

London EC4R 1BE

AUDITORS

Nexia Smith & Williamson

Cumberland House

15-17 Cumberland Place

Southampton SO15 2BG

SAID BUSINESS SCHOOL FOUNDATION

TRUSTEE'S REPORT

The Directors of The Saïd Business School Foundation Trustee Ltd, as Trustee of the Saïd Business School Foundation, present the annual report and the audited financial statements for the year ended 31 August 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 15-16 and comply with the charity's trust deed, applicable law, and *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)*.

CONSTITUTION

The Saïd Business School Foundation (SBSF) was constituted as a charitable trust by deed dated 23 March 1998 and is subject to the laws of England. It was registered by the Charity Commission as an English charity on 30 April 1998 as charity number 1069380. In November 2016 a new trust company, The Saïd Business School Foundation Trustee Ltd (SBSFT Ltd), was appointed as the sole trustee of the Saïd Business School Foundation. The Foundation's former Board of Trustees signed a deed of amendment of the Foundation's trust deed to enable the incorporation and duly retired.

The trust deed nominates Mr Wafic Saïd as Benefactor. In accordance with the trust deed and with SBSFT Ltd's Articles of Association, Mr Saïd as the Foundation's Benefactor has certain rights including nominating two or more of SBSFT Ltd's directors and approving some activities. These rights pass to his successors as Benefactors. His first successor (Mr Khaled Saïd) has been nominated by him and his successors will be nominated by each Benefactor in turn.

SBSFT Ltd is a non-profit company limited by guarantee (registered company no. 10318633). The company's sole activity is to act as Trustee to SBSF. During October 2018, the company's application for Trust Corporation status was accepted by the Ministry of Justice. The two Members of the trust company, the Benefactor and the University of Oxford, each have equal rights of appointment of the directors of the company with one further director being appointed by unanimous decision of the University directors and the Benefactor directors.

As at 31 August 2020, membership of the Board of Directors of the Saïd Business School Foundation Trustee Ltd ('the Board' or 'the Directors') was as follows:

Appointed by the University

Professor Louise Richardson
Sir Victor Blank
Sir John Hood
Professor Peter Tufano

Appointed by the Benefactor

Mr Wafic Rida Saïd (Benefactor)
Lord Powell of Bayswater KCMG
Mr Khaled Rida Saïd
Mr Philip Seers

Appointed by unanimous decision of the University Directors and Benefactor Directors

Sir Bruce McPhail

All of the directors are closely associated with the Saïd Business School through their work for the University, the School or the Foundation, their membership of School bodies and/or as donors to the School. Any transactions with Trustees or other related parties are disclosed at note 11 to the financial statements.

ORGANISATIONAL STRUCTURE

The Foundation has four staff members, all part-time: a Director, Financial Controller, Senior Finance Officer and Administration Officer. All of these staff members are provided by the Saïd Foundation which funds the Foundation. Staff members are based in London, although the Foundation's registered office is in Oxford.

GOVERNANCE AND MANAGEMENT

The Board decides on all proposals for substantial funding at its meetings and sets budgets for such funding. The Board also approves budgets for administrative expenses.

The Board has delegated authority to an Audit Committee for examining and reviewing all systems and methods of control including risk analysis and management, for recommending external auditors and agreeing their fee, for setting and monitoring budgets for administrative activity and for scrutinising and advising the Board on the annual audited accounts and trustee's report. The Committee also monitors expenditure of all restricted funds to ensure that they are spent in accordance with donors' wishes. The Committee includes the Chairman and one other director appointed by the Board and reports to the Board annually.

The Board shares oversight of the grants made from the Foundation's Strategic Development Fund with the Grants Committee. The Committee consists of four directors appointed by the Board. It meets once a year and its minutes are circulated promptly to the Board.

RISK MANAGEMENT

A full risk register is held by the Foundation and is reviewed annually by the Audit Committee. The Audit Committee has identified and reviewed the major risks to which the Foundation is exposed and has established systems and procedures to manage those risks. This involves identifying potential risks and then assessing the likelihood of their occurrence, their impact, allocating responsibility and action to be taken. Existing risks are re-assessed by the Committee to ensure that they are actively managed and that controls are working effectively. Trustees have identified the following as the principal risks facing the Foundation and have controls in place for their active management:

Principal Risks	Present Controls
<i>Strategic impact</i> The School fails to pursue a strategy enabling it to become and remain a global top ranked school.	The School reports annually on its achievement of Critical Success Factors. This report is reviewed by the Audit Committee and reported to the Foundation's Board. There is Benefactor representation on the School Board, the Global Leadership Council. The Foundation also has the right of approval of the Dean.
<i>University obligations to the Foundation</i> The University fails to continue to meet the undertakings it has given to the Foundation and Benefactor.	The School reports to the Foundation annually to verify that relevant obligations made by the University continue to be met. This report of Undertakings is reviewed by the Audit Committee and reported to the Foundation's Board.
<i>Funding support for the Strategic Development Fund (SDF)</i> The Foundation is unable to sustain the future funding requirements of grant commitments made under the SDF.	The Grant Agreement with the Saïd Foundation was revised in November 2016. The annual grant was increased at that time to £1.1 million, plus further annual increases linked to the rate of CPI inflation. The agreement sets out the terms under which the Saïd Foundation undertakes to provide the funding necessary to ensure that SDF grant commitments made by SBSF will continue to be met.

OBJECTS

The Foundation's founder, Mr Wafic Rida Saïd, established the Foundation because he wished to further the advancement of world-class management education in Britain by the development of a business school at Oxford University, to promote a genuine partnership between businesses and business schools with a view to helping improve Britain's economic performance, and to recognise the welcome extended to him over many years and his attachment to the British people.

The Foundation's objects are:

- The development, promotion and support of the Saïd Business School ("the School") and the design, building and maintenance of a building or buildings for the School on the station forecourt site, Oxford;
- The support of such (if any) other charitable uses of the site as may be agreed between the University of Oxford and the Foundation's Board;
- Such (if any) other charitable purposes as the Board may, with the approval of the Benefactor, determine; and
- The promotion and support of the Saïd Foundation (English charity number 1125521) or, if the Saïd Foundation has ceased to exist, such other English charity as the Benefactor shall nominate.

Only the first of the above objects will be pursued by the Foundation for so long as the School buildings at Park End Street continue to be used exclusively by the School. The Foundation's grants and other charitable expenditure are therefore directed solely toward this first object.

The Foundation's objects do not extend to the academic direction or day-to-day management of the School. These matters are entirely and exclusively the responsibility of the University of Oxford.

OBJECTIVES AND ACTIVITIES OF THE FOUNDATION

The long-term objectives of the Foundation are:

1. To assist the School in its pursuit of excellence in research, teaching and relevance to business practitioners with a view to establishing and maintaining the School as the best model in the world of a business school embedded in a university.
2. To assist the School to build a self-sustainable business model that supports excellence.
3. To ensure that the conditions and principles agreed by the Foundation and the Benefactor with the University continue to be met.

Conditions and Principles

In the course of the establishment of the Foundation, the Foundation's former Trustees and its Benefactor agreed a number of conditions and principles with the University which the Foundation believed were vital to the future success of the School such as the centrality of its site in Oxford; its position as the University's sole business school; the representation in its strategic and financial management of members of the business community; the need for its building to be and remain of the standard of a world-class business school; the consolidation of business studies and of the School's faculty and students within the wider collegiate university; and the importance of fundraising as an on-going, professionally managed activity benefiting from the University's full assistance. In the context of the agreement in relation to the School's Thatcher Business Education Centre, further conditions and principles were agreed with the University including terms for a University loan to the School to finance some of the costs of the building, and the need to bring the School's research and degree activities and its executive education activities under a single governance and budgeting, financial planning and reporting structure. The directors monitor the status of these conditions and principles on an annual basis.

Capital Funding projects

One of the Foundation's chief contributions to date to promoting its long-term objectives has been its willingness to contribute substantial funding towards capital projects. It built the first Phase of the School's award-winning home on a central site provided by the University near Oxford's railway station. The Foundation contributed over £28m to the costs of this building and to securing the garden site for the School. The building is generally considered to be of a standard equal to any business

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school in the world. It was occupied by the School in 2001 and provides an exceptional working environment for faculty, students and staff. The building allowed the School rapidly to build up its critical mass to a scale that has enabled it to strengthen its financial model, to provide elective choice and other benefits and services to its students and to accommodate research groups and centres. It has also proved to be an outstanding venue for high-profile events of varying sizes and its facilities are often used by the wider University. The Foundation monitors the School's maintenance to world-class standards through two-yearly surveys conducted by independent experts.

The Foundation contributed a further £15m (over half of its cost) to the construction of the Thatcher Business Education Centre which became available for the School's use at the beginning of the 2012/13 academic year. The building was opened by His Royal Highness the Prince of Wales in February 2013 and, with the approval of the appropriate University committees, was named the Thatcher Business Education Centre in November 2013. The Centre was formally named by the Prime Minister, The Rt Hon. David Cameron MP in June 2014. The building has enabled an expansion of the School's degree and other programmes that will help secure its medium-term growth plans.

In 2017/18, the Foundation made a significant new commitment to support the School's proposed redevelopment of the Osney Power Station. This strategically important project will see a former power station in close proximity to the School become its new world-class executive education facility. With matched funding from the University, SBSF made a commitment of £15 million to support the project, funded by the Benefactor and made via the Saïd Foundation. Of this total, £803,000 has been paid to the School and the amount outstanding at 31 August 2020 was £14,197,000 (before discounting).

Achievement of Aims and Objectives

The Foundation assesses the impact of its support by monitoring the extent to which the School is making progress towards establishing and maintaining its position as one of the world's top and most influential business schools. Despite a difficult year for MBA student recruitment, the School has seen some real successes in building the 2020 cohort. Against a backdrop of a 36% year-on-year increase in applications, the School has seen a growth in both the number of nationalities represented on the programme (67 in 2020 compared to 64 in the previous year) and female representation in the class (47% in 2020 compared to 44% in the previous year). The School has also remained steadfast in its commitment to Africa with 12% of the cohort being comprised of students from the continent, just slightly down from 13% in the prior year.

Achieving and maintaining its leading position in international rankings is a key strategic priority of the School. The School was ranked 21st globally and third in the UK in the FT MBA rankings (2019: 13th globally and second in the UK). The School's recent drop in the FT rankings for both the MBA and Executive MBA was disappointing. For both programmes, salary data was the main factor influencing its position. The Foundation is reassured by the School's strategy for improving its rankings position which includes a combination of career and alumni focussed activities including an increase in career coaching and an emphasis on specialist careers advice from sector consultants.

The School's success in fundraising, particularly for research, entrepreneurship and scholarships, also testifies to the strength of the brand it has created. In addition, it has become a fully integrated part of the collegiate university with faculty and students in almost all the University's colleges and cross-disciplinary programmes with a number of other University departments. The School is building further on these achievements by continuing to capitalise on its links with Oxford University as a source of unique competitive advantage.

Strategic Development Fund

The Foundation promotes its objectives through its Strategic Development Fund (SDF) which was established in 2008. The SDF is funded from an annual grant from the Saïd Foundation, which is currently set at £1.1 million per annum plus, from 1 September 2016, an annual uplift to reflect each year's increase in the CPI inflation index. This meant that the new funding available in 2019/20 was £1,191,714.

During 2017/18, the Foundation's Grants Committee and Board approved new governance arrangements for SDF grants. These new arrangements give the Dean of the School discretion to deploy the SDF without the requirement to obtain the prior approval of the Grants Committee. There is a grant agreement between SBSF and the School to ensure that the School operates the SDF in accordance with the criteria and guiding principles agreed by SBSF, and within the financial envelope

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agreed between SBSF and the Saïd Foundation. The School continues to report to the Grants Committee and the Board on how the SDF funding has been used, and SBSF continues to monitor grants in line with Charity Commission best practice.

In the twelve years from the Fund's inception to 31 August 2020, grants and commitments of more than £15.5 million have been made. Grants have focused largely on promoting four medium-term objectives to:

- assist the School to strengthen those functions which are of critical importance to the success of a business school such as marketing, careers, alumni relations and development;
- assist the School to strengthen the key points of differentiation that underpin and enhance its brand such as incorporation of the intellectual capital of the University into its research and teaching, leveraging of Oxford's international convening power and helping students and practitioners to respond to new business and societal challenges;
- assist the School to attract top calibre students, particularly through the provision of scholarships, and to attract and retain top calibre faculty and staff; and
- assist the School to establish and maintain itself as the United Kingdom's top school, one of Europe's top two schools and one of the world's top ten schools both in the fields of MBAs and Executive Education, as measured by a range of authoritative rankings of business schools.

In 2019/20, seven new grants totalling £2,346,000 (2018/19: one grant totalling £11,000) were awarded from the SDF. In common with previous years, the majority of this funding was awarded to support the School in awarding scholarships to MBA and DPhil students. The amount awarded included £445,000 to support the creation of a new two-year Teaching and Learning Initiative that will result in a step change in the provision of development support for the faculty's teaching, pedagogical innovation, and for the student learning experience. A grant from the SDF has also allowed the School to employ a new Change Programme Director to provide dedicated resource towards the development and integration of a range of change initiatives across the School. The Change Programme Director will work with senior managers and team members to deliver specific projects as well as continuing new ways of working across the School.

ASSESSMENT OF IMPACT

The grants made by the Foundation are intended to support the successful strategic development of the School. Their impact is therefore assessed chiefly by monitoring the impact of the School itself. The Board of Directors and the Grants Committee met regularly with the School's Dean and other senior officers during the year. Impact was assessed by considering the progress made by the School towards the achievement of its long term and medium term objectives, with reference to several key indicators:

- progress in the ranking of the School against other UK, European and international competitors;
- the School's achievement against a range of critical success factors that include: world-class faculty, world-class students, a sustainable business model, marketplace differentiation and world-class student services;
- continuing fulfilment of the conditions and principles agreed by the Foundation and the Benefactor with the University.

Having reviewed these measures, the Board is satisfied with the overall impact achieved during the year through the continuing strategic development of the School, the contribution of the Foundation and the fulfilment of the underpinning conditions and principles.

FUTURE PLANS

The Board supports the Dean's goal to create a 21st century model of business education for leading in a complex world that will enhance its offer to students and in so doing differentiate Saïd Business School from its competitors by: drawing on the University of Oxford's breadth and depth; developing innovative programmes, cutting-edge research and pedagogical capabilities and building upon the School's distinctive expertise in the field of entrepreneurship. The Foundation's future plans are to continue to support this goal.

PUBLIC BENEFIT

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The Directors confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing objectives and activities. All the Foundation's expenditure goes on developing the Saïd Business School which, as part of Oxford University, itself has charitable status. The Foundation seeks through all its grants to promote the highest standards of excellence at the School in order to enable it to provide to its students at the undergraduate, graduate and post-experience levels a world-class education in business matters informed by research of an international standard.

FINANCIAL REVIEW

Funding sources

Under the terms of a Grant Agreement, a revised version of which was formally approved by the Boards of SBSFT and the Saïd Foundation in November 2016, the Saïd Foundation provides annual funding to the Saïd Business School Foundation for its Strategic Development Fund. The Saïd Foundation is committed to provide long term funding which increases each year in line with the change in the CPI inflation rate for the previous financial year. As noted above, the amount provided in 2019/20 was £1,191,714. Further detail about how income under this grant agreement has been recognised is included at note 1g to the financial statements.

Fundraising policy

The Foundation does not raise funds from third-party donors nor from the public.

Pay and remuneration of staff

The cost of the part-time support provided by the staff of the Saïd Foundation is supported by an analysis of time sheets and approved by the Audit Committee.

Reserves policy

The Foundation's reserves policy is to match income to commitments so there is no need for it to hold free reserves. Although the Foundation had a negative reserves balance at year-end, the Trustee has a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future based on the Grant Agreement between the Saïd Foundation (SF) and Saïd Business School Foundation Trustee Limited (SBSFT). This agreement states that there are circumstances under which such funding could stop. However, if this should happen, the agreement states that SF will nevertheless provide funding to SBSF to ensure that the Strategic Development Fund commitments that SBSF has already made can be met. The Trustee also has assurance that SF has sufficient cash and liquid investments to meet any liabilities as they fall due.

Auditors

Nexia Smith & Williamson were reappointed as auditors for the 2020/21 financial year by the Board of the corporate Trustee.

Approved by The Saïd Business School Foundation Trustee Limited, as Trustee,
and signed on its behalf by


Charles Powell (Jan 25, 2021 13:02 GMT+1)

Lord Powell of Bayswater
Chairman
25 January 2021

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) incorporating Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

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

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE SAID BUSINESS SCHOOL FOUNDATION

Opinion

We have audited the financial statements of the Saïd Business School Foundation (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 FRS 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 charity's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

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 charity 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

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

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

Other information

The other information comprises the information included in the Annual Report and the Financial Statements, other than the financial statements and our auditor's report thereon. The trustee is 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.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or

- the information given in the financial statements is inconsistent in any material respect with the Trustee's Annual Report; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 9, the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity'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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 charity's trustee as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee 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 charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Nexia Smith & Williamson (Jan 25, 2021 12:05 GMT)

Nexia Smith & Williamson
Chartered Accountants
Statutory Auditor

Date: 25/01/2021

Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

Nexia Smith & Williamson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**The Saïd Business School Foundation
Statement of Financial Activities
for the year ended 31st August 2020**

	Note	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2020 £'000s	Total 2019 £'000s
INCOME FROM:					
Donations	2	22	1,170	1,192	1,172
Investments	2	1	-	1	4
Total Income		23	1,170	1,193	1,176
EXPENDITURE ON:					
<i>Charitable Activities:</i>	3				
Strategic Development Fund		-	(2,115)	(2,115)	(95)
Legal and Administrative Costs		(23)	-	(23)	(33)
Total Expenditure		(23)	(2,115)	(2,138)	(128)
Net (expenditure) / income		-	(945)	(945)	1,048
Transfers between funds		(60)	60	-	-
Net movement in funds for the year		(60)	(885)	(945)	1,048
RECONCILIATION OF FUNDS					
Total funds brought forward 1st September	13	250	(1,359)	(1,109)	(2,157)
Total funds carried forward 31st August	9	190	(2,244)	(2,054)	(1,109)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Saïd Business School Foundation
Balance Sheet
as at 31st August 2020

	Note	2020 £'000s	2019 £'000s
Current assets			
Debtors	6	14,965	15,236
Cash at bank and in hand		333	480
Total current assets		15,298	15,716
Current liabilities			
Creditors falling due within one year	7(a)	(3,455)	(4,157)
Total assets less current liabilities		11,843	11,559
Creditors falling due after more than one year	7(b)	(13,897)	(12,668)
Total net liabilities		(2,054)	(1,109)
The funds of the charity			
Unrestricted designated funds	9	190	250
Restricted funds	9	(2,244)	(1,359)
Total charity funds		(2,054)	(1,109)

The notes on pages 15 to 20 form part of the financial statements.

Approved by The Saïd Business School Foundation Trustee Limited, as Trustee,
on 25 January 2021 and signed on its behalf by:

Charles Powell

Charles Powell (Jan 25, 2021 13:02 GMT+1)

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Lord Powell of Bayswater
Chairman

**The Saïd Business School Foundation
Cash Flow Statement
for the year ended 31st August 2020**

	Note	2020 £'000s	2019 £'000s
Cash used in operating activities	8	(148)	(1,901)
Cash provided by investing activities			
Interest income	2	1	4
Decrease in cash and cash equivalents during the year		<u>(147)</u>	<u>(1,897)</u>
<i>Cash and cash equivalents at the beginning of the year</i>		480	2,377
Cash and cash equivalents at the end of the year		<u>333</u>	<u>480</u>

**The Saïd Business School Foundation
Notes to the Financial Statements
for the year ended 31st August 2020**

1 ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Charities Act 2011 and UK Generally Accepted Practice. The Foundation meets the definition of a 'public benefit entity' under FRS 102. The financial statements are prepared under the historic cost convention.

All the Foundation's assets and liabilities are denominated in Pounds Sterling. The functional currency of the Foundation is therefore considered to be Pounds Sterling and the Financial Statements are presented in that currency.

The Saïd Business School Foundation is an unincorporated UK charity registered with the Charity Commission for England and Wales (registration number 1069380). Its registered office address is The Saïd Business School, Park End Street, Oxford, OX1 1HP.

b) Income

Income is recognised when the Foundation has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

c) Expenditure and irrecoverable VAT

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. All expenditure relates to charitable activities, and is analysed between activities at note 4 to the accounts.

The Foundation is not registered for VAT. Irrecoverable VAT is therefore charged as a cost against the activity for which the expenditure was incurred.

d) Fund accounting

Restricted funds are donations which the donor has specified are to be solely used for particular grant-making activities. Unrestricted funds are available for use at the discretion of the Trustee in furtherance of the general objectives of the Foundation.

e) Financial instruments

The Foundation only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of grant commitments and commitments received in respect of donations which are discounted to their present value as described at note 1g, below.

f) Going concern

The Trustee has reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future based on the Grant Agreement between the Saïd Foundation (SF) and Saïd Business School Foundation Trustee Limited (SBSFT). This agreement states that there are circumstances under which such funding could stop. However, if this should happen, the agreement states that SF will nevertheless provide funding to SBSFT to ensure that the Strategic Development Fund commitments that SBSFT has already made can be met. The Trustee also has assurance that SF has sufficient cash and liquid investments to meet any liabilities as they fall due. Accordingly, the Trustee considers it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

1 ACCOUNTING POLICIES (continued)

g) Critical accounting judgments and sources of estimation uncertainty

In the application of these accounting policies, the Trustee has made two judgments that have had a significant effect on the financial statements:

The Grant Agreement between SF and SBSFT confirms that SF has a long-term commitment to SBSF of at least five years. However, the agreement also states that there are circumstances under which this funding could stop. Therefore SBSF recognises one year's worth of annual income under that agreement in each year's financial statements.

In applying the requirement under paragraph 7.9 of the FRS 102 SORP to discount long-term grant liabilities and committed donations to their present value, the Trustee has used HM Treasury's forecast CPI inflation rate for 2021 and beyond which was 1.85% at the end of August 2020. In accordance with paragraph 11.20 of FRS 102, grants committed in prior years are discounted using the original discount rate (i.e. the prevailing CPI inflation rate forecast in the year of initial recognition).

The CPI inflation rate forecast was chosen as the discount rate because SBSF has no borrowings, so no cost of capital, and because SBSF's grant agreement with SF allows for annual increases in the amount of the grant which are calculated with reference to the rate of change in the CPI inflation index. Further information about HM Treasury's forecast inflation rates can be found at <https://www.gov.uk/government/collections/data-forecasts>

The Trustee does not consider that the financial statements contain any estimates which give rise to a significant risk of material adjustment in the next year.

**The Saïd Business School Foundation
Notes to the Financial Statements
for the year ended 31st August 2020**

2 Income

	Unrestricted 2020 £'000s	Restricted 2020 £'000s	Total 2020 £'000s	Total 2019 £'000s
Donations	22	1,170	1,192	1,172
Investments	1	-	1	4
Total	23	1,170	1,193	1,176

Income from donations consists of a grant of £1,192,000 from the Saïd Foundation in respect of the Strategic Development Fund (2019: £1,172,000). All of the Foundation's investment income of £1,000 (2019: £4,000) arises from cash held in interest-bearing deposit accounts.

3 Analysis of expenditure on charitable activities

	Strategic Development Fund £'000s	Legal and Admin Costs £'000s	Total 2020 £'000s	Total 2019 £'000s
Grants to the Saïd Business School	(2,155)	-	(2,155)	(11)
Adjustment to grant liability discounting	40	-	40	(84)
Support costs	-	(15)	(15)	(22)
Governance costs (see note 4)	-	(8)	(8)	(11)
Total	(2,115)	(23)	(2,138)	(128)

Expenditure on charitable activities was £2,138,000, most of which represented new grants awarded to the Saïd Business School. Seven new Strategic Development Fund grants totalling £2,346,000 were awarded in the year, offset by £191,000 of unspent funds returned from six grants awarded in prior years. The Foundation also incurred £23,000 of support and governance costs.

In common with previous years, all the Foundation's grants were made to the Saïd Business School at the University of Oxford. Grant expenditure is recognised when the grant has been approved because this is the point at which a constructive obligation is considered to exist. Grants which remain unpaid at the end of a period are carried forward as liabilities, as set out in note 7.

4 Analysis of governance costs

	2020 £'000s	2019 £'000s
Audit fees	(8)	(11)
	(8)	(11)

Remuneration of £7,000 plus VAT was payable to the Foundation's external auditors in respect of statutory audit services for the year ended 31 August 2020 (2019: £9,000 plus VAT). The external auditors, Nexia Smith & Williamson, provided no non-audit services during the year (2019: none).

5 Staff costs

The Saïd Business School Foundation (SBSF) employs no staff (2019: none), although it incurred a recharge of £15,000 from the Saïd Foundation (SF) in respect of SF staff time spent on SBSF business (2019: £16,000).

**The Saïd Business School Foundation
Notes to the Financial Statements
for the year ended 31st August 2020**

6 Debtors

	2020 £'000s	2019 £'000s
Accrued funding falling due within one year	3,382	3,913
Accrued funding falling due after one year	11,583	11,323
	<u>14,965</u>	<u>15,236</u>

The accrued funding balance relates to funds yet to be drawn down from the Saïd Foundation in respect of the Osney Power Station grant and the Strategic Development Fund, offset by an adjustment of £510,000 to discount the value of the Osney Power Station debtor to its present value. Accrued funding is a financial asset measured at amortised cost.

7 Creditors

a) Amounts falling due within one year	2020 £'000s	2019 £'000s
Grant commitments not yet paid	3,432	4,130
Other creditors	15	16
Accruals	8	11
	<u>3,455</u>	<u>4,157</u>
 b) Amounts falling due after more than one year	 2020 £'000s	 2019 £'000s
Grant commitments not yet paid	13,897	12,668
	<u>13,897</u>	<u>12,668</u>

All grant commitments outstanding at the year-end were to the Saïd Business School at the University of Oxford. Grant commitments not yet paid, other creditors and accruals are financial liabilities measured at amortised cost.

8 Cash flow statement

a) Reconciliation of net movement in funds to net cash flow from operating activities	2020 £'000s	2019 £'000s
Net movement in funds	(945)	1,048
<i>Adjusted for:</i>		
- Interest income shown in investing activities	(1)	(4)
- Decrease in debtors	271	536
- Increase / (Decrease) in creditors	527	(3,481)
Net cash used in operating activities	<u>(148)</u>	<u>(1,901)</u>

b) Reconciliation of movements on net funds	Net cash at 01.09.2019 £'000s	Cash flows £'000s	Non-cash movements £'000s	Net cash 31.08.2020 £'000s
Cash at bank and in hand	480	(147)	-	333
Net funds	<u>480</u>	<u>(147)</u>	<u>-</u>	<u>333</u>

**The Saïd Business School Foundation
Notes to the Financial Statements
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9 Analysis of charitable funds

	Balance 01.09.19 £'000s	Income £'000s	Expenditure £'000s	Transfer between funds £'000s	Balance 31.08.20 £'000s
<i>Restricted Funds</i>					
Osney Power Station Fund	-	-	-	-	-
Strategic Development Fund	(1,359)	1,170	(2,115)	60	(2,244)
Total Restricted Funds	(1,359)	1,170	(2,115)	60	(2,244)
<i>Unrestricted Funds</i>					
Legal and Administrative Costs (designated fund)	250	23	(23)	(60)	190
Total Unrestricted Funds	250	23	(23)	(60)	190
Total Funds	(1,109)	1,193	(2,138)	-	(2,054)

Osney Power Station Fund

One of the School's strategic priorities is the proposed redevelopment of Osney Power Station. This project aims to redevelop a former power station near to the School as its new world-class executive education centre. A £15 million grant for the project was committed in the 2017/18 financial year, of which £14,197,000 remains outstanding (before discounting adjustments).

The full amount payable to the School is ultimately funded by a donation from Mr Wafic Saïd, paid via the Saïd Foundation. The existence of this debtor meant there was a nil balance on the Fund as at 31 August 2020.

Strategic Development Fund

Through the Strategic Development Fund the Foundation aims to support initiatives that will promote the Foundation's objective to assist the School in its pursuit of excellence. Further detail about this grant-making activity is set out in the Annual Report.

The Strategic Development Fund was negative at the year end. The Grant Agreement between SBSFT and SF states that, in the event that the Trustees of SF decide to cease their annual funding of SBSF, SF will nevertheless provide funding to SBSF to ensure that the Strategic Development Fund commitments that SBSF has already made can be met. For this reason, the Board is satisfied that the negative balances will be funded by SF in due course.

Legal and Administrative Costs

This fund is designated by the Board to cover five years of anticipated legal and administrative expenditure, to match the period over which the Foundation is permitted to make commitments under the Grant Agreement with the Saïd Foundation. During the year, the Board decided to reduce the level of funds so designated from £250,000 to £190,000.

10 Analysis of Net Assets between Funds

	Unrestricted Funds £'000s	Restricted Funds £'000s	Total 2020 £'000s	Total 2019 £'000s
Current assets	213	15,085	15,298	15,716
Creditors falling due within one year	(23)	(3,432)	(3,455)	(4,157)
Net Current assets	190	11,653	11,843	11,559
Creditors falling due after more than one year	-	(13,897)	(13,897)	(12,668)
Net Assets / (Liabilities)	190	(2,244)	(2,054)	(1,109)

**The Saïd Business School Foundation
Notes to the Financial Statements
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11 Transactions with directors and connected persons

Three directors of The Saïd Business School Foundation Trustee Limited are also trustees of the Saïd Foundation. They are Mr Wafic Saïd, Mr Khaled Saïd and Lord Powell of Bayswater. Funding for the Strategic Development Fund was provided by the Saïd Foundation. The income and amount owed by SF to SBSF at 31 August 2020, after discounting, were as follows:

	Income	Amount	Income	Amount
	2020	owed	2019	owed
	£'000s	£'000s	£'000s	£'000s
Osney Power Station grant	-	13,687	-	13,978
Strategic Development Fund	1,192	1,277	1,172	1,257
	<u>1,192</u>	<u>14,964</u>	<u>1,172</u>	<u>15,235</u>

The Foundation's corporate trustee and its directors were not paid nor received any other benefits from the Foundation or a related entity in the year (2019: nil). One director of the corporate trustee (2019: one) received reimbursement for travel expenses incurred whilst on SBSF business of £121 (2019: £45).

12 Taxation

The Saïd Business School Foundation, as a charity, is exempt from taxation of its income and gains falling within section 466 - section 517 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

13 Statement of Financial Activities – prior year comparatives

	Unrestricted Funds 2019 £'000s	Restricted Funds 2019 £'000s	Total 2019 £'000s
INCOME FROM:			
Donations	29	1,143	1,172
Investments	4	-	4
Total Income	<u>33</u>	<u>1,143</u>	<u>1,176</u>
EXPENDITURE ON:			
<i>Charitable Activities:</i>			
Strategic Development Fund	-	(95)	(95)
Osney Power Station	-	-	-
Legal and Administrative Costs	(33)	-	(33)
Total Expenditure	<u>(33)</u>	<u>(95)</u>	<u>(128)</u>
Net income / (expenditure) and net movement in funds for the year	-	1,048	1,048
RECONCILIATION OF FUNDS			
Total funds brought forward 1st September 2018	250	(2,407)	(2,157)
Total funds carried forward 31st August 2019	<u>250</u>	<u>(1,359)</u>	<u>(1,109)</u>