

The Saïd Foundation

Audited Annual Report and Accounts for the
year ended 31 August 2020

Charity number: 1125521

Company number: 6621764



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Reference and Administrative Information

Charity Registration Number	1125521
Company Registration Number	6621764
Correspondence address	24 Queen Anne's Gate, London, SW1H 9AA
Website	www.saidfoundation.org
Board of Trustees	Mr Wafic R Saïd (Chairman) Mrs Rasha Saïd Khawaja (Deputy Chair) Mr Jonathan Aitken Ms Ita Gallagher Mrs Sirine Idilby Sir Michael Peat Lord Powell of Bayswater Ms Catherine Roe Mrs A Rosemary Saïd Mr Khaled R Saïd Mrs Nadine Zakaria
Chief Executive Officer	Ms Catherine Thomé
Auditors	Nexia Smith & Williamson Cumberland House 15-17 Cumberland Place Southampton SO15 2BG
Bankers	Metro Bank PLC 1 Southampton Row London WC1B 5HA UBS Zurich AG Paradeplatz 6 CH-8098 Zurich Switzerland
Legal Advisers	Bates Wells 10 Queen Street Place London EC4R 1BE Stephenson Harwood 1 Finsbury Circus London EC2M 7SH
Investment and Property Advisers	Capital Generation Partners LLP Berkeley Square House London W1J 6BX

Trustees' Report incorporating the Strategic Report

The Trustees present the report and financial statements for the period from 1 September 2019 to 31 August 2020. The Trustees are also Directors of the company for the purpose of the Companies Act 2006. The financial statements have been prepared in accordance with the accounting policies set out therein and comply with the Memorandum and Articles of Association, applicable law, *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 Companies Act 2006.

1. Mission, Objectives and Programmes

The charitable object of the Saïd Foundation as set out in its Memorandum and Articles of Association is “to advance all exclusively charitable purposes in accordance with English law for the public benefit”.

The Trustees retain a focus on the Middle East, particularly the priority countries of Syria, Palestine, Lebanon and Jordan. However they also recognise the importance of funding projects in the UK through the Saïd Business School Programme and the Amal Programme. In 2018, the Trustees approved the vision, mission, guiding principles and objectives which are set out below.

Our **vision** is of a world where people from all backgrounds can realise their full potential. Our **mission** is to bring positive and lasting change to the lives of children, young people and the wider community through carefully selected investments in themes and geographies with which the Saïd family and the Saïd Foundation have developed strong links and expertise.

Our **guiding principles** are as follows:

1. A conviction that education is a powerful tool to change lives for the better and that higher education, in particular, plays a valuable role in creating enlightened and effective leadership which benefits the broader community.
2. An approach that is non-sectarian and non-political.
3. Recognition of the need to build capacity and capability across the countries we work in.
4. An understanding of the importance of bridge building, communication and respect across cultures.
5. A desire to enhance and learn from our thematic and regional experience and to benefit from synergy between programmes.
6. The potential to promote philanthropy and to maximise the impact of specific projects through partnerships with organisations that share our objectives.

Our **objectives** are:

1. To assist the Saïd Business School at Oxford University in its pursuit of excellence and in its desire to promote the beneficial role of business in society.
2. To support the humanitarian relief and development needs of the Syrian people and, when once again possible, the long-term sustainable development of the country.
3. To support the higher education of students in order to promote the sustainable development of the Levant region.
4. To improve the lives of disadvantaged children in the Levant region.
5. To increase understanding of Britain's Muslim communities among its non-Muslims and to foster a stronger sense of belonging in the UK among Muslim communities.

We pursue these objectives through four related **programmes**:

1. The **Saïd Business School Programme** makes grants to the Saïd Business School Foundation for its Strategic Development Fund with a view to establishing and maintaining the School as one of the world's top and most influential business schools.
2. The **Syria Programme** provides assistance for the needs of Syrians most seriously affected by the crisis in the country with an emphasis on the education and protection of young people in Lebanon and Jordan. Before the conflict in Syria broke out in 2011, the programme also provided financial and other support

to encourage and promote the sustainable development of Syria with an emphasis on health, childhood disability and higher education.

3. The **Scholarships Programme** provides financial support directly and through other organisations for students principally from the Levant region who demonstrate particular potential to pursue higher education so that they can expand their skills and knowledge in relevant fields and thereby enhance their contribution to the development of the region.
4. The **Amal Programme** makes grants in the UK in support of a rich diversity of arts projects and events with a view to opening minds and forging common ground between the UK's Muslim and non-Muslim communities.

The Foundation is non-sectarian and non-political. Its partners are individuals, non-governmental organisations, educational institutions, other charities, UN agencies and government ministries. The Foundation regularly reviews its objectives and programme priorities, especially those in the Levant region, to ensure the most effective deployment of its funds.

2. Review of Programmes

Summary

The Foundation made grant commitments of £3.1 million in 2019/20 across four charitable programmes. A summary of this grant expenditure is shown below, with further detail set out at note 4 to the accounts:

Programme	Grants Committed 2019/20 (£'000s)	Grants Committed 2018/19 (£'000s)
Saïd Business School	1,192	1,172
Syria Programme	819	1,389
Scholarship Programme	732	493
Amal	311	346
TOTAL	3,054	3,400

In common with previous years, the majority of the Foundation's funding committed in 2019/20 was directed towards education projects, with a particular focus on undergraduate scholarships for Syrian refugees living in Jordan and Lebanon, as well as on business education in Britain with the £1.2 million donation to the Saïd Business School Foundation to fund its Strategic Development Fund.

The following sections give more detail about the aims and impact of each programme.

Saïd Business School Programme

For the past ten years, an important focus for the Saïd Foundation has been to assist the strategic development of the Saïd Business School at the University of Oxford. In support of that goal, the Foundation provides annual funding to the Saïd Business School Foundation (SBSF) for its Strategic Development Fund (SDF) and for its legal and administrative costs. That annual funding rises each year in line with the rise in the CPI inflation index, and in 2019/20 increased to £1.2 million.

The purpose of the SDF is to support initiatives which will make a strategic difference to the successful development of the Saïd Business School and 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.

During 2019/20, SBSF awarded seven new SDF grants for £2,346,000 (2019: one grant totalling £11,000). In common with previous years, most 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.

In 2019/20, SBSF also made payments under multi-year agreements entered into in previous years which support its four medium-term objectives: to assist the School to strengthen those functions which are of critical importance to the success of a business school; to assist the School to strengthen the key points of differentiation that underpin and enhance its brand; to 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 to assist the School to establish and maintain itself as one of the world's top ten schools as measured by a range of authoritative rankings of business schools. Further details about this grant-making activity can be found in SBSF's annual report.

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 near to the School become its new world-class executive education facility. With matched funding from the University, the Saïd Foundation has made a commitment of £15 million to support the project, funded by a new commitment from Mr Wafic Saïd and paid via the Saïd Business School Foundation. Of the £15 million payable to SBSF, £271,000 was paid during 2019/20 and the amount outstanding at 31 August 2020 was £14,197,000 (before discounting).

Assessment of impact

The Foundation's funding for the Strategic Development Fund requires, amongst other conditions, that the School does not cease to be ranked as one of the top three schools in the UK for more than three consecutive years. The Board therefore assesses the impact of its support by monitoring the extent to which the School is achieving this objective. In 2020, the School was placed 21st globally and third in the UK in the Financial Times' MBA rankings, which means the School continues to meet the objective set by the Board.

Syria Programme

Since 2011/12, the Foundation has sought to redirect more of its programme resources towards providing humanitarian relief and development support for Syrian refugees primarily in Jordan and Lebanon and for those who have been internally displaced by the conflict inside Syria itself. Since that point, the Foundation has committed £18.9 million to supporting Syrian refugees by funding projects in the fields of education, healthcare, child protection and emergency relief. In 2019/20, the Foundation had four active partnerships:

Further to an Appeal held in November 2018, the Asfari Foundation and the Saïd Foundation granted the International Rescue Committee £5.5 million to continue their work in Lebanon to improve Syrian refugee children's access to education. The Saïd Foundation's share of this total was £1.34 million. A four-year agreement was signed between the parties; this programme started in January 2019 and will end in December 2022.

The Foundation's partnership with Turquoise Mountain in Jordan started in 2018 and will conclude in the last quarter of 2020. Our work with Turquoise Mountain trains future generations in the arts and crafts of Syria, creates sustainable livelihoods and teaches children in camps about their country's cultural heritage.

The Foundation has partnered with the UNHCR since 2014. UNHCR's scholarship programme, known as the DAFI programme, enables access to higher education for refugee students in their country of asylum since 1992. The Foundation has been funding scholarships for Syrian refugees in Lebanon and Jordan since 2014. In November 2019, the Board of Trustees approved a further grant of \$1,061,051 to fund 41 young Syrians' undergraduate studies from 2019 until 2023.

In August 2019, the Board of Trustees approved a Board resolution to further support the Centre for Entrepreneurs (CFE) to scale up their Refugee Entrepreneur Network. CFE has been delivering an entrepreneurship programme with a focus on Syrian refugees in the UK. The partnership is due to end in September 2020.

Assessment of Impact

By supporting implementing partners that have a strong record of capability and achievement in the region, the Foundation aims to maximise the impact of its grant-making and to reach the most vulnerable beneficiaries. All

projects are funded under formal agreements with payment instalments conditional upon the effective achievement and reporting of project outcomes.

In October 2019, the Foundation's CEO conducted a monitoring visit to Lebanon and Jordan. She met with beneficiaries from all three programmes in these countries and attended activities and workshops, as well as the first DAFI alumni event for recent graduates in Amman, Jordan.

Scholarships Programme

Scholarships in the UK

The Saïd Foundation has offered educational scholarships and training opportunities since 1984. Our Scholarship Programme aims to empower young people through educational opportunities and provide skills needed for the development of the region. It is targeted towards outstanding individuals who demonstrate the potential to be a future leader and driver of change within our target countries. Since 1984 we have supported over 600 scholars from these countries to study in the UK.

By bringing talented scholars to study at a postgraduate level in the UK, our intention is to provide them with skills and knowledge not widely available in the Middle East, to expose them to critical and independent ways of learning and thinking; and thereby help to create future leaders in their professional fields.

Saïd Foundation Scholarships are awarded based on merit, and applications are carefully considered by officers and Trustees of the Foundation as well as by external assessors selected from among the Foundation's alumni. The Foundation bases its decisions on the candidate's academic excellence, the usefulness of the subject to their home country, the candidate's leadership potential, future career intentions and their practical ability to make use of the knowledge to be gained in the UK on their return to the Middle East.

For the 2019/20 application round the Saïd Foundation received 782 applications, of which 669 met the programme's eligibility criteria. The selection process lasted eight months and the selected scholars arrived in the UK in September 2019. In 2019/20 the Foundation supported 30 scholars for postgraduate study in the UK (2018/19: 20 scholars); 28 scholars were supported for a one-year Master's degree; two scholars continued their PhD and DPhil studies which began in 2016/17 and one scholar completed the final year of her three year distance learning programme. The scholars come from Syria (16), Jordan (3), Lebanon (5) and Palestine (6).

The total amount granted to these scholars (including tuition fees, maintenance awards and travel expenses) was £732,000 (2019: £493,000).

The Foundation seeks to maximise the number of scholars it can support by working with partners who contribute financially towards scholarships. The 30 scholars supported in 2019/20 include eleven scholars who were jointly supported by the Foreign and Commonwealth Office's Chevening Scholarship Programme, and two scholars from Lebanon who were jointly supported by the British Lebanese Association. The Saïd Foundation has partnership agreements with 27 UK universities each providing a tuition fee discount of between 20-50%.

Rhodes Scholarships for Syria, Jordan, Lebanon and Palestine

In September 2019 two Rhodes Scholars from the Foundation's target countries arrived in the UK to begin their postgraduate studies at the University of Oxford. One scholar was from Syria and the second was from Lebanon who requested a deferral for the next academic year (2020/21) for personal reasons. They will spend between two and four years at the University of Oxford. This was the third year of the scholarship agreement between the Saïd Foundation, Rhodes Trust and the University of Oxford.

Assessment of Impact

Historically, the Foundation has conducted an evaluation of its Scholarships Programme every five years. An evaluation report was last completed in September 2019 and concluded that the Programme continued to meet its objectives of providing talented individuals with educational opportunities that not only enhance their personal careers but also contribute to the development of the Levant region. The Foundation plans to monitor and evaluate this Programme on a continuous basis going forward, however due to the impact of the Covid-19 virus in 2020, no report has been produced.

Amal Programme

The Amal Programme makes grants in the UK in support of a rich diversity of arts projects and activities that further the following interlinked objectives:

- To increase understanding of Britain's Muslim communities among people of other faiths and none;
- To foster a stronger sense of belonging in the UK among its Muslim communities.

Amal became a programme of the Saïd Foundation in 2018 after a successful pilot year (which ran from January to December 2017) and began awarding grants in August 2018 with an annual budget for grants of £350,000. In this second year of the programme, 15 year one projects carried over from 2018/2019 (seven having completed in year one); of these 13 completed prior to the end of the financial year and two will continue into 2020/2021 due to unforeseen project delays caused by the Covid-19 situation. Statistics compiled from the 20 completed year one projects can be found below:

Amal Reach Statistics Year One	
Partners	19
Projects	20
Events	693
Artists	444
Participants	3,604
Audiences	42,691
Online Connections	552,308

Reporting from the 20 projects indicated that, of their audience and participant numbers combined, Amal projects were engaging around 60% of people who identified as non-Muslim and 40% of people identifying as being of Muslim heritage. Reporting from completed projects also indicated that 79% of project participants and 43% of audience members were under the age of 30. These figures are consistent with Amal's goals of reaching at least 50% non-Muslims and 50% audience/participants under the age of 30.

In the 2019/20 year, seven new grants were awarded before applications were closed. Applications were made via the Amal website (www.amal.org.uk), where applicants could also access information about the programme's grant-making activities and guidance for making applications. One of the projects supported completed during the year and five will continue into 2020/2021. The Greenbelt Festival project was unfortunately cancelled due to Covid-19 so no funds were allocated to this project.

Of the seven grants awarded in year two, over 70% were located in Amal's hub locations. Three projects were located in London, two in Birmingham, one in multiple towns and cities and one elsewhere in the UK. Amal projects covered a range of arts and cultural activity of varying size and ambition including performing arts, poetry, storytelling, visual art, pottery and design. Amal Advisors, who represent a diverse range of personal and professional backgrounds and have strong standing in their respective fields, were regularly consulted on grant applications or called upon to facilitate new connections in order to ensure that the programme continued to benefit from the support and guidance of relevant experts.

Amal held its annual learning workshop for Partners at Asia House in October 2019 hosting representatives from 21 Amal Partners. The workshop was designed to gain further in-depth insights into Amal Partner projects to aid with evaluation of the programme and to further inform the year one findings report.

In the 2019/20 financial year, Amal's expenditure was £443,000, of which £66,000 was new grant commitments to partners, £250,000 was the grant commitment to the new independent entity, £95,000 were the direct costs of running the programme, and the remainder represented the allocation of centrally-incurred support and governance costs.

Assessment of Impact

Preliminary results from the analysis of year one findings have not only reaffirmed our conclusions from the pilot year but have provided us with plentiful further evidence that our approach - that of supporting arts and cultural activity with a strategic focus - is a powerful and effective way to advance Amal's dual objectives. These findings include:

- Through Amal-supported projects, a whole range of new artistic content has been created by professional Muslim artists at early and more advanced stages of their careers as well as by Muslim participants involved in various project activities; much of this content has been made available in some form for use beyond the life of the project.
- Arts organisations have been encouraged not only to platform Muslim artists at all levels of activity but to actively assist in opening up new avenues for them.
- By including an element of participatory activity to enhance the experience of "encounter" between and among artists, audiences and/or participants, Amal projects have helped to forge common ground between Muslims and people of other faiths and who are secular.

The effects of the global pandemic in 2020 on Amal projects have been far reaching with nearly all remaining projects having to be cancelled, postponed or adapted. The Amal team worked closely with all Partners to support them during this time by offering flexibility on the Partner's planned activities and reporting. A number of projects opted to adapt their projects to take advantage of digital technology, hosting their events online via various platforms.

Future Plans for Amal

During the year, the Foundation's Board took the decision to suspend the Amal Programme in order to focus the Foundation's resources more clearly on its long-term priority areas. In May 2020, in recognition of the pioneering and necessary nature of Amal's work, the Board further decided to support plans to spin Amal out as an independent charity by pledging £800,000 to Amal provided match-funding can be successfully raised.

3. Trustees and Management

The Board of Trustees met two times during the year, in November 2019 and May 2020, and there were further meetings of the four Board sub-committees which are described in greater detail below.

4. Financial Review**Summary of Financial Performance**

The Foundation monitors its financial performance through six key performance indicators (KPIs) which are regularly reported to the Audit Committee and Board. A summary of performance against each of these indicators is set out in the table below:

KPI Area	Description	Target	2019/20	2018/19
Maintaining the endowment	Value of endowment compared with the value adjusted for CPI inflation since inception.	Value should be in surplus against inflation adjusted-value.	£2.8 million surplus	£11.3 million surplus
Investment performance	Return after fees on financial investments	>4% above rate of CPI inflation	-6.9%	4.5%
	Management fees as a percentage of financial investments	<1%	0.6%	0.3%
	Net yield from freehold properties	>5%	-4.7%	3.8%
	Property management costs as a percentage of gross rental income	<10%	17.6%	11.9%

Operational performance	Staff and administrative costs as a percentage of charitable expenditure	<15%	13.9%	13.7%
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The Trustees' primary financial target is to ensure that the actual value of the endowment is maintained in real terms (i.e. after adjusting for inflation). This metric continued to be met, with a £2.8 million surplus as at 31 August 2020. However, this represented a significant reduction from the prior year which can be attributed to two key factors: firstly, valuation losses recognised on investment properties and financial investments; and secondly, charitable spending commitments approved by the Trustees which exceeded the budget indicated by the Foundation's spending policy.

The key performance indicators relating to the return on financial investments and the net yield from freehold properties were negatively impacted by valuation losses resulting from the market dislocations resulting from the Covid-19 pandemic. Property management costs as a percentage of gross rental income also increased significantly as a result of the Foundation's funding of service charge and vacant business rates liabilities on void space at One Kingsway, as well as the impact of providing for the potential bad debts of tenants in rent arrears.

During the year, the Foundation appointed Capital Generation Partners LLP as its sole investment adviser on the financial investment portfolio. Former holdings were sold down to invest in a new multi-asset strategy designed to achieve a 4% real return over the cycle. The value and allocation of the Foundation's investment portfolio at 31 August 2020 are summarised in the table below, with further detail provided at note 8 to the financial statements.

	2020 (£'000s)	2020 (%)	2019 (£'000s)	2019 (%)
<u>Investment Properties</u>				
College House, London*	19,615	35%	22,995	41%
One Kingsway, Cardiff*	10,231	18%	10,010	18%
King William St, London	9,200	16%	9,650	17%
<u>Financial Investments</u>				
Listed equities	8,611	15%	3,944	7%
Fixed income and cash	4,715	8%	3,857	7%
Gold and commodities	2,683	5%	-	-
Private equity	1,055	2%	1,135	2%
Hedging and alternatives	640	1%	4,171	8%
TOTAL	56,750	100%	55,762	100%

* The values of College House and One Kingsway are stated net of borrowing secured on those properties.

Charitable expenditure

The activities of the Foundation are funded through income from its investments, which are managed by professional investment and property managers. Total charitable expenditure in the year to 31 August 2020 was £3.8 million (2019: £4.1 million) and is analysed in further detail at note 4 to the financial statements.

5. Governance Information

Governance and Decision Making

The Saïd Foundation is the successor organisation to the Karim Rida Saïd Foundation (KRSF) that was established in 1986. It is a UK charity registered with the Charity Commission for England and Wales and is also a company limited by guarantee and registered at Companies House. The Saïd Foundation is based in London. During the year under review, all staff, programmes and budget were overseen by the Chief Executive Officer (CEO).

The Trustees of the Saïd Foundation who have served during the year are set out on page 3. The Trustees meet twice a year and are empowered under the Articles of Association to delegate authority to sub-committees. There are five standing committees, the Nominations, Investment, Audit, Projects and Student Committees, which meet as necessary. The mandates and membership of the sub-committees are reviewed and agreed annually by the Board.

New or additional Trustees may be appointed by the Foundation's Benefactor and the current trustees. Mr Khaled Saïd is the current Benefactor. Any transactions with Trustees or other related parties are disclosed at note 18 to the financial statements.

The Foundation's Audit Committee reviews governance arrangements regularly to assess compliance with the *Charity Governance Code* published in July 2017. While the Code is not a legal or regulatory requirement, Trustees seek to ensure the Foundation complies with it to the fullest extent possible. The Audit Committee will complete an updated review of compliance with the Code in 2021.

Remuneration Policy

The Board of Trustees has delegated to the Audit and Staff Committee the authority to set the salaries of the Foundation's officers in line with positions of similar responsibility in comparable organisations. The salary of the CEO must also be approved by the Chairman.

Risk Management

A full risk register is taken to the Audit Committee annually. New and existing risks are re-assessed by the Foundation's sub-committees on an ongoing basis to ensure that they are appropriately managed. The Foundation's Audit Committee reviews the full risk register and the accompanying systems and controls, with a summary of key risks presented to the Board on an annual basis.

Trustees have identified the following principal risks facing the Foundation and have controls in place for their active management:

Principal Risks	Present Controls
<p>Banking Facilities The risk of being unable to access mainstream banking facilities due to banks identifying the Foundation as a compliance risk.</p>	<ul style="list-style-type: none"> • Strong relationships with Citibank and Northern Trust. • Implemented appropriate pre-grant due diligence for all charitable expenditure, including recent work on potential indirect funding for humanitarian aid inside Syria. • Reduced the amount of funding going to small organisations based in the Middle East, with Syria Programme now implemented by large NGO partners with good reputation and robust controls of their own.
<p>Misuse of Funds The Foundation may inadvertently fund an extremist organisation or individual.</p>	<ul style="list-style-type: none"> • Procedures in place in respect of due diligence, pre-selection, payment and performance monitoring of all students, project partners and projects under delivery. • Grant agreements drafted to include stage payments dependent on reports detailing the delivery of agreed outcomes. • External risk advisory firm commissioned to undertake background checks on all successful scholarship candidates. • Projects in the region implemented by large international NGOs with experience of working in complex environments and appropriate due diligence and monitoring in place.

<p>Charitable Programmes Conflict and political instability in the Foundation's priority countries causes disruption to the delivery of projects.</p>	<ul style="list-style-type: none"> • The Foundation runs no direct activity in the Middle East but maintains relationships with major agencies (the IRC, Save the Children, UNHCR and Turquoise Mountain) which have been chosen because of their experience in delivering humanitarian projects in conflict-affected areas. • Risk assessment during project selection process, recognising that some risk is inevitable in order to meet the humanitarian needs of those most affected by the crisis. • Grant agreements drafted to include stage payments dependent on reports detailing the delivery of agreed outcomes. • Covid-19 disrupted our programmes in Lebanon and Jordan, however the Foundation is confident that after a period of adaption activities have been successfully delivered remotely. Virtual monitoring visits with local staff and beneficiaries were organised at the CEO's request.
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Grant-making Policy

As a charitable foundation, making grants is the primary means through which the Foundation achieves its charitable objectives. The grant-making policies for each charitable programme are summarised as follows:

- The annual funding provided for the Saïd Business School Foundation's Strategic Development Fund will continue to be provided as long as Oxford University continues to fulfil the conditions attached to the Saïd benefactions to the Saïd Business School; and / or as long as the School does not cease to be ranked as one of the top three schools in the UK for more than three consecutive years; and as long as the Foundation does not reasonably consider that the annual funding paid to SBSF would be better granted to other beneficiaries. The objective of the Fund is to support initiatives and opportunities that will assist the School in its pursuit of excellence in research, teaching and relevance to business practitioners. Governance and administration of the Fund has been devolved to the School itself during the year, although the School must operate the Fund in accordance with objectives and conditions set by the Saïd Business School Foundation.
- The Foundation's criteria for funding scholarships are available on the Foundation's website as well as through academic partners in the target countries such as the British Council. The Student Committee awards scholarships annually following a rigorous selection process that includes interview by the Foundation, verification of references and academic transcripts, and background checks on each successful candidate. Each successful candidate must sign an award letter setting out the terms of the scholarship and funds are not advanced until those terms are met.
- The Syria Programme makes grants to large scale international organisations and is not open to speculative applications. The Foundation has current partnerships with the Centre for Entrepreneurs, IRC, the UNHCR and Turquoise Mountain. These organisations were selected for their experience of working successfully in complex conflict-affected environments. During 2019/20, the Foundation made a further grant to UNHCR for a new cohort of DAFI scholars in Lebanon and Jordan from 2019-23.
- The Amal programme has its own eligibility criteria, application and due diligence processes which are tailored to the types of organisation applying for grants meeting Amal's charitable objectives. Full details are available on the Amal website. Grants with a value greater than £25,000 are approved by the Projects Committee, whereas authority to approve small grants with a value under this sum is delegated to the CEO. Amal grants were suspended during the year pending a strategic review. Following this review, Amal was established as an independent charity on 17 August 2020 (charity number 1190887). The Foundation has agreed to support Amal during its first three years of operation subject to Amal being successful in raising matching funding.

Public Benefit

The Trustees 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. The Trustees consider that each of the Foundation's programmes is aimed at one or more of: the advancement of education; advancement of health / saving lives; advancing the arts and heritage; and assisting the young or disabled. Furthermore, while there are eligibility criteria for each of the Foundation's programmes, the Trustees are also satisfied that each programme is targeted at a sufficiently wide section of the public to meet the 'public benefit' test.

Investment Policy

Under the Articles of Association, the Trustees have wide investment powers, including the power to appoint investment managers provided that the managers are given clear investment guidelines laid down and monitored by the Trustees. The overall financial and investment objectives of the Fund are to provide a stream of income in support of the Foundation's mission and to preserve and enhance the real purchasing power of the assets. For the Foundation to be able to pursue its charitable objects effectively the Trustees have targeted an inflation adjusted total return of at least 4% measured as an annual average over five years.

Reserves Policy

As the Foundation does not usually fundraise externally, income from investments represents its primary source of revenue alongside new donations from the Chairman. Trustees therefore seek to maintain the value of the endowment in inflation adjusted terms in order to maintain the purchasing power of the endowment over the long-term, and to provide income to meet continuing charitable expenditure. The objective of the Trustees is that the value of the endowment fund should not be permitted to fall below its value at inception, adjusted for inflation and transfers. When exceptional market conditions lead to that objective not being achieved, Trustees act to re-attain this target as soon as feasibly possible without adversely affecting programmes. The Trustees review this objective on an annual basis.

At 31 August 2020, the Foundation's endowment fund was valued at £59.1 million which represented a surplus of £2.8 million over the inflation-adjusted value of £56.3 million at the same date (2019: £67.5 million representing a £11.3 million surplus).

Fundraising Policy

The Foundation is an endowed charity and does not rely on donations from the public or third parties to fund its charitable activities. It therefore has no income generation requirement, nor will it devote significant resources to raising funds in this way. However, the Foundation follows the Fundraising Regulator's Code of Fundraising Practice to the extent that it is applicable.

Re-appointment of Auditors

Nexia Smith & Williamson were reappointed as auditors for the 2020/21 financial year in accordance with section 485 of the Companies Act 2006.

This report was approved by the Trustees on 2 December 2020 and signed on its behalf by:


Michael Peat (Dec 7, 2020 09:29 GMT)

Sir Michael Peat
Trustee and Chairman of the Audit Committee

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the Saïd Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming/outgoing 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business.

The Trustees are responsible for keeping proper 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.

Audit information

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SAID FOUNDATION**Opinion**

We have audited the financial statements of The Saïd Foundation (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 charitable company'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 requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 Accounts for the year ended 31 August 2020, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which incorporates the Strategic Report and the Directors' Report, prepared for the purpose of company law, for the financial year 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' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report contained within the Trustees' Annual Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the charitable company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson
Nexia Smith & Williamson (Dec 7, 2020 10:58 GMT)

Julie Mutton

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Cumberland House
15 - 17 Cumberland Place
Southampton
SO15 2BG

Date: 07/12/2020

The Saïd Foundation
Statement of Financial Activities
incorporating Income and Expenditure Account
for the year ended 31 August 2020

		Restricted Funds £000's	Unrestricted Funds - Expendable Endowment £000's	Total 2020 £000's	Total 2019 £000's
	Note				
INCOME FROM:					
- Donations	2	2	67	69	1,835
- Investments	3	-	3,801	3,801	4,004
- Other income		-	34	34	17
Total income		<u>2</u>	<u>3,902</u>	<u>3,904</u>	<u>5,856</u>
EXPENDITURE ON:					
<i>Raising funds:</i>					
- Investment management costs		-	(1,101)	(1,101)	(523)
- Interest on borrowings		-	(828)	(828)	(920)
- Other expenditure on raising funds		-	-		(7)
<i>Charitable expenditure:</i>	4				
- Syria Programme		(1)	(951)	(952)	(1,539)
- Saïd Business School Programme		-	(1,346)	(1,346)	(1,268)
- Scholarships Programme in the UK		(1)	(1,042)	(1,043)	(743)
- Amal		-	(443)	(443)	(538)
Total expenditure		<u>(2)</u>	<u>(5,711)</u>	<u>(5,713)</u>	<u>(5,538)</u>
Net (losses) / gains on investment properties		-	(5,448)	(5,448)	250
Net (losses) / gains on financial investments		-	(1,029)	(1,029)	1,300
Net (losses) on foreign currency movements		-	(115)	(115)	(70)
Net (loss) / income	6	<u>-</u>	<u>(8,401)</u>	<u>(8,401)</u>	<u>1,798</u>
Net movement in funds for the year		<u>-</u>	<u>(8,401)</u>	<u>(8,401)</u>	<u>1,798</u>
RECONCILIATION OF FUNDS					
Funds brought forward 1st September	19	-	67,500	67,500	65,702
Funds carried forward 31st August	12/13	<u>-</u>	<u>59,099</u>	<u>59,099</u>	<u>67,500</u>

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

All income and expenditure derive from continuing activities.

The Saïd Foundation
Balance Sheet at 31 August 2020

	Note	2020 £000's	2019 £000's
Fixed assets			
Investment properties	8a	66,986	71,679
Financial investments	8b	17,704	13,107
Total fixed assets		84,690	84,786
Current assets			
Debtors, prepayments and accrued income	9	19,460	21,767
Cash at bank and in hand		1,519	10,143
Total current assets		20,979	31,910
Creditors falling due within one year	10a	(6,270)	(7,352)
Net current assets		14,709	24,558
Total assets less current liabilities		99,399	109,344
Creditors falling due after more than one year	10b	(40,300)	(41,844)
Net assets		59,099	67,500
The funds of the charity			
Restricted funds	12	-	-
<i>Unrestricted funds</i>			
- Expendable endowment fund	13	59,099	67,500
Total charity funds		59,099	67,500

The notes on pages 20 to 32 form part of the financial statements.

Approved by the Board of Trustees on 2 December 2020 and signed on its behalf by:

Michael Peat
 Michael Peat (Dec 7, 2020 09:29 GMT)

.....
 Sir Michael Peat
 Trustee

Registered Company No: 6621764

The Saïd Foundation
Cash Flow Statement
for the year ended 31 August 2020

	Note	2020 £000's	2019 £000's
Cash used in operating activities	11a	(4,158)	(3,547)
Cash flows from investing activities			
- Dividends, interest and rents received	11b	3,813	4,018
- Receipts from sale of investments		21,458	945
- Payments to buy new investments		(27,057)	(3,420)
- Capital expenditure on investment properties		(755)	(654)
		<u>(2,541)</u>	<u>889</u>
Cash flows from financing activities			
- Repayment of borrowings		(1,164)	(204)
- Payment of interest		(761)	(877)
		<u>(1,925)</u>	<u>(1,081)</u>
(Decrease) in cash and cash equivalents during the year		<u>(8,624)</u>	<u>(3,739)</u>
Cash and cash equivalents at the beginning of the year		10,143	13,882
Cash and cash equivalents at the end of the year		<u>1,519</u>	<u>10,143</u>

A reconciliation of net debt is included at note 11(c).

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

1 ACCOUNTING POLICIES

a) Basis of preparation

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)*, the Charities Act 2011 and UK Generally Accepted Accounting Practice. The Foundation meets the definition of a 'public benefit entity' under FRS 102. The financial statements are prepared under the historic cost convention except where otherwise stated.

The majority of 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 Foundation is a company limited by guarantee and is incorporated in England and Wales. Its registered office address is 24 Queen Anne's Gate, London, SW1H 9AA.

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. Income from operating leases is recognised on a straight-line basis over the lease term, net of lease incentives. Lease incentives are typically granted at the commencement of the lease term and are then accrued and recognised on a straight-line basis over the lease term.

c) Expenditure and irrecoverable VAT

Expenditure is recognised once: there is a legal or constructive obligation to make a payment to a third party arising from a past event; it is probable that settlement will be required; and the amount of the obligation can be measured reliably. Expenditure relates either to raising funds (principally the costs directly attributable to managing the investment portfolio and investment properties) or to charitable activities. Expenditure on charitable activities is analysed between the Foundation's major charitable programmes at note 4 to the accounts.

The Foundation is registered for VAT and recovers input tax to the fullest extent possible. However, the majority of the Foundation's transactions are outside of the scope of VAT and 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 Trustees in furtherance of the general objectives of the Foundation. Analyses of income, expenditure and net assets of the Foundation's restricted and unrestricted funds are shown at notes 12, 13 and 14 to the accounts.

e) Financial instruments

The Foundation holds only financial assets and financial liabilities classified as 'basic' financial instruments, such as receivables, loans and payables. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

1 ACCOUNTING POLICIES (continued)**f) Foreign currencies**

Transactions denominated in foreign currency are recognised at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate on the balance sheet date. All gains and losses on exchange, realised and unrealised, are charged to the Statement of Financial Activities and included in the net movement on funds.

g) Investment properties

Investment properties are held to earn rental income and for capital appreciation, and are not used in connection with the Foundation's charitable activities. Investment properties are held at fair value at the balance sheet date. Depreciation is not provided on investment property.

Subsequent to purchase, an investment property carried at fair value may be subject to further expenditure on improvements or refurbishment. Such expenditure is capitalized where it is expected that the work will enhance the income-generating potential of the asset. The costs of such work are added to the carrying value of the asset and subject to re-measurement as part of future revaluations.

The Foundation determines the fair value of its investment properties by commissioning valuations from independent, third-party valuers with appropriate professional skills and experience. These valuations are commissioned on a 'market value' basis, and sufficiently frequently to satisfy the Trustees that the book value is a materially accurate estimate of the fair value at the reporting date. Further details about the valuations of individual investment properties are shown at note 8 to the accounts.

h) Financial investments

Quoted investments are stated at market value at the balance sheet date. Unquoted investments are valued at the Foundation's best estimate of fair value based on valuations provided by fund managers and reviewed by the Foundation's investment advisers.

Where a valuation is not available at the balance sheet date, the most recent valuation from the fund manager is used, adjusted for cash flows and foreign exchange movements in the period between the valuation and the balance sheet date, and for any evidence of impairment between the most recent valuation date and the financial year end.

i) Grant commitments

Grant expenditure is recognised when the grant has been approved by the Foundation's Board of Trustees, Student Committee or Projects Committee and 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 10 to the accounts.

j) Going concern

The Foundation's Statement of Investment Policies state that the objectives of the investment portfolio are to provide a stream of funding in support of the Foundation's mission, and to preserve and enhance the real (inflation-adjusted) purchasing power of the assets. The Foundation holds a prudent level of cash to meet short-term liabilities, and its Financial Controller, CEO and Audit Committee members regularly review a cash flow forecast to ensure that the level of cash held is sufficient to meet all expected liabilities as they fall due.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

j) Going concern (continued)

The majority of the Foundation's investment portfolio is held in directly-owned properties which provides the Foundation with a regular stream of cash receipts from tenants. In the event of an unexpected shortfall in rental income, the Foundation's financial asset portfolio also includes substantial holdings in highly liquid assets such as short-term gilt-edged bonds and gold which could be readily exchanged for cash.

Accordingly, the Trustees consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

k) Critical accounting judgments and sources of estimation uncertainty

In the application of these accounting policies, the Trustees have made two judgments that have a significant effect on the financial statements.

The Grant Agreement between the Foundation and SBSF confirms that the Foundation has a long-term commitment to SBSF for at least five years. In 2019/20 that commitment was £1.2 million and it rises each year in line with the annual increase in the CPI inflation index. However, the agreement also states that there are circumstances in which this funding could cease. Therefore SF recognises one year's funding for SBSF 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 to their present value, the Trustees have used HM Treasury's forecast medium-term 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 SF's charitable expenditure is funded from an endowment which is invested to achieve a return 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 Trustees have also noted one significant estimate, being the valuation of investment property assets. The Trustees' approach to the valuation of each investment property is described at note 8 to the accounts. However, there remains a risk that, if the assets were realised, the sale proceeds might differ materially from the estimates made by the Trustees and their professional advisers.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

2 Donations

	Restricted 2020 £000's	Unrestricted Funds - Expendable Endowment 2020 £000's	Total 2020 £000's	Total 2019 £000's
General donations	2	8	10	25
Donations from the Chairman	-	59	59	1,810
Total	2	67	69	1,835

3 Income from investments

	Restricted 2020 £000's	Unrestricted Funds - Expendable Endowment 2020 £000's	Total 2020 £000's	Total 2019 £000's
Bank interest and dividends	-	5	5	88
Rental income	-	3,796	3,796	3,916
Total	-	3,801	3,801	4,004

4 Analysis of expenditure on charitable activities

	Syria Programme £000's	Saïd Business School Programme £000's	Scholarship Programme £000's	Amal £000's	Total 2020 £000's	Total 2019 £000's
Grant commitments	819	1,192	732	311	3,054	3,400
Unwinding of discount	-	27	-	-	27	(16)
Staff costs	53	15	117	84	269	294
Directly allocated support costs	-	-	107	11	118	143
Apportioned support costs (see note 5)	59	83	64	27	233	197
Governance costs	21	29	23	10	83	70
Total	952	1,346	1,043	443	3,784	4,088

Expenditure on charitable activities was £3.8 million, which included the following significant grant commitments:

- £1.2 million to the Saïd Business School Foundation for the Strategic Development Fund;
- £0.8 million to the UNHCR for a further cohort of DAFI Higher Education scholarships in Jordan and Lebanon; and
- £0.25 million to the new independent Amal (with a further £0.8 million accounted for as a contingent liability).

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

5 Analysis of governance and support costs

The Foundation initially identifies support costs which relate directly to one of the four charitable programmes listed above and allocates them to the activity to which they relate. The remaining support costs which cannot be directly allocated (such as premises expenses and general office expenses) are therefore apportioned between 'support' and 'governance' functions, and then further apportioned between the four charitable activities based on total charitable expenditure attributable to each programme. This apportionment is shown at note 4, above.

The table below shows the support and governance costs which have been apportioned in this way, and notes the basis on which the apportionment has been made:

	Support £000's	Governance £000's	Total £000's	Basis of Apportionment
Premises expenses	89	-	89	<i>Allocated to support</i>
Salaries, wages and related costs	85	55	140	<i>Estimate of staff time</i>
General office expenses	46	-	46	<i>Allocated to support</i>
Audit fees	-	21	21	<i>Allocated to governance</i>
Travelling	10	-	10	<i>Allocated to support</i>
Legal and professional fees	2	7	9	<i>Allocated dependent on nature of advice received</i>
	232	83	315	

6 Net income for the year

Net income for the year is stated after charging:

	Total 2020 £000's	Total 2019 £000's
Auditors' remuneration (excluding irrecoverable VAT):		
- Statutory audit fees	16	12
- Non-audit services	-	-

7 Analysis of staff costs and remuneration of key management personnel

	Total 2020 £000's	Total 2019 £000's
Salaries	333	346
National Insurance	32	34
Employer's pension contributions and other benefits	45	54
	410	434

Of the £410,000 total staff costs analysed above, £269,000 has been allocated to the four charitable programmes (see note 4), £129,000 has been allocated to support and governance costs (see note 5), and £12,000 has been recharged to another entity in respect of a staff member seconded out of the Foundation.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

7 Analysis of staff costs and remuneration of key management personnel (continued)

The average full-time equivalent (FTE) monthly employee head count during the year was 7 (2019: 7). During the year, the Foundation operated a salary sacrifice scheme for employee contributions to a registered pension scheme. The Foundation contributed 10% of each employee's gross salary to the scheme at its own expense, as well as contributing the employee's salary sacrifice of at least 3% of gross salary. Employees are also entitled to membership of a private medical insurance scheme after satisfactory completion of their probationary period. No other employee benefits were paid during the year.

The charity's key management personnel comprised the Chief Executive Officer (CEO). The CEO's total remuneration (excluding employer's pension contributions) in the year to 31 August 2020 was £88,917 (2019: £63,983). The Foundation also made pension contributions of £12,224 (2019: £8,732) and paid employer's National Insurance contributions of £11,071 (2019: £7,752) in respect of the CEO.

The numbers of employees whose benefits for the year fell within the following bands were:

	2020 number	2019 number
£60,000 to £69,999	-	1
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-

The Foundation's Trustees were not paid any remuneration nor received any other benefits from the Foundation or a related entity. Two directors (2019: one) received reimbursement for travel expenses incurred whilst on Saïd Foundation business of £1,030 (2019: £47).

8 Investments

The Foundation's Statement of Investment Policies sets out the overall objectives for the investment portfolio, which are to provide a stream of funding in support of the Foundation's mission, and to at least preserve the real (inflation-adjusted) purchasing power of the assets. The Board of Trustees alone is empowered to vary these policies, although management of the portfolio within these objectives is delegated to the Investment Committee.

The Foundation's investment portfolio consists of the following asset classes, all of which are held at fair value:

	2020 £000's	2020 %	2019 £000's	2019 %
<i>Investment properties:</i>				
- College House, London SW3	39,450	46%	42,775	50%
- One Kingsway, Cardiff	18,336	22%	19,254	23%
- King William Street, London EC4	9,200	11%	9,650	11%
<i>Financial investments:</i>				
- Listed equities	8,611	10%	3,944	5%
- Fixed income and cash	4,715	6%	3,857	5%
- Gold and commodities	2,683	3%	-	0%
- Private equity	1,055	1%	1,135	1%
- Hedging and alternatives	640	1%	4,171	5%
	84,690	100%	84,786	100%

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

8 Investments (continued)

a) Analysis of investment properties

	2020 £000's	2019 £000's
Market value at 1st September	71,679	70,775
Additions (costs of improvement and refurbishment work)	755	654
Net revaluation (losses) / gains	(5,448)	250
Market value at 31st August	66,986	71,679
Historical cost at 31st August	65,652	64,897

The Foundation holds three investment properties:

College House, King's Road, London SW3

The property was purchased in October 2014 for £36.40 million. A professional valuation undertaken in August 2020 by Knight Frank in accordance with the Royal Institute of Chartered Surveyors (RICS) Red Book valued the asset at £39.45 million.

One Kingsway, Cardiff

The property was purchased in February 2016 for £18.15 million. A professional valuation undertaken in February 2020 by Savills in accordance with the RICS Red Book valued the asset at £18.0 million. Since that date, a further £336,000 of capital expenditure has been incurred on refurbishment of vacant space in the building. The Trustees have capitalised the costs of this refurbishment work because it is expected to enhance the asset's income-generating potential. The reported valuation is therefore £18.34 million (being the valuation as at February 2020 plus capital expenditure incurred since the valuation date). The Trustees have taken advice on the commercial property market in Cardiff and consider that the February 2020 valuation remained appropriate as at 31 August 2020.

King William Street, London EC4

The property was purchased in May 2017 for £9.40 million. A professional valuation undertaken in August 2020 by Jones Lang LaSalle in accordance with the RICS Red Book valued the asset at £9.2 million.

b) Analysis of financial investments

	Market value at 01.09.2019 £000's	Purchase of new investments £000's	Proceeds from sale / distribution £000's	Investment gains / (losses) £000's	Market value at 31.08.2020 £000's
Listed equities	3,944	9,429	(3,880)	(882)	8,611
Fixed income and cash	3,857	14,679	(13,824)	3	4,715
Gold and commodities	-	2,577	-	106	2,683
Private equity	1,135	-	(227)	147	1,055
Hedging and alternatives	4,171	372	(3,527)	(376)	640
Total	13,107	27,057	(21,458)	(1,002)	17,704

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

9 Debtors and prepayments

	2020 £000's	2019 £000's
Sundry debtors	19,206	21,519
Accrued income	243	241
Prepayments	11	7
Total	19,460	21,767

10 Creditors**a) Amounts falling due within one year**

	2020 £000's	2019 £000's
Grant commitments not yet paid	5,233	6,418
Accruals and deferred income	367	334
Bank loans	313	272
Trade creditors	279	197
Taxation and social security	78	131
Total	6,270	7,352

‘Accruals and deferred income’ includes a balance of £268,000 (2019: £254,000) relating to rental income from investment properties received in advance. The balance at the last year end has been recognised in the income and expenditure account in full during the year.

b) Amounts falling due after more than one year

	2020 £000's	2019 £000's
Bank loans	27,626	28,752
Grant commitments not yet paid	12,674	13,092
	40,300	41,844

The Foundation has two bank loans. The first is a £10 million facility, of which £8.1 million was outstanding at 31 August 2020, secured on the One Kingsway investment property which was last valued at £18.0 million. The Foundation is committed to make monthly repayments of interest and principal over a ten-year term from February 2017. The lender holds first legal charge over the property as security.

The second bank loan is a £20 million facility secured on the College House investment property which was valued at £39.45 million at 31 August 2020. The Foundation is committed to make quarterly interest payments over a five-year term from August 2018, with the principal repayable in full at the end of the term. The lender holds first legal charge over the property as security, and rental income from the property is remitted to the Foundation after the lender's interest and fees are deducted.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2020

10 Creditors (continued)**c) Grant commitments not yet paid**

Grant commitments not yet paid at 31 August 2020 comprised the following balances:

	£000's
Saïd Business School Foundation (Osney Power Station)	14,197
Saïd Business School Foundation (Strategic Development Fund)	1,277
International Rescue Committee	1,348
UNHCR (DAFI Higher Education Scholarships in Lebanon and Jordan)	937
Turquoise Mountain	273
Amal (grant to the new independent entity)	245
Amal (grants to year one and year two partners)	49
INSEAD Scholarships	89
UK Scholarship Programme grantees (all individually < £20,000)	61
Less: adjustment to discount grant liabilities required by FRS102	(569)
Total grant commitments not yet paid	17,907

11 Cash Flow Statement**a) Reconciliation of net movement in funds to net cash flow from operating activities:**

	2020 £000's	2019 £000's
Net (loss) / income for the year (as per Statement of Financial Activities)	(8,401)	1,798
Adjusted for:		
Returns on investment and servicing of finance	(3,796)	(4,004)
Losses / (gains) on investments and investment properties	6,450	(1,533)
Interest paid on borrowings	828	920
Interest received on cash balances	(5)	(54)
Decrease in debtors	2,309	880
Decrease in creditors	(1,543)	(1,554)
Net cash (used in) operating activities	(4,158)	(3,547)

b) Analysis of cash flows from dividends, interest and rents from investment properties:

	2020 £000's	2019 £000's
Dividends and interest from financial investments	5	54
Rental income from investment properties	3,808	3,964
Total	3,813	4,018

c) Reconciliation of movements on net debt

	Net debt at 01.09.2019 £000's	Cash flows £'000s	Non-cash movements £'000s	Net debt 31.08.2020 £000's
Cash at bank and in hand	10,143	(8,624)	-	1,519
<i>Bank loans due within one year</i>	(272)	272	(313)	(313)
<i>Bank loans due after one year</i>	(28,752)	892	234	(27,626)
Total bank loans	(29,024)	1,164	(79)	(27,939)
Net debt	(18,881)	(7,460)	(79)	(26,420)

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12 Analysis of restricted funds

	Balance 01.09.19 £000's	Income £000's	Expenditure £000's	Balance 31.08.20 £000's
Scholarship Programme	-	1	(1)	-
Syria Programme	-	1	(1)	-
Total restricted funds	-	2	(2)	-

During the year the Foundation received two restricted donations from third-party donors. In accordance with the donors' wishes, these funds were applied in full to the Scholarship Programme and the Syria Programme during the year.

13 Analysis of unrestricted funds

	Balance 01.09.19 £000's	Income £000's	Expenditure £000's	Other Gains and (Losses) £000's	Balance 31.08.20 £000's
Expendable endowment fund	67,500	3,904	(5,713)	(6,592)	(59,099)

Expendable endowment fund

The Foundation's endowment fund is maintained to generate income to enable the continuing fulfilment of the Foundation's objectives. The Trustees' power to spend the Fund is not restricted by donors or by the Foundation's constitution, providing it is spent to meet the charitable objectives. However, it is the Trustees' intention to maintain the purchasing power of the expendable endowment fund in real terms.

14 Analysis of net assets between funds

	Restricted Funds £000's	Unrestricted Funds - Expendable Endowment £000's	Total 2020 £000's	Total 2019 £000's
Investment properties	-	66,986	66,986	71,679
Financial investments	-	17,704	17,704	13,107
Current assets	15,819	5,160	20,979	31,910
Creditors falling due within one year	(3,073)	(3,197)	(6,270)	(7,352)
Creditors falling due after one year	(12,746)	(27,554)	(40,300)	(41,844)
Net Assets	-	59,099	59,099	67,500

15 Contingent liabilities and commitments

In May 2020, the Foundation's Student Committee approved grants totalling £811,000 to 27 successful candidates for UK scholarships for students studying in the 2020/21 academic year (2019: £696,000 to 28 students). This amount was not recognised as expenditure in the financial year ended 31 August 2020 because the terms of the scholarship awards had not been met at the reporting date.

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15 Contingent liabilities and commitments (continued)

In July 2020, the Foundation became party to a Memorandum of Understanding with the new independent entity which will operate the Amal programme in 2021 and beyond. This committed the Foundation to providing funding to Amal of up to £800,000, on the condition that 'match funding' is obtained from third-party funders. The first £250,000 of this total is payable in a single instalment by March 2021. The Trustees consider that payment of this initial funding is probable so it has been recognised in full and carried forward as a liability at 31 August 2020. However, the Trustees consider that there is a greater degree of uncertainty about how much of the remaining £550,000 will become payable. This subsequent funding is therefore possible but uncertain and accordingly has not been recognised in the financial statements.

The Foundation's grant agreement with the Saïd Business School Foundation (SBSF) states that, in the event that the Trustees decide to cease the annual funding for SBSF, the Foundation will nevertheless provide funding to SBSF to ensure that the Strategic Development Fund commitments already made can be met. At 31 August 2020 these commitments totaled £3.76 million, of which £1.42 million had already been paid to SBSF or provided for in the Foundation's accounts. This leaves the Foundation with a commitment of £2.34 million should the Trustees ever decide to cease the annual funding for SBSF.

16 Operating leases

The Foundation is lessor of 23 individual lease arrangements for office and retail units at its three investment properties. The leases are all classified as operating leases and the income from these leases is recognised on a straight-line basis over the lease term. In addition to amounts accrued to the period end, the Foundation is entitled to receive the following future minimum lease payments under non-cancellable operating leases:

	2020 £000's	2019 £000's
Amounts due:		
Not later than one year from 31 August	3,338	3,371
Later than one year and not later than five years from 31 August	9,249	10,693
Later than five years from 31 August	3,121	4,161
Total rental income from operating leases	15,708	18,225

17 Financial instruments

	2020 £000's	2019 £000's
Financial assets held at fair value	84,690	84,786

Financial assets held at fair value comprise financial investments and investment properties.

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18 Transactions with trustees and connected persons

Three Saïd Foundation Trustees are also Directors of The Saïd Business School Foundation Trust Ltd, which is sole trustee of the Saïd Business School Foundation. They are Mr Wafic Saïd, Mr Khaled Saïd and Lord Powell of Bayswater. Grants made to the Saïd Business School Foundation during the year, and amounts owed at 31 August (before discounting), were:

	Grant Commitments 2020 £000's	Amount owed 2020 £000's	Grant Commitments 2019 £000's	Amount owed 2019 £000's
Osney Power Station grant	-	14,197	-	14,468
Strategic Development Fund	1,192	1,277	1,172	1,257
Total	1,192	15,474	1,172	15,725

Donations made by the Chairman are disclosed separately at note 2 to the financial statements. The sole donation of £59,000 in the year to 31 August 2020 took the form of 'in kind' use of office premises at 24 Queen Anne's Gate (2019: £59,000). £19.0 million of Chairman's commitments from the current and previous years were outstanding as at 31 August 2020 (2019: £21.4 million).

Mr Khaled Saïd is a Trustee of the Turquoise Mountain Trust to which the Foundation has granted funds in previous years. Of those grants, £273,000 remained unpaid at 31 August 2020 (2019: £1,491,000). Mr Khaled Saïd recused himself from Board discussions about the approval of these grants to Turquoise Mountain.

Mr Khaled Saïd is also a Partner of Capital Generation Partners LLP which provides the Foundation with investment and property management advice. In the year to 31 August 2020, the firm charged £128,000 plus VAT for property management advice and a further £11,000 plus VAT for investment management services (2019: £32,000 plus VAT for property management advice and a further £13,000 for investment reporting services provided as a 'gift in kind'). All these amounts had been paid at year-end. Mr Khaled Saïd recused himself from decisions made about the appointment of Capital Generation Partners at meetings of the Foundation's Board of Trustees.

Lord Powell of Bayswater is a member of the Board of the Northern Trust Corporation of the United States which provides custody and brokerage services for investments held by the Foundation. In the year to 31 August 2020, the Foundation paid Northern Trust £1,000 in custody fees (2019: nil) and £10,000 in brokerage commissions (2019: nil). The decision to appoint Northern Trust was taken by the Investment Committee of which Lord Powell is not a member.

During the year, the Foundation's Board decided to support plans to spin out the Amal programme into an independent entity. In September 2020, the Trustees of the new Amal (registered charity number 1190887) appointed Ms Catherine Roe, who is one of the Foundation's Trustees, as Amal's Chief Executive. The Foundation has pledged funding of up to £800,000 to the new organisation, of which £250,000 was recognised in the year to 31 August 2020, and of which £245,200 remained unpaid at year-end. The remaining £550,000 has been disclosed as a contingent liability at note 15 to the financial statements.

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19 Analysis of Statement of Financial Activities – prior year comparatives

	Restricted Funds 2019 £000's	Unrestricted Funds - Expendable Endowment 2019 £000's	Total 2019 £000's
INCOME FROM:			
- Donations	1,341	494	1,835
- Investments	-	4,004	4,004
- Other income	-	17	17
Total income	1,341	4,515	5,856
EXPENDITURE ON:			
Raising funds	-	(1,450)	(1,450)
Charitable expenditure	(1,341)	(2,747)	(4,088)
Total expenditure	(1,341)	(4,197)	(5,538)
Net gains on financial investments	-	1,300	1,300
Net gains on investment properties	-	250	250
Net (losses) on foreign currency movements	-	(70)	(70)
Net income / (expenditure)	-	1,798	1,798
Net movement in funds for the year	-	1,798	1,798
RECONCILIATION OF FUNDS			
Funds brought forward 1 st September 2018	-	65,702	65,702
Funds carried forward 31st August 2019	-	67,500	67,500