

The Saïd Foundation

Annual Report and Audited Accounts for the
year ended 31 August 2021

Charity number: 1125521

Company number: 06621764



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Reference and Administrative Information

Charity Registration Number	1125521
Company Registration Number	06621764
Correspondence address	70-72 King William Street, London, EC4N 7HR
Website	www.saidfoundation.org
Board of Trustees	Mr Wafic R Saïd (Chairman) Mrs Rasha Saïd Khawaja (Deputy Chair) Mr Jonathan Aitken Ms Ita Gallagher (resigned 15 Nov 2021) Mrs Sirine Idilby Sir Michael Peat Lord Powell of Bayswater Ms Catherine Roe (resigned 6 Jan 2021) 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	Citi Private Bank Citigroup Centre Canada Square Canary Wharf London E14 5LB 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 2020 to 31 August 2021. The Trustees are also Directors of the company for the purposes 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 December 2021, the Board of 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.
6. To enable disadvantaged students in the UK and overseas to realise their full potential through educational, vocational training, and internship opportunities.

We pursue these objectives through five 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 **Humanitarian 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.
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.
5. The **Toucan Project** aims to support students from disadvantaged backgrounds through vocational training.

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 £3.0 million in 2020/21 across five 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 2020/21 (£'000s)	Grants Committed 2019/20 (£'000s)*
Saïd Business School	1,194	1,192
Humanitarian Programme	366	819
Scholarship Programme	825	772
Amal	571	311
Toucan Project	10	-
TOTAL	2,966	3,094

*The Scholarship Programme grants for 2019/20 have been restated in line with note 20.

In common with previous years, the majority of the Foundation's funding committed in 2020/21 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

An important focus for the Saïd Foundation is 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 2020/21 was £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 2020/21, SBSF awarded two new SDF grants for £836,000 (2020: seven grants totalling £2,346,000). In addition, a further £150,000 was committed to increase the funding available for 2020/21 MBA scholarships. In common with previous years, the majority of this funding was awarded to support the School in awarding scholarships to MBA and DPhil students.

In 2020/21, 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 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 Chairman and made via the Saïd Foundation. Of this total, £1,512,000 had been paid to the School by 31 August 2021, and the remaining amount payable was £13,488,000 (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 2021, the School was placed 17th globally (2020: 21st) and third in the UK in the Financial Times' MBA rankings, which means the School continues to meet the objective set by the Board.

Humanitarian 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 and host communities in Jordan and Lebanon. Since that point, the Foundation has committed £19.3 million to supporting Syrian refugees and host communities by funding projects in the fields of education, healthcare, child protection and emergency relief. In 2020/21, the Foundation had three main partnerships focused on child protection, higher education, and cultural heritage preservation and livelihood creation.

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 protection and 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 concluded in March 2021 after a three-months no cost extension had been granted. Our work with Turquoise Mountain trains Syrian refugees in the arts and crafts of Syria, creates sustainable livelihoods and teaches children in camps about their country's cultural heritage. In 2020, Turquoise Mountain expanded its training centres in Amman to host jewellery, stone and woodwork students.

The Foundation has partnered with the **UNHCR** since 2014. UNHCR implements a worldwide scholarship programme for refugees known as the DAFI programme. This programme has been enabling 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 the undergraduate studies of 41 young Syrians from 2019 until 2023.

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 2020/21, due to the Covid-19 pandemic and ensuing travel restrictions, the Foundation's CEO and various colleagues and trustees joined several virtual visits to Lebanon and Jordan to monitor the partners' activities. They interacted with beneficiaries from all three programmes in both countries and witnessed activities and workshops with beneficiaries in real time. Throughout the year, partners provided regular updates as well as monitoring and evaluation reports, together with case studies of beneficiaries who were supported. During the lockdown periods, partners worked hard to continue the delivery of their programmes. The majority of activities and services were adapted and satisfactorily provided remotely.

Scholarship Programme

Scholarships in the UK

The Saïd Foundation has offered educational scholarships and training opportunities since 1984. Our Scholarship Programme aims to empower students 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, their commitment to serving their community, their 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 2020/21 application round the Saïd Foundation received 732 applications, of which 627 met the programme's eligibility criteria. The selection process lasted eight months and the selected scholars arrived in the UK in September 2020. In 2020/21 the Foundation supported 27 scholars for postgraduate study in the UK (2019/20: 30 scholars); 25 scholars were supported for a one-year master's degree; one scholar started their PhD studies and one scholar continued a distance-learning master's programme. The scholars came from Syria (15), Jordan (2), Lebanon (4) and Palestine (6).

The total amount granted to these scholars (including tuition fees, maintenance awards and travel expenses) was £825,000 (2020: £732,000).

The Foundation seeks to maximise the number of scholars it can support by working with partners who contribute financially towards scholarships. The 27 scholars supported in 2020/21 include four scholars who were jointly supported by the Foreign, Commonwealth & Development Office's Chevening Scholarship Programme, and one scholar from Lebanon who was 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 2020 three Rhodes Scholars from the Foundation's target countries arrived in the UK to begin their postgraduate studies at the University of Oxford. The scholars were from Syria, Jordan and Lebanon. The scholar from Lebanon took up her award in 2020/21 having deferred from 2019/2020. They will spend between two and four years at the University of Oxford. This was the fourth year of the scholarship agreement between the Saïd Foundation, the 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 2020/2021, no report has been produced.

Amal Programme

Amal became a programme of the Saïd Foundation in 2018 after a successful pilot year (which ran from January to December 2017), with the aim of making grants in the UK to support a rich diversity of arts projects and activities with 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.

During the 2019/20 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 recognition of the pioneering nature of Amal's work, the Board further decided to support plans to spin Amal out as an independent charity. In July 2020, the Foundation entered into a Memorandum of Understanding to support an independent Amal with £800,000 of funding, to be granted on a pound for pound basis as matched funding is raised, subject to an initial sum of £250,000 being raised by a target date. Amal was registered as a Charitable Incorporated Organisation by the Charity Commission on 17 August 2020. Its registered number is 1190887.

In April 2021, Amal completed the raising of the initial matching funding and became a going concern. It has now begun to build a new cornerstone programme, Amal Connects, which will deepen the engagement of Muslim communities in creative activity and with cultural organisations by facilitating the co-creation of projects in Amal's hub locations, first Birmingham and Bradford, then London. To strengthen Amal's capacity to fulfil this mission, it has recruited community engagement coordinators in Bradford and Birmingham.

In 2020/21 the Foundation continued to monitor the progress of projects to which the Amal Programme made grants in the previous two years. At the end of the year, most projects had completed but five projects remained in development or delivery, mainly due to unforeseen delays caused by the Covid-19 situation.

Statistics compiled from 25 completed projects between 2018-2021:

Amal Programme Statistics 2018-2021	
Partners	23
Projects	25
Events	818
Artists	602
Participants	4,773
Audiences	54,384
Online Connections	1,256,393

Reporting from the 25 projects indicated that, of their audience and participant numbers combined, Amal projects engaged around 47% of people who identified as non-Muslim and 59% of people identifying as being of Muslim heritage. Reporting also indicated that 69% of project participants and 46% of audience members were under the age of 30. These figures continue to be consistent with Amal's goals of reaching 50% non-Muslims and 50% audience/participants under the age of 30.

In the 2020/21 financial year, Amal's expenditure was £661,000, of which £558,000 related to matched funding support for the new independent charity and the remainder represented the allocation of centrally-incurred support and governance costs.

Assessment of Impact

Preliminary results from the analysis of the Amal Programme findings have not only reaffirmed our conclusions from the pilot year and preliminary findings from year one, but have provided us with plentiful further evidence that our approach - 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 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 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 those who are secular.
- The use of digital can increase an organisation or artist's reach and can better serve communities that are geographically more isolated.

The effects of the global pandemic in 2020 and 2021 on Amal projects have been far reaching with projects continuing to have to adapt or postpone or cancel. The Amal team continued to work closely with all partners to support them during this time by offering flexibility on the partner's planned activities and reporting and by offering advice on how best to adapt projects as a result of learning from the pandemic in 2020. A number of projects opted to adapt to take advantage of digital technology, hosting their events online via various platforms. Now that restrictions have been lifted, more projects are expected to resume in person activities.

Toucan Project

In March 2021, the Board of Trustees approved the Toucan Project, a one year pilot project with a budget of £75,000. Its purpose is to support students from disadvantaged backgrounds to build or re-build better lives through access to educational, vocational training and internship opportunities. In June 2021, a first grant of £9,500 to the Prince's Trust's was approved by the Projects Committee, which will support 10 young people from disadvantaged backgrounds through vocational training in Birmingham through the Prince's Trust Enterprise Programme. A grant agreement was signed in October 2021.

3. Trustees and Management

The Board of Trustees met two times during the year, in December 2020 and May 2021, 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	2020/21	2019/20
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.	£4.9 million shortfall	£2.1 million surplus*
Investment performance	Return after fees on financial investments, adjusted for CPI inflation	>4% above rate of CPI inflation	6.6%	-6.9%
	Management fees as a percentage of financial investments	<1%	0.05%	0.6%
	Net yield from freehold properties	>5%	-5.9%	-4.7%
	Property management costs as a percentage of gross rental income	<10%	14.5%	17.6%
Operational performance	Staff and administrative costs as a percentage of charitable expenditure	<15%	14.8%	13.9%

* The surplus of (a) the value of the endowment at 31st August 2020 less (b) the value of contributions to the endowment between 1986 and 31st August 2020 uplifted in line with CPI inflation, was reduced from £2.8m to £2.1m, as a result of the restatement detailed in Note 20.

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 goal was not met for 2020/21, due to two key factors: firstly, valuation losses recognised on investment properties; and secondly, charitable spending commitments approved by the Trustees exceeding the budget indicated by the Foundation's spending policy, which is to spend 4% of the total return from financial and property investments after inflation, as a weighted average for a rolling 5 year period.

The key performance indicator relating to the return from freehold properties was negatively impacted by valuation losses resulting from poor market conditions, largely due to the Covid-19 pandemic. Property management costs as a percentage of gross rental income have also been unusually high for the last two years 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 potential bad debts of tenants in rent arrears.

Capital Generation Partners LLP is the Foundation's sole investment adviser on the financial investment portfolio and investment properties. The financial investments are primarily invested in a 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 2021 are summarised in the table below, with further detail provided at note 8 to the financial statements.

	2021 (£'000s)	2021 (%)	2020 (£'000s)	2020 (%)
<u>Investment Properties</u>				
College House, London*	17,710	33%	19,615	35%
One Kingsway, Cardiff*	6,358	12%	10,231	18%
King William St, London	9,300	18%	9,200	16%
<u>Financial Investments</u>				
Listed equities	-	-	8,611	15%
Mixed Asset Funds	18,450	35%	-	-
Fixed income and cash	30	0%	4,715	8%
Gold and commodities	-	-	2,683	5%
Private equity	1,060	2%	1,055	2%
Hedging and alternatives	-	-	640	1%
TOTAL	52,908	100%	56,750	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 2021 was £3.8 million (2020: £3.8 million) and is analysed at note 4 of 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 financial matters 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, as updated in December 2020. 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 2022.

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 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>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 with 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.
<p>Humanitarian Programme The programme may be unclear, or there is a failure to focus on and deliver objectives, which wastes the Foundation's charitable funding.</p>	<ul style="list-style-type: none"> Annual review of objectives by the Board informs all SF programmes and funding priorities. All funding subject to decision by Trustees, either at Board or Projects Committee level. Regular communication between Chairman and CEO on project proposals and funding. The only programmes in the Humanitarian Programme are now the IRC's in Lebanon and the UNHCR DAFI programme in Lebanon and Jordan. Both are closely monitored and virtual visits recently took place.

<p><i>Charitable Impact and Strategy</i> The Foundation's strategy is not sufficiently focussed to maximise its charitable impact, leading to charitable funds being wasted and resulting in reputational damage.</p>	<ul style="list-style-type: none"> • Annual review of objectives by the Board informs all SF programmes and funding priorities / criteria. • Achievement of objectives reviewed twice annually by the Board and more frequently by sub-committees. • Performance against objectives is reported regularly in management accounts, monthly updates to Trustees, and in Projects and Student Committee papers. • Established operating guidelines and work manuals are in place for all charitable programmes.
<p><i>Stewardship of Assets and Investments</i> The Foundation is unable to continue funding charitable activity at the current level due to sustained underperformance of its investment portfolio.</p>	<ul style="list-style-type: none"> • Target return of 4% above inflation and 4% spending policy work together to ensure real value of endowment is maintained over time. • Investment Committee tasked with setting investment policy and asset allocation to achieve this target return. • Capital Generation Partners providing asset allocation and property management advice. • Statement of Investment Policies last updated in May 2020. This was reviewed at the Investment Committee meeting in November 2021, with no changes proposed. Performance reported regularly to Investment and Audit Committees, and the Board. • Diversification across asset classes to reduce risk.

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 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 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 Humanitarian Programme makes grants to large scale international organisations and is not open to speculative applications. The Foundation has current partnerships with the IRC and the UNHCR. These organisations were selected for their experience of working successfully in complex conflict-affected environments.

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 the value of the donations made by the Chairman since 1986, uplifted in line with inflation. The Trustees review performance against this objective on an annual basis.

At 31 August 2021, the Foundation's endowment fund was valued at £53.2 million which represented a shortfall of £4.9 million over the inflation-adjusted value of £58.1 million at the same date (2020: £58.3 million, restated, representing a £2.1 million surplus over the inflation-adjusted value of £56.2 million).

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 fund raising requirement, and does not devote significant resources to fund raising. 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 2021/22 financial year in accordance with section 485 of the Companies Act 2006.

This report was approved by the Trustees on 10/05/2022 and signed on its behalf by:



[Michael Peat \(May 10, 2022 11:59 GMT+1\)](#)

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 MEMBERS OF THE SAÏD FOUNDATION

Opinion

We have audited the financial statements of The Saïd Foundation (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow statement and the notes to the financial statements, including 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 charitable company's affairs as at 31 August 2021 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

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

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

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

Other information

The other information comprises the information included in the Annual Report and Audited Accounts, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report and Audited Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which 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' Report have 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 the Directors' Report contained within the Trustees' Report.

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

- 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 on page 15, 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.

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

We obtained a general understanding of the charitable company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations, the entity's policies and procedures regarding compliance, and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the charitable company's sector and regulation.

We understand that the charitable company complies with the framework through:

- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charitable company's ability to conduct its business, and/or where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charitable company:

- The Companies Act 2006, Charities Act 2011 and FRS102 (including the provisions of the Charities SORP) in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations identified above:

- Enquiry of management and responsible staff members
- The inspection of any relevant correspondence.
- The review of Board minutes.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially grants income and expenditure, via fraudulent journal entries, particularly as the size and nature of the charitable company means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with charities and companies that operate in this sector.

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

Use of our report

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

Nexia Smith & Williamson

Nexia Smith & Williamson (May 10, 2022 17:04 GMT+1)

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

10/05/2022

The Saïd Foundation
Statement of Financial Activities
incorporating Income and Expenditure Account
for the year ended 31 August 2021

	Note	Restricted Funds £000's	Unrestricted Funds - Expendable Endowment £000's	Total 2021 £000's	Total 2020 Restated* £000's
INCOME FROM:					
- Donations	2	28	104	132	69
- Investments	3	-	3,618	3,618	3,801
- Other income		-	107	107	34
Total income		28	3,829	3,857	3,904
EXPENDITURE ON:					
<i>Raising funds:</i>					
- Investment management costs		-	(524)	(524)	(689)
- Interest on borrowings		-	(663)	(663)	(828)
- Other expenditure on raising funds		-	(2)	(2)	-
- Movement on bad debt provision		-	127	127	(412)
<i>Charitable expenditure:</i>	4				
- Humanitarian Programme		-	(457)	(457)	(952)
- Said Business School Programme		-	(1,504)	(1,504)	(1,346)
- Scholarship Programme*		-	(1,101)	(1,101)	(1,083)
- Amal			(661)	(661)	(443)
- Toucan Project		(28)	(3)	(31)	-
Total expenditure		(28)	(4,788)	(4,816)	(5,753)
Net gains / (losses) on investment properties		-	(6,023)	(6,023)	(5,448)
Net gains / (losses) on financial investments		-	1,829	1,829	(1,029)
Net gains / (losses) on foreign currency movements		-	(15)	(15)	(115)
Net income / (loss)	6	-	(5,168)	(5,168)	(8,441)
Net movement in funds for the year		-	(5,168)	(5,168)	(8,441)
RECONCILIATION OF FUNDS					
Funds brought forward 1st September*	12,13	-	58,346	58,346	66,787
Funds carried forward 31st August*	12,13	-	53,178	53,178	58,346

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

All income and expenditure derive from continuing activities.

*There was a restatement to increase charitable expenditure on scholarships by £40,000 in 2020, in order to recognise student grants when awarded, rather than at the start of the academic year. For more details, refer to Note 20.

The Saïd Foundation
Balance Sheet at 31 August 2021

		2021	2020
	Note	£000's	Restated* £000's
Fixed assets			
Investment properties	8a	61,050	66,986
Financial investments	8b	19,540	17,704
Total fixed assets		<u>80,590</u>	<u>84,690</u>
Current assets			
Debtors, prepayments and accrued income	9	17,264	19,460
Cash at bank and in hand		1,297	1,519
Total current assets		<u>18,561</u>	<u>20,979</u>
Creditors falling due within one year *	10a	(15,354)	(7,023)
Net current assets		<u>3,207</u>	<u>13,956</u>
Total assets less current liabilities		83,797	98,646
Creditors falling due after more than one year	10b	(30,619)	(40,300)
Net assets		<u>53,178</u>	<u>58,346</u>
The funds of the charity			
Restricted funds	12	-	-
Unrestricted funds			
- Expendable endowment fund *	13	53,178	58,346
Total charity funds		<u>53,178</u>	<u>58,346</u>

The notes on pages 20 to 34 form part of the financial statements.

*There was a restatement to increase "Grant commitments not yet paid" for scholarships by £753,000 in 2020, in order to recognise student grants when awarded, rather than at the start of the academic year. For more details, refer to Note 20.

Approved by the Board of Trustees on 10/05/2022 and signed on its behalf by:

Michael Peat
[Michael Peat \(May 10, 2022 11:59 GMT+1\)](#)

 Sir Michael Peat
 Trustee

Registered Company No: 06621764

The Saïd Foundation
Cash Flow Statement
for the year ended 31 August 2021

	Note	2021 £000's	2020 £000's
Cash generated from / (used in) operating activities	11a	(2,535)	(4,158)
Cash flows from investing activities			
- Dividends, interest and rents received	11b	3,327	3,813
- Receipts from sale of investments		16,555	21,458
- Payments to buy new investments		(16,562)	(27,057)
- Capital expenditure on investment properties		(87)	(755)
		<u>3,233</u>	<u>(2,541)</u>
Cash flows from financing activities			
- Repayment of borrowings		(257)	(1,164)
- Payment of interest		(663)	(761)
		<u>(920)</u>	<u>(1,925)</u>
(Decrease) in cash and cash equivalents during the year		<u>(222)</u>	<u>(8,624)</u>
Cash and cash equivalents at the beginning of the year		1,519	10,143
Cash and cash equivalents at the end of the year		<u>1,297</u>	<u>1,519</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 2021

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 70-72 King William Street, London, EC4N 7HR.

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 2021

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 2021**

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. For 2020/21 that commitment was £1.2 million (2019/20: £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 2022 and beyond which was 3.22% at the end of August 2021. 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 2021

2 Donations

	Restricted 2021 £000's	Unrestricted Funds - Expendable Endowment 2021 £000's	Total 2021 £000's	Total 2020 £000's
General donations	-	45	45	10
Donations from the Chairman	28	59	87	59
Total	28	104	132	69

3 Income from investments

	Restricted 2021 £000's	Unrestricted Funds - Expendable Endowment 2021 £000's	Total 2021 £000's	Total 2020 £000's
Bank interest and dividends	-	3	3	5
Rents and other income from investment properties	-	3,615	3,615	3,796
Total	-	3,618	3,618	3,801

4 Analysis of expenditure on charitable activities

	Humanitarian Programme £000's	Saïd Business School £000's	Scholarship Programme £000's	Amal £000's	Toucan Project £000's	Total 2021 £000's	Total 2020 Restated* £000's
Grant commitments	366	1,194	825	571	10	2,966	3,094
Financing cost or credit relating to the discounting of grant liabilities	24	157	(8)	(13)	-	160	27
Staff costs	62	14	134	41	18	269	269
Directly allocated support costs	-	-	66	6	-	72	118
Apportioned support costs (see note 5)	4	104	63	42	2	215	233
Governance costs	1	35	21	14	1	72	83
Total	457	1,504	1,101	661	31	3,754	3,824

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

- £1.2 million to the Saïd Business School Foundation for the Strategic Development Fund;
- £0.9 million of scholarship grants for scholars studying in the 2021/22 academic year;
- £0.6 million to the new independent Amal; and
- £0.4 million to the UNHCR for its Jordan Livelihoods Programme.

*There was a restatement to increase charitable expenditure on scholarships by £40,000 in 2020, in order to recognise student grants when awarded, rather than at the start of the academic year. See Note 20.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2021

5 Analysis of governance and support costs

The Foundation initially identifies support costs which relate directly to one of the five 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 then apportioned between 'support' and 'governance' functions, and further apportioned between the five 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	95	54	149	<i>Estimate of staff time</i>
General office expenses	21	-	21	<i>Allocated to support</i>
Audit fees	-	17	17	<i>Allocated to governance</i>
Travelling	1	-	1	<i>Allocated to support</i>
Legal and professional fees	9	1	10	<i>Allocated on nature of advice received</i>
	215	72	287	

6 Net income for the year

Net income for the year is stated after charging:

	Total 2021 £000's	Total 2020 £000's
Auditors' remuneration (excluding irrecoverable VAT):		
- Statutory audit fees	17	16
- Non-audit services	-	-

7 Analysis of staff costs and remuneration of key management personnel

	Total 2021 £000's	Total 2020 £000's
Salaries	340	333
National Insurance	31	32
Employer's pension contributions and other benefits	46	45
Staff training	1	-
	418	410

Of the £418,000 total staff costs analysed above, £269,000 has been allocated to the five charitable programmes (see note 4) and £149,000 has been allocated to support and governance costs (see note 5).

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2021

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 (2020: 7). 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 2021 was £97,273 (2020: £88,917). The Foundation also made pension contributions of £13,471 (2020: £12,224) and paid employer's National Insurance contributions of £12,261 (2020: £11,071) in respect of the CEO.

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

	2021 number	2020 number
£80,000 to £89,999	-	1
£90,000 to £99,000	1	-

The Foundation's Trustees were not paid any remuneration nor received any other benefits from the Foundation or a related entity. One director (2020: two) received reimbursement for travel expenses incurred whilst on Saïd Foundation business of £921 (2020: £1,030).

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:

	2021 £000's	2021 %	2020 £000's	2020 %
<i>Investment properties:</i>				
- College House, London SW3	37,600	47%	39,450	46%
- One Kingsway, Cardiff	14,150	18%	18,336	22%
- King William Street, London EC4	9,300	12%	9,200	11%
<i>Financial investments:</i>				
- Mixed asset funds	18,450	23%	-	-
- Listed equities	-	-	8,611	10%
- Fixed income and cash	30	0%	4,715	6%
- Gold and commodities	-	-	2,683	3%
- Private equity	1,060	1%	1,055	1%
- Hedging and alternatives	-	-	640	1%
	80,590	100%	84,690	100%

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2021

8 Investments (continued)**a) Analysis of investment properties**

	2021 £000's	2020 £000's
Market value at 1st September	66,986	71,679
Additions (costs of improvement and refurbishment work)	87	755
Net revaluation losses	(6,023)	(5,448)
Market value at 31st August	61,050	66,986
Historical cost at 31st August	65,739	65,652

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 July 2021 by Knight Frank in accordance with the Royal Institute of Chartered Surveyors (RICS) Red Book valued the asset at £37.6 million.

One Kingsway, Cardiff

The property was purchased in February 2016 for £18.15 million. A professional valuation undertaken in July 2021 by Cushman & Wakefield in accordance with the RICS Red Book valued the asset at £14.2 million.

King William Street, London EC4

The property was purchased in May 2017 for £9.40 million. A professional valuation undertaken in June 2021 by Cushman & Wakefield in accordance with the RICS Red Book valued the asset at £9.3 million.

b) Analysis of financial investments

	Market value at 01.09.2020 £000's	Purchase of new investments £000's	Proceeds from sale / distribution £000's	Investment gains / (losses) £000's	Market value at 31.08.2021 £000's
Mixed asset funds	-	16,491	-	1,959	18,450
Listed equities	8,611	-	(8,288)	(323)	-
Fixed income and cash	4,715	-	(4,564)	(121)	30
Gold and commodities	2,683	-	(2,632)	(51)	-
Private equity	1,055	-	(422)	427	1,060
Hedging and alternatives	640	71	(649)	(62)	-
Total	17,704	16,562	(16,555)	1,829	19,540

9 Debtors and prepayments

	2021 £000's	2020 £000's
Sundry debtors	16,748	19,206
Accrued income	508	243
Prepayments	8	11
Total	17,264	21,767

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

	2021	2020
	£000's	Restated £000's
Grant commitments not yet paid *	6,660	5,986
Accruals and deferred income	280	367
Bank loans	7,792	313
Trade creditors	88	279
Taxation and social security	62	78
Other Creditors	472	-
Total	<u>15,354</u>	<u>7,023</u>

‘Accruals and deferred income’ includes a balance of £197,000 (2020: £268,000) 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.

*There was a restatement to increase “Grant commitments not yet paid” for scholarships by £753,000 in 2020, in order to recognise student grants when awarded, rather than at the start of the academic year. See Note 20.

b) Amounts falling due after more than one year

	2021	2020
	£000's	£000's
Bank loans	19,890	27,626
Grant commitments not yet paid	10,729	12,674
	<u>30,619</u>	<u>40,300</u>

The Foundation had two bank loans during the year. The first bank loan was a £10 million facility, of which £7.8 million was outstanding at 31 August 2021, secured on the One Kingsway investment property, which was last valued at £14.2 million. The Foundation was committed to making monthly repayments of interest and principal over the ten-year term from February 2017. The lender held first legal charge over the property as security.

The second bank loan was a £20 million facility, of which £19.9 million was outstanding at 31 August 2021, secured on the College House investment property which was valued at £37.6 million at 31 August 2021. The Foundation was committed to making 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 held a first legal charge over the property as security, and rental income from the property was remitted to the Foundation after the lender's interest and fees were deducted.

In October 2021, the Foundation refinanced from two bank loans to one £28 million facility. The Foundation can borrow an additional £5 million under the facility agreement, subject to certain letting criteria for the investment properties. The option to borrow the additional funds expires on 1 October 2022. The £28 million loan is secured on all three investment properties. The Foundation is committed to make quarterly repayments of interest and principal over a three-year term commencing October 2021, with the principal repayable in full at the end of the term. The lender holds a first legal charge over the properties as security, and rental income from the properties is remitted to the Foundation after the lender's interest and fees are deducted.

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

Grant commitments not yet paid at 31 August 2021 comprised the following balances:

	£000's
Saïd Business School Foundation (Osney Power Station)	13,488
Saïd Business School Foundation (Strategic Development Fund)	1,280
International Rescue Committee	675
UNHCR	797
Amal	605
UK Scholarship Programme (includes 21/22 scholars)	942
Less: adjustment to discount grant liabilities required by FRS102	(408)
Total grant commitments not yet paid	<u>17,389</u>

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

	2021	2020
	£000's	Restated £000's
Net (loss) / income for the year (as per Statement of Financial Activities) *	(5,168)	(8,441)
Adjusted for:		
Returns on investment and servicing of finance	(3,618)	(3,796)
Losses / (gains) on investments and investment properties	4,194	6,450
Interest paid on borrowings	663	828
Interest received on cash balances	(3)	(5)
Decrease in debtors	2,461	2,309
Decrease in creditors	(1,064)	(1,503)
Net cash (used in) operating activities	<u>(2,535)</u>	<u>(4,158)</u>

* There was a restatement to increase "Grant commitments not yet paid" for scholarships by £753,000 in 2020, in order to recognise student grants when awarded, rather than at the start of the academic year. See Note 20.

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

	2021	2020
	£000's	£000's
Dividends and interest from financial investments	3	5
Rental income from investment properties	3,324	3,808
Total	<u>3,327</u>	<u>3,813</u>

c) Reconciliation of movements on net debt

	Net debt at 01.09.2020 £000's	Cash flows £'000s	Non-cash movements £'000s	Net debt 31.08.2021 £000's
Cash at bank and in hand	1,519	(222)	-	1,297
Bank loans due within one year	(313)	(7,479)	-	(7,792)
Bank loans due after one year	(27,626)	7,736	-	(19,890)
Total bank loans	(27,939)	257	-	(27,682)
Net debt	<u>(26,420)</u>	<u>35</u>	<u>-</u>	<u>(26,385)</u>

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12 Analysis of restricted funds

	Balance 01.09.20 £000's	Income £000's	Expenditure £000's	Balance 31.08.21 £000's
Toucan Project	-	28	(28)	-

During the year, the Foundation received one restricted donation from the Chairman. In accordance with his wishes, these funds were applied in full to the Toucan Project during the year.

13 Analysis of unrestricted funds

	Balance 01.09.20 Restated £000's	Income £000's	Expenditure £000's	Other Gains and (Losses) £000's	Balance 31.08.21 £000's
Expendable endowment fund	58,346	3,829	(4,788)	(4,209)	53,178

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.

The balance as at 31 August 2020 has been restated from £59,099,000 to £58,346,000, as result of a change in treatment of the scholarship awards. See Note 20 for further details.

14 Analysis of net assets between funds

	Restricted Funds £000's	Unrestricted Funds - Expendable Endowment £000's	Total 2021 £000's	Total 2020 Restated £000's
Investment properties	-	61,050	61,050	66,986
Financial investments	-	19,540	19,540	17,704
Current assets	13,135	5,426	18,561	20,979
Creditors falling due within one year *	(2,663)	(12,691)	(15,354)	(7,023)
Creditors falling due after one year	(10,472)	(20,147)	(30,619)	(40,300)
Net Assets *	-	53,178	53,178	58,346

* See Note 20 for further details of restatement.

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15 Contingent liabilities and commitments

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 2021 these commitments totaled £3.64 million, of which £1.28 million had already been paid to SBSF or provided for in the Foundation's accounts. This leaves the Foundation with a commitment of £2.36 million should the Trustees ever decide to cease the annual funding for SBSF.

16 Operating leases

The Foundation is lessor of 21 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:

	2021 £000's	2020 £000's
Amounts due:		
Not later than one year from 31 August	3,310	3,338
Later than one year and not later than five years from 31 August	7,696	9,249
Later than five years from 31 August	2,012	3,121
	<u>13,018</u>	<u>15,708</u>
Total rental income from operating leases	<u>13,018</u>	<u>15,708</u>

17 Financial instruments

	2021 £000's	2020 £000's
Financial assets held at fair value	80,590	84,690

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

18 Transactions with trustees and connected persons

Three Saïd Foundation Trustees are also Directors of The Saïd Business School Foundation Trustee 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 2021 £000's	Amount owed 2021 £000's	Grant Commitments 2020 £000's	Amount owed 2020 £000's
Osney Power Station grant	-	13,488	-	14,197
Strategic Development Fund	1,194	1,280	1,192	1,277
Total	<u>1,194</u>	<u>14,768</u>	<u>1,192</u>	<u>15,474</u>

Donations made by the Chairman are disclosed separately at note 2 to the financial statements. The donation of £59,000 in the year to 31 August 2021 took the form of 'in kind' use of office premises at 24 Queen Anne's Gate (2020: £59,000), while the donation of £27,500 related to a restricted donation for the Toucan Project. £15.8 million of Chairman's commitments from the current and previous years were outstanding as at 31 August 2021 (2020: £19.0 million)

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18 Transactions with trustees and connected persons (continued)

Mr Khaled Saïd is a Trustee of the Turquoise Mountain Trust to which the Foundation has granted funds in previous years. Of those grants, there was no balance still to pay at 31 August 2021 (£273,000 remained unpaid at 31 August 2020). 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 2021, the firm charged £173,000 plus VAT for property management advice (2020: £128,000 plus VAT) and nil for investment management services (2020: £11,000 plus VAT). 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 2021, the Foundation paid Northern Trust £1,000 in custody fees (2020: £1,000) and nil in brokerage commissions (2020: £10,000). The decision to appoint Northern Trust was taken by the Investment Committee of which Lord Powell is not a member.

Since September 2020, Ms Catherine Roe, one of the Foundation's Trustees until 6th January 2021, has been the Chief Executive of Amal (registered charity number 1190887). The Foundation has pledged funding of up to £800,000 to the new organisation, of which £605,477 remained unpaid at the year-end.

19 Analysis of Statement of Financial Activities – prior year comparatives

	Restricted Funds 2020 £000's	Unrestricted Funds Expendable Endowment 2020 Restated £000's	Total 2020 Restated £000's
INCOME FROM:			
Donations	2	67	69
Investments	-	3,801	3,801
Other income	-	34	34
Total income	2	3,902	3,904
EXPENDITURE ON:			
Raising funds	-	(1,929)	(1,929)
Charitable expenditure*	(2)	(4,535)	(4,537)
Total expenditure*	(2)	(6,464)	(6,466)
Net gains on financial investments	-	(5,448)	(5,448)
Net gains on investment properties	-	(1,029)	(1,029)
Net (losses) on foreign currency movements	-	(115)	(115)
Net income / (expenditure)	-	(9,154)	(9,154)
Net movement in funds for the year	-	(9,154)	(9,154)
RECONCILIATION OF FUNDS			
Funds brought forward 1 st September 2019*	-	67,500	67,500
Funds carried forward 31st August 2020*	-	58,346	58,346

* See Note 20 for further details of restatement of "Charitable Expenditure".

20 Prior Period Adjustment

During the year, the recognition of student grants was changed from the first day of the academic year, in September, to the date of approval of the scholarship grant by the Foundation's Student Committee in May.

	As reported 2020 £000's	As restated 2020 £000's	Impact of Restatement 2020 £000's
INCOME FROM:			
Donations	69	69	-
Investments	3,801	3,801	-
Other income	34	34	-
Total income	3,904	3,904	-
EXPENDITURE ON:			
Raising funds	(1,929)	(1,929)	-
Charitable expenditure*	(3,784)	(3,824)	(40)
Total expenditure*	(5,713)	(5,753)	(40)
Net losses on financial investments	(5,448)	(5,448)	-
Net losses on investment properties	(1,029)	(1,029)	-
Net losses on foreign currency movements	(115)	(115)	-
Net income / (expenditure)	(8,401)	(8,441)	(40)
Net movement in funds for the year	(8,401)	(8,441)	(40)
RECONCILIATION OF FUNDS			
Funds brought forward 1 st September 2019*	67,500	66,787	(713)
Funds carried forward 31st August 2020*	59,099	58,346	(753)

	As reported 2020 £000's	As restated 2020 £000's	Impact of Restatement 2020 £000's
Fixed assets			
Investment properties	66,986	66,986	-
Financial investments	17,704	17,704	-
Total fixed assets	84,690	84,690	
Current assets			
Debtors, prepayments and accrued income	19,460	19,460	-
Cash at bank and in hand	1,519	1,519	-
Total current assets	20,979	20,979	-
Creditors falling due within one year	(6,270)	(7,023)	(753)
Net current assets	14,709	13,956	(753)
Total assets less current liabilities	99,399	98,646	(753)
Creditors falling due after more than one year	(40,300)	(40,300)	-
Net assets	59,099	58,346	(753)
The funds of the charity			
Restricted funds	-	-	-
Unrestricted - Expendable endowment fund	59,099	58,346	(753)
Total charity funds	59,099	58,346	(753)