

The Saïd Foundation

Annual Report and Audited Accounts for the
year ended 31 August 2022

Charity number: 1125521

Company number: 06621764



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Reference and Administrative Information

| | |
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| Charity Registration Number | 1125521 |
| Company Registration Number | 06621764 |
| Correspondence and registered office address | 70-72 King William Street, London, EC4N 7HR |
| Website | www.saidfoundation.org |
| Board of Trustees | Mr Wafic R Saïd (Chairman) Dr Rasha Saïd (Deputy Chair) Mr Jonathan Aitken Ms Ita Gallagher (resigned 15 Nov 2021) Mrs Sirine Idilby Sir Michael Peat Lord Powell of Bayswater Mrs A Rosemary Saïd Mr Khaled R Saïd Mrs Nadine Zakaria |
| Chief Executive Officer | Ms Catherine Thomé |
| Auditors | CLA Evelyn Partners Limited 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 2021 to 31 August 2022. 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 areas of Syria, Palestine, Lebanon and Jordan. However, they also fund projects in the UK through the Saïd Business School Programme. In December 2021, the Board of Trustees approved the vision, mission, guiding principles and objectives which are set out below.

The **vision** is of a world where people from all backgrounds can realise their full potential. The **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.

The **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.

The **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 three 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.

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 £2.6 million in 2021/22 across three 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 2021/22 (£'000s) | Grants Committed 2020/21 (£'000s) |
|--------------------------------|--------------------------------------|--------------------------------------|
| Saïd Business School Programme | 1,232 | 1,194 |
| Humanitarian Programme | 10 | 366 |
| Scholarship Programme | 1,326 | 825 |
| Amal | - | 571 |
| Toucan Project | - | 10 |
| TOTAL | 2,568 | 2,966 |

In common with previous years, the majority of the Foundation's funding committed in 2021/22 was directed towards education projects, with a particular focus on UK post graduate scholarships, 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 2021/22 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 2021/22, SBSF awarded one new SDF grant for £500,000 (2021: two grants totalling £836,000), which was awarded to support the School in awarding scholarships to MBA students. In addition, the School returned

£1,652,000 of unspent grants, largely related to DPhil scholarship funding and MBA scholarships for the 2021/22 cohort.

In 2021/22, SBSF made payments under multi-year agreements entered into in previous years which support its 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;
- 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 called the Global Leadership Centre. 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, £5,300,000 had been paid to the School by 31 August 2022, and the remaining amount payable was £9,700,000 (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 2022, the School was placed 31st globally (2021: 17th) and third in the UK in the Financial Times' MBA rankings, which means the School continues to meet the objective set by the Board. Improving the global ranking is an ongoing strategic focus for the School.

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 2021/22, the Foundation had three main partnerships focused on child protection, higher education, and vocational training.

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. The programme started in January 2019 and ended in December 2022.

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.

In July 2021, the board of trustees granted \$504,132 for a one-year programme with existing partner **UNHCR** for a vocational training project to train 100 students. Vocational training is regarded as a viable alternative for those who are unable to continue their university education for reasons related to their displacement or financial circumstances.

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 May 2022, the Foundation's CEO resumed pre-pandemic travel to Lebanon and to Jordan to monitor the two UNHCR programmes. Together with Deputy Chair, Dr Rasha Saïd, they met local implementing partners and interacted with beneficiaries from both programmes and witnessed activities and workshops with beneficiaries in real time. In July 2022, the CEO travelled to Lebanon and, together with the Asfari Foundation, visited the IRC's implementing partners and beneficiaries in the cities of Tripoli and Aarsal in the North of Lebanon.

Throughout the year, partners provided regular updates as well as monitoring and evaluation reports, and case studies of beneficiaries who were supported.

Other Humanitarian Expenditure

During 2021/22 the Foundation made a donation of £10,000 to the UK charity, Breaking Barriers. The Foundation supported the expansion of Breaking Barriers' education project to Birmingham and Manchester, with a focus on Syrian refugees. The project helps refugees in the UK to improve their English languages skills and helps them develop employability skills so they can integrate into the UK job market. The project is expected to reach 445 refugees in Birmingham and Manchester, a third of whom are refugees from Syria.

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 650 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 2022/23 application round the Saïd Foundation received 796 applications, of which 700 met the programme's eligibility criteria. The selection process lasted eight months, with award letters sent in June 2022. Selected scholars arrived in the UK in September 2022. The Foundation supported 29 scholars for postgraduate study in the UK (2021/22 academic year: 30 scholars); 28 scholars were supported for a one-year master's degree and one scholar began the final year of PhD studies. The scholars came from Syria (17), Jordan (4), Lebanon (4) and Palestine (4).

The total amount granted under Scholarship Programmes (including tuition fees, maintenance awards and travel expenses) was £1,326,000 (2021/22 academic year: £825,000). This figure includes the £280,000 cost of scholars selected separately to the main programme (see Other Scholarship Grants below).

The Foundation seeks to maximise the number of scholars it can support by working with partners who contribute financially towards scholarships. The 29 scholars supported in 2022/23 include two scholars supported by the

Foreign, Commonwealth & Development Office's Chevening Scholarship programme. The Saïd Foundation has partnership agreements with 28 UK universities each providing a tuition fee discount of between 20-50%.

Rhodes Scholarships for Syria, Jordan, Lebanon and Palestine

In September 2021 two Rhodes Scholars from the Foundation's target countries arrived in the UK to begin their postgraduate studies at the University of Oxford. The two scholars are Naseem AlKhoury, from Syria, who is reading for an MSc in Global Health Science and Epidemiology, and Abdallah Abuhashem, from Palestine, who will be reading for an MSc in Social Science of the Internet. They will spend between two and four years at the University of Oxford. This was the fifth year of the scholarship agreement between the Saïd Foundation, the Rhodes Trust and the University of Oxford, bringing the total number of students to eleven.

Assessment of Impact

An evaluation report in September 2019 concluded that the Scholarships 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 intends to have future evaluations done internally on a rolling basis.

Over the last few years, the Foundation has improved communications with its alumni and keeps an up-to-date database of over 600 former scholars.

The Scholarships Programme internal processes and procedures are reviewed on a regular basis in consultation with the Student Committee.

Other Scholarship Grants

In addition to the main Scholarship Programme, six scholarships were awarded under a separate selection process during 2021/22. These grants were awarded to two European and four UK scholars.

Plans for future periods

The Saïd Foundation plans to continue funding the Saïd Business School Programme and Scholarship Programme, along with supporting Humanitarian work whenever funds permit.

3. Trustees and Management

During the year, the Board of Trustees met in December 2021. The Audit Committee met in March 2022. The Investment Committee met in November 2021, March 2022 and May 2022. Both the Projects Committee and the Student Committee met in May 2022.

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 these are set out in the table below.

| KPI Area | Description | Target | 2021/22 | 2020/21 |
|----------------------------------|--|--|------------------------|------------------------|
| 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. | £7.7 million shortfall | £4.9 million shortfall |
| Investment performance | Return, after fees on financial investments | >4% above rate of CPI inflation | 7.3% below target | 2.6% above target |
| | Management fees as a percentage of financial investments | <1% | 0.00% | 0.05% |
| | Net yield from freehold properties | >5% | 5.4% | -5.9% |
| | Property management costs as a percentage of gross rental income | <10% | 26.0% | 14.5% |
| Operational performance | Staff and administrative costs as a percentage of charitable expenditure | <15% | 19.7% | 14.8% |

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). There is a shortfall of £7.7 million in the value of the endowment, compared to target, as a result of high CPI inflation of 9.8% as of 31 August 2022. Investment performance during the year also fell short of the long term objective. The net yield from investment properties improved in the year due to an uplift in the One Kingsway market valuation, while property management costs, as a percentage of gross rental income, remained unusually high. This trend for the last three years has been driven by the Foundation's funding of service charge and business rates liabilities on void space at One Kingsway. Staff and administrative costs as a percentage of charitable expenditure exceeded the target, despite a small reduction in staff costs, due to some significant one-off administrative costs.

The value and allocation of the Foundation's investment portfolio at 31 August 2022 are summarised in the table below, with further detail provided at note 8 to the financial statements.

| | 2022 (£'000s) | 2022 (%) | 2021 (£'000s) | 2021 (%) |
|-------------------------------------|------------------|-------------|------------------|-------------|
| <u>Investment Properties</u> | | | | |
| College House, London* | 37,600 | 47% | 37,600 | 47% |
| One Kingsway, Cardiff* | 16,300 | 20% | 14,150 | 18% |
| King William St, London* | 8,505 | 11% | 9,300 | 12% |
| <u>Financial Investments</u> | | | | |
| Mixed Asset Funds | 17,246 | 21% | 18,450 | 23% |
| Fixed income and cash | 10 | 0% | 30 | 0% |
| Private equity | 976 | 1% | 1,060 | 1% |
| TOTAL | 80,637 | 100% | 80,590 | 100% |

* The values of the Investment Properties are stated without any deduction for borrowing secured on those properties. As at 31 August 2022, borrowing secured across all three properties was £27,814,000 (2021: borrowing of £27,682,000 secured across College House and One Kingsway only)

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.

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 2022 was £3.5 million (2021: £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 normally 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 19 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 reviewed compliance with the Code in 2022.

Remuneration Policy

The Board of Trustees has delegated to the Audit 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 are in place in respect of due diligence, pre-selection, payment and performance monitoring of all students, project partners and projects under delivery. Grant agreements are 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. |
| <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 remaining programme in the Humanitarian Programme is the UNHCR DAFI programme in Lebanon and Jordan. This is closely monitored. |
| <p>Charitable Impact and Strategy 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 is reviewed 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>Stewardship of Assets and Investments 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 the real value of the endowment is maintained over time. Investment Committee tasked with setting investment policy and asset allocation to achieve this target return. Capital Generation Partners provides 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 2022, 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%.

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 2022, the Foundation's endowment fund was valued at £56.1 million which represented a shortfall of £7.7 million over the inflation-adjusted value of £63.8 million at the same date (2021: £53.2 million, representing a £4.9 million shortfall compared to the inflation-adjusted value of £58.1 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

CLA Evelyn Partners Limited (formerly named Nexia Smith & Williamson) were reappointed as auditors for the 2022/23 financial year in accordance with section 485 of the Companies Act 2006.

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.

This report was approved by the Trustees on 05/05/2023 2023 and signed on its behalf by:

Michael Peat
Michael Peat (May 5, 2023 15:31 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.

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 2022 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 2022 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 14, 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.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited (May 5, 2023 16:03 GMT+1)

Julie Mutton

Senior Statutory Auditor, for and on behalf of

CLA Evelyn Partners Limited

Statutory Auditor
Chartered Accountants

Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG

The Saïd Foundation
Statement of Financial Activities
incorporating Income and Expenditure Account
for the year ended 31 August 2022

| | | Restricted Funds | Unrestricted Funds - Expendable Endowment | Total 2022 | Total 2021 |
|---|-------|---------------------|--|----------------|---------------|
| | Note | £000's | £000's | £000's | £000's |
| INCOME FROM: | | | | | |
| - Donations | 2 | - | 79 | 79 | 132 |
| - Investments | 3 | - | 3,252 | 3,252 | 3,618 |
| - Other income | | - | 22 | 22 | 107 |
| Total income | | - | 3,353 | 3,353 | 3,857 |
| EXPENDITURE ON: | | | | | |
| <i>Raising funds:</i> | | | | | |
| - Investment management costs | | - | (846) | (846) | (524) |
| - Interest on borrowings | | - | (1,006) | (1,006) | (663) |
| - Other expenditure on raising funds | | - | (6) | (6) | (2) |
| - Movement on bad debt provision | | - | 29 | 29 | 127 |
| <i>Charitable expenditure:</i> | 4 | | | | |
| - Humanitarian Programme | | - | (129) | (129) | (457) |
| - Said Business School Programme | | - | (1,645) | (1,645) | (1,504) |
| - Scholarship Programme | | - | (1,769) | (1,769) | (1,101) |
| - Amal | | - | - | - | (661) |
| - Toucan Project | | - | - | - | (31) |
| Total expenditure | | - | (5,372) | (5,372) | (4,816) |
| Net gains / (losses) on investment properties | | - | 1,960 | 1,960 | (6,023) |
| Net gains on financial investments | | - | 1,223 | 1,223 | 1,829 |
| Net gains on interest rate swap | | - | 1,751 | 1,751 | - |
| Net (losses) on foreign currency movements | | - | (37) | (37) | (15) |
| Net gains / (losses) | | - | 4,897 | 4,897 | (4,209) |
| Net income /(expenditure) and net movement in funds for the year | 6 | - | 2,878 | 2,878 | (5,168) |
| RECONCILIATION OF FUNDS | | | | | |
| Funds brought forward 1st September | 12,13 | - | 53,178 | 53,178 | 58,346 |
| Funds carried forward 31st August | 12,13 | - | 56,056 | 56,056 | 53,178 |

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 2022

| | Note | 2022 £000's | 2021 £000's |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Tangible Fixed Assets | 8a | 866 | - |
| Investment properties | 8b | 62,405 | 61,050 |
| Financial investments | 8c | 18,232 | 19,540 |
| Total fixed assets | | 81,503 | 80,590 |
| Current assets | | | |
| Debtors, prepayments and accrued income | 9 | 12,560 | 17,264 |
| Cash at bank and in hand | | 1,474 | 1,297 |
| Interest rate swap | | 1,751 | - |
| Total current assets | | 15,785 | 18,561 |
| Creditors falling due within one year | 10a | (8,695) | (15,354) |
| Net current assets | | 7,090 | 3,207 |
| Total assets less current liabilities | | 88,593 | 83,797 |
| Creditors falling due after more than one year | 10b | (32,537) | (30,619) |
| Net assets | | 56,056 | 53,178 |
| The funds of the charity | | | |
| Restricted funds | 13 | - | - |
| Unrestricted funds | | | |
| - Expendable endowment fund | 14 | 56,056 | 53,178 |
| Total charity funds | | 56,056 | 53,178 |

The notes on pages 21 to 33 form part of the financial statements.

Approved by the Board of Trustees on 05/05/2023

2023 and signed on its behalf by:

Michael Peat

Michael Peat (May 5, 2023 15:31 GMT+1)

Sir Michael Peat
Trustee

Registered Company No: 06621764

The Saïd Foundation
Cash Flow Statement
for the year ended 31 August 2022

| | Note | 2022 £000's | 2021 £000's |
|--|------|---------------------|---------------------|
| Cash used in operating activities | 12a | (4,726) | (2,535) |
| Cash flows from investing activities | | | |
| - Dividends, interest and rents received | 12b | 3,485 | 3,327 |
| - Receipts from sale of investments | | 2,557 | 16,555 |
| - Payments to buy new investments | | - | (16,562) |
| - Additions to tangible fixed assets | | (75) | - |
| - Capital expenditure on investment properties | | (190) | (87) |
| | | <u>5,777</u> | <u>3,233</u> |
| Cash flows from financing activities | | | |
| - Repayment of borrowings | | (27,682) | (257) |
| - New loans drawn (net of arrangement fees) | | 27,814 | - |
| - Payment of interest | | (1,006) | (663) |
| | | <u>(874)</u> | <u>(920)</u> |
| Increase / (Decrease) in cash and cash equivalents during the year | | <u>177</u> | <u>(222)</u> |
| Cash and cash equivalents at the beginning of the year | | 1,297 | 1,519 |
| Cash and cash equivalents at the end of the year | | <u>1,474</u> | <u>1,297</u> |

A reconciliation of net debt is included at note 12(c).

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

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 13, 14 and 15 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, as well as 'other' financial instruments, being an interest rate swap. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest rate method. Other financial instruments are measured at market value at each reporting date, with movements in market value included in net income.

In October 2021, the Foundation entered into an interest rate swap in relation to the facility agreement with Citibank. This is measured at market value at each reporting date, with movements in market value included in net income.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

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 which is 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 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) Tangible Fixed Assets

In February 2022, the Foundation moved out of Queen Anne's Gate and took occupation of the fifth floor of 70-72 King William Street, the leasehold property owned by the Foundation. Therefore, the fifth floor is now held for charitable use. At the date of change of use, the deemed cost of the fifth floor was redesignated from Investment Property to Tangible Fixed Assets. The deemed cost was based on the fifth floor share of the fair value of the investment property, based on square footage of the premises.

Fixtures and fittings are shown at cost less accumulated depreciation. Depreciation is provided on a straight line basis over ten years (10% of cost per annum once in use).

i) 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.

j) 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.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

1 ACCOUNTING POLICIES (continued)**k) Going concern**

The Foundation's Statement of Investment Policies states 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 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, 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.

l) 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 2021/22 that commitment was £1.2 million (2020/21: £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 2023 and beyond which was 5.63% at the end of August 2022. 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 2022

2 Donations

| | Restricted 2022 £000's | Unrestricted Funds - Expendable Endowment 2022 £000's | Total 2022 £000's | Total 2021 £000's |
|-----------------------------|---------------------------------------|--|----------------------------------|----------------------------------|
| General donations | - | 1 | 1 | 45 |
| Donations from the Chairman | - | 78 | 78 | 87 |
| Total | - | 79 | 79 | 132 |

3 Income from investments

| | Restricted 2022 £000's | Unrestricted Funds - Expendable Endowment 2022 £000's | Total 2022 £000's | Total 2021 £000's |
|---|---------------------------------------|--|----------------------------------|----------------------------------|
| Bank interest | - | 2 | 2 | 3 |
| Rents and other income from investment properties | - | 3,250 | 3,250 | 3,615 |
| Total | - | 3,252 | 3,252 | 3,618 |

No income is received from the main part of the Foundation's financial assets, which are managed by Capital Generation Partners. The income is accumulated. The movement in the value of the investments managed by Capital Generation Partners is therefore shown under net gains/losses on financial investments.

4 Analysis of expenditure on charitable activities

| | Humanitarian Programme £000's | Saïd Business School Programme £000's | Scholarship Programme £000's | Total 2022 £000's | Total 2021 £000's |
|---|--|--|---|----------------------------------|----------------------------------|
| Grant commitments | 10 | 1,232 | 1,326 | 2,568 | 2,966 |
| Financing cost or credit relating to the discounting of grant liabilities | 35 | 194 | (22) | 207 | 160 |
| Staff costs | 72 | 16 | 145 | 233 | 269 |
| Directly allocated support costs | - | - | 68 | 68 | 72 |
| Apportioned support costs (see note 5) | 10 | 164 | 204 | 378 | 215 |
| Governance costs | 2 | 39 | 48 | 89 | 72 |
| Total | 129 | 1,645 | 1,769 | 3,543 | 3,754 |

Expenditure on charitable activities was £3.5 million, including the following significant grant commitments:

- £1.2 million to the Saïd Business School Foundation for the Strategic Development Fund;
- £1.3 million of scholarship grants largely related to scholars studying in the 2022/23 academic year; and
- £10,000 to Breaking Barriers.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

5 Analysis of governance and support costs

The Foundation initially identifies support costs which relate directly to each of the 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 three 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 | 74 | - | 74 | <i>Allocated to support</i> |
| Salaries, wages and related costs | 122 | 61 | 183 | <i>Estimate of staff time</i> |
| General office expenses | 155 | - | 155 | <i>Allocated to support</i> |
| Audit fees | - | 28 | 28 | <i>Allocated to governance</i> |
| Travelling | 13 | - | 13 | <i>Allocated to support</i> |
| Legal and professional fees | 14 | - | 14 | <i>Allocated on nature of advice received</i> |
| | <u>378</u> | <u>89</u> | <u>467</u> | |

6 Analysis of net movement in funds for the year

Net movement in funds for the year is stated after charging:

| | Total 2022 £000's | Total 2021 £000's |
|---|-------------------------|-------------------------|
| Auditors' remuneration (excluding irrecoverable VAT): | | |
| - Statutory audit fees | 28 | 17 |
| - Non-audit services | <u>-</u> | <u>-</u> |

7 Analysis of staff costs and remuneration of key management personnel

| | Total 2022 £000's | Total 2021 £000's |
|---|-------------------------|-------------------------|
| Salaries | 331 | 341 |
| National Insurance | 35 | 31 |
| Employer's pension contributions and other benefits | 50 | 46 |
| | <u>416</u> | <u>418</u> |

Of the £416,000 total staff costs analysed above, £233,000 has been allocated to the three charitable programmes (see note 4) and £183,000 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 2022

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 (2021: 7). The Foundation contributed 10% of each employee's gross salary to a registered pension scheme. In addition, all employees contributed 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 2022 was £101,255 (2021: £97,273). The Foundation also made pension contributions to a money purchase pension scheme of £14,082 (2021: £13,471) and paid employer's National Insurance contributions of £13,242 (2021: £12,261) in respect of the CEO.

The numbers of employees whose remuneration and benefits, excluding employer's pension and employer's National Insurance contributions, for the year fell within the following bands were:

| | 2022 number | 2021 Number |
|----------------------|------------------------------|------------------------------|
| £90,000 to £99,000 | - | 1 |
| £100,000 to £109,000 | 1 | - |

The Foundation's trustees were not paid any remuneration nor received any other benefits from the Foundation or a related entity. No trustees (2021: one) received reimbursement for travel and subsistence expenses incurred whilst on Saïd Foundation business (2021: £921).

8 Fixed Assets

a) Analysis of Tangible Fixed Assets

The Foundation moved into the fifth floor of 70-72 King William Street in February 2022. The deemed cost of the fifth floor at King William Street was based on the square footage as a percentage of the total square footage of the premises.

| | Leasehold Property £000's | Fixtures and Fittings £000's | Total £000's |
|--|--|---|-------------------------|
| <i>Cost:</i> | | | |
| Balance at 1 September 2021 | - | - | - |
| Additions/Reclassification during the year | 795 | 75 | 870 |
| Balance at 31 August 2022 | 795 | 75 | 870 |
| <i>Accumulated Depreciation:</i> | | | |
| Balance at 1 September 2021 | - | - | - |
| Additions during the year | - | 4 | 4 |
| Balance at 31 August 2022 | - | 4 | 4 |
| <i>Net Book Value:</i> | | | |
| Balance at 31 August 2022 | 795 | 71 | 866 |
| Balance at 1 September 2021 | - | - | - |

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

8 Fixed Assets (continued)

b) Analysis of 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:

| | 2022 | 2022 | 2021 | 2021 |
|-----------------------------------|---------------|-------------|---------------|-------------|
| | £000's | % | £000's | % |
| <i>Investment properties:</i> | | | | |
| - College House, London SW3 | 37,600 | 47% | 37,600 | 47% |
| - One Kingsway, Cardiff | 16,300 | 20% | 14,150 | 18% |
| - King William Street, London EC4 | 8,505 | 11% | 9,300 | 12% |
| <i>Financial investments:</i> | | | | |
| - Mixed asset funds | 17,246 | 21% | 18,450 | 23% |
| - Fixed income and cash | 10 | 0% | 30 | 0% |
| - Private equity | 976 | 1% | 1,060 | 1% |
| | 80,637 | 100% | 80,590 | 100% |

c) Analysis of Investment Properties

| | 2022 | 2021 |
|---|---------------|---------------|
| | £000's | £000's |
| Market value at 1st September | 61,050 | 66,986 |
| Additions (costs of improvement and refurbishment work) | 190 | 87 |
| Reclassification as tangible fixed asset | (795) | - |
| Net revaluation gains/(losses) | 1,960 | (6,023) |
| Market value at 31st August | 62,405 | 61,050 |
| Historical cost at 31st August | 65,929 | 65,739 |

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. Trustees believe that this continues to represent fair value at 31 August 2022.

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. In February 2022, Jones Lang LaSalle (JLL) advised the Trustees that, in their view, the property was worth between £16.1 million and £16.6 million. In view of this, the Trustees have valued the property at £16.3 million as at 31 August 2022.

The Saïd Foundation
Notes to the Financial Statements
for the year ended 31 August 2022

8 Fixed Assets (continued)

c) Analysis of Investment Properties (continued)

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.

In February 2022, the Foundation moved into the office on the fifth floor. Therefore, there has been a reclassification of £795,000 to Tangible Fixed Asset. Trustees believe that the residual balance of £8.5 million continues to represent a fair value at 31 August 2022.

d) Analysis of financial investments

| | Market value at 01.09.2021 £000's | Purchase of new investments £000's | Proceeds from sale / distribution £000's | Investment gains and Foreign Exchange Movement £000's | Market value at 31.08.2022 £000's |
|-----------------------|---|---|---|--|---|
| Mixed asset funds | 18,450 | - | (2,221) | 1,017 | 17,246 |
| Fixed income and cash | 30 | - | (33) | 13 | 10 |
| Private equity | 1,060 | - | (303) | 219 | 976 |
| Total | 19,540 | - | (2,557) | 1,249 | 18,232 |

9 Debtors and prepayments

| | 2022 £000's | 2021 £000's |
|----------------|----------------|----------------|
| Sundry debtors | 12,021 | 16,748 |
| Accrued income | 300 | 508 |
| Prepayments | 239 | 8 |
| Total | 12,560 | 17,264 |

Within Sundry debtors, £11.4 million is owed by the Chairman in relation to £9.1 million Osney Power Station commitments and £2.3 million Humanitarian Programme commitments.

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

| | 2022 £000's | 2021 £000's |
|--------------------------------|------------------------------|------------------------------|
| Grant commitments not yet paid | 7,669 | 6,660 |
| Accruals and deferred income | 448 | 280 |
| Bank loans | - | 7,792 |
| Trade creditors | 424 | 88 |
| Taxation and social security | 154 | 62 |
| Other Creditors | - | 472 |
| Total | 8,695 | 15,354 |

'Accruals and deferred income' includes a balance of £222,000 (2021: £197,000) relating to rental income from investment properties received in advance. The balance at year end has been recognised in the income and expenditure account in full in September 2022.

b) Amounts falling due after more than one year

| | 2022 £000's | 2021 £000's |
|--------------------------------|------------------------------|------------------------------|
| Bank loans | 27,814 | 19,890 |
| Grant commitments not yet paid | 4,723 | 10,729 |
| | 32,537 | 30,619 |

The Foundation had two bank loans at the start of the year. The first was a £10 million facility, of which £7.8 million was outstanding at 31 August 2021, secured on the One Kingsway investment property. 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.

In October 2021, the Foundation refinanced from two bank loans to one £28 million facility. The £28 million loan is secured on all three investment properties. The Foundation is committed to make quarterly repayments of interest 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.

11 Grant commitments not yet paid

Grant commitments not yet paid at 31 August 2022 comprised the following balances:

| | £000's |
|---|---------------|
| Saïd Business School Foundation (Osney Power Station) | 9,480 |
| Saïd Business School Foundation (Strategic Development Fund) | 1,232 |
| UNHCR | 228 |
| Amal | 493 |
| UK Scholarship Programme (includes 22/23 scholars) | 1,092 |
| Other Scholarship Programmes | 69 |
| Less: adjustment to discount grant liabilities required by FRS102 | (202) |
| Total grant commitments not yet paid | 12,392 |

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Notes to the Financial Statements
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12 Cash Flow Statement

a) Reconciliation of net movement in funds to net cash flow from operating activities:

| | 2022 £000's | 2021 £000's |
|---|------------------------------|------------------------------|
| Net income / (loss) for the year (as per Statement of Financial Activities) | 2,878 | (5,168) |
| Adjusted for: | | |
| Returns on investment | (3,250) | (3,618) |
| (Gains) / Losses on investments and investment properties | (3,209) | 4,194 |
| Depreciation charge | 4 | - |
| Interest paid on borrowings | 1,006 | 663 |
| Interest received on cash balances | (2) | (3) |
| Decrease in debtors | 4,496 | 2,461 |
| Decrease in creditors | (4,898) | (1,064) |
| Gain on interest rate swap | (1,751) | - |
| Net cash (used in) operating activities | (4,726) | (2,535) |

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

| | 2022 £000's | 2021 £000's |
|--|------------------------------|------------------------------|
| Interest from financial investments | 2 | 3 |
| Rental income from investment properties | 3,483 | 3,324 |
| Total | 3,485 | 3,327 |

c) Reconciliation of movements on net debt

| | Net debt at 01.09.2021 £000's | Cash flows £'000s | Non-cash movements £'000s | Net debt 31.08.2022 £000's |
|---------------------------------------|--|------------------------------------|--|---|
| Cash at bank and in hand | 1,297 | 177 | - | 1,474 |
| <i>Bank loans due within one year</i> | <i>(7,792)</i> | <i>7,792</i> | - | - |
| <i>Bank loans due after one year</i> | <i>(19,890)</i> | <i>(7,924)</i> | - | <i>(27,814)</i> |
| Total bank loans | (27,682) | (132) | - | (27,814) |
| Net debt | (26,385) | 45 | - | (26,340) |

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13 Analysis of restricted funds

During the year, the Foundation received no restricted donations.

14 Analysis of unrestricted funds

| | Balance 01.09.21 £000's | Income £000's | Expenditure £000's | Other Gains and (Losses) £000's | Balance 31.08.22 £000's |
|---------------------------|-------------------------------|------------------|-----------------------|---------------------------------------|-------------------------------|
| Expendable endowment fund | <u>53,178</u> | <u>3,353</u> | <u>(5,372)</u> | <u>4,897</u> | <u>56,056</u> |

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.

15 Analysis of net assets between funds

| | Restricted Funds £000's | Unrestricted Funds - Expendable Endowment £000's | Total 2022 £000's | Total 2021 £000's |
|---------------------------------------|-------------------------------|--|-------------------------|-------------------------|
| Tangible fixed assets | - | 866 | 866 | - |
| Investment properties | - | 62,405 | 62,405 | 61,050 |
| Financial investments | - | 18,232 | 18,232 | 19,540 |
| Current assets | 9,099 | 6,686 | 15,785 | 18,561 |
| Creditors falling due within one year | (4,621) | (4,074) | (8,695) | (15,354) |
| Creditors falling due after one year | (4,478) | (28,059) | (32,537) | (30,619) |
| Net Assets | <u>-</u> | <u>56,056</u> | <u>56,056</u> | <u>53,178</u> |

16 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 2022, these commitments totaled £2.68 million, of which £1.23 million had already been paid to SBSF or provided for in the Foundation's accounts and £1.45 million relates to future grant commitments.

In July 2022, one tenant at One Kingsway, Cardiff, challenged the calculation of the service charge since their lease commenced in 2016. The Saïd Foundation has sought legal advice from Stephenson Harwood LLP. In a letter dated 13 February 2023, the tenant claims to have been overcharged by £55,667. Their argument was rebutted in a response dated 27 February 2023 from Stephenson Harwood LLP and we are not aware of further correspondence since.

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17 Operating leases

The Foundation is lessor of 22 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:

| | 2022 £000's | 2021 £000's |
|--|------------------------------|------------------------------|
| Amounts due: | | |
| Not later than one year from 31 August | 3,096 | 3,310 |
| Later than one year and not later than five years from 31 August | 8,130 | 7,696 |
| Later than five years from 31 August | 930 | 2,012 |
| | <u>12,156</u> | <u>13,018</u> |
| Total rental income from operating leases | 12,156 | 13,018 |

18 Financial instruments

| | 2022 £000's | 2021 £000's |
|-------------------------------------|------------------------------|------------------------------|
| Financial assets held at fair value | 19,983 | 19,540 |

Financial assets held at fair value comprise financial investments and an interest rate swap.

19 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 2022 £000's | Amount owed 2022 £000's | Grant Commitments 2021 £000's | Amount owed 2021 £000's |
|----------------------------|--|--|--|--|
| Osney Power Station grant | - | 9,480 | - | 13,488 |
| Strategic Development Fund | 1,232 | 1,232 | 1,194 | 1,280 |
| Total | 1,232 | 10,712 | 1,194 | 14,768 |

Donations made by the Chairman are disclosed separately at note 2 to the financial statements. The Chairman made donations of £78,000 in total, of which £24,583 in the year to 31 August 2022 relates to an 'in kind' use of office premises at 24 Queen Anne's Gate (2021: £59,000). £11.4 million of Chairman's commitments from the current and previous years were outstanding as at 31 August 2022 (2021: £15.8 million).

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19 Transactions with trustees and connected persons (continued)

Mr Khaled Saïd is a Partner of Capital Generation Partners LLP which provides the Foundation with investment and property management advice. In the year to 31 August 2022, the firm charged £153,600 plus VAT for property management advice (2021: £173,000 plus VAT) and nil for investment management services (2021: nil). Of this, £38,400 remained outstanding at year end (2021: nil). 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 2022, the Foundation paid Northern Trust £766 in custody fees (2021: £1,000) and nil in brokerage commissions (2021: nil). 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 pledged funding of up to £800,000 to Amal, of which £493,478 remained unpaid at the year-end.

20 Analysis of Statement of Financial Activities – prior year comparatives

| | Restricted Funds 2021 £000's | Unrestricted Funds Expendable Endowment 2021 £000's | Total 2021 £000's |
|--|---|--|----------------------------------|
| INCOME FROM: | | | |
| Donations | 28 | 104 | 132 |
| Investments | - | 3,618 | 3,618 |
| Other income | - | 107 | 107 |
| Total income | 28 | 3,829 | 3,857 |
| EXPENDITURE ON: | | | |
| Raising funds | - | (1,062) | (1,062) |
| Charitable expenditure | (28) | (3,726) | (3,754) |
| Total expenditure | (28) | (4,788) | (4,816) |
| Net gains on financial investments | - | (6,023) | (6,023) |
| Net gains on investment properties | - | 1,829 | 1,829 |
| Net (losses) on foreign currency movements | - | (15) | (15) |
| Net income / (expenditure) | - | (5,168) | (5,168) |
| Net movement in funds for the year | - | (5,168) | (5,168) |
| RECONCILIATION OF FUNDS | | | |
| Funds brought forward 1 st September 2020 | - | 58,346 | 58,346 |
| Funds carried forward 31st August 2021 | - | 53,178 | 53,178 |