



**King Fahad Academy Limited**

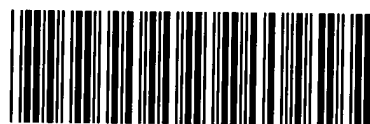
**Annual Report and Financial statements**

**For**

**Year ended 31 December 2019 Amended**

Registered Company no: 2090011  
Registered Charity no: 327342

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## Directors and Trustees who form the Council of Management

HRH Prince Khalid Bin Bander Bin Sultan Bin Abdulaziz Al Saud - Chairman (Appointed July 2019)

Mr Waleed Alnatheer	(Appointed July 2019)	(Appointed July 2019 & resigned September 2020)
Mr Abdulaziz Aleisa		
Mr Abdullah Alhamdan	(Appointed July 2019 & resigned July 2020)	(Appointed September 2020)
Dr Ibraheem Khalifa Al Hanoot		(Appointed September 2020)
Mr Hassan Mohammed Bakar Kamal		
Mr Saud Alhamdan		
Mr Abdulaziz Almagushi		

HRH Prince Mohammed Bin Nawaf Bin Abdulaziz Al-Saud- Chairman	(Resigned June 2019)
Dr Saud Alammari	(Resigned July 2019)
Mr Abdul Aziz Alfaleh	(Resigned July 2019)
Prof. Muhammad Abdel Haleem	(Resigned July 2019)
Dr. Ahmed Al-Dubayan	(Resigned July 2019)
Mr Abdullah Alshaghrood	(Resigned August 2019)

### Auditors

HW Fisher  
11/15 William Road  
London  
NW1 3ER

### Registered office

Bromyard Avenue  
Acton  
London  
W3 7HD

### Solicitors

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

### Bankers

HSBC Bank Plc  
City of London Corporate Centre  
60 Queen Victoria Street  
London  
EC4N 4TR

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

### **Objectives of the Charity**

The King Fahad Academy is governed by the Council of Management which is chaired by His Royal Highness Prince Khalid Bin Bander Bin Sultan Bin Abdulaziz Al Saud, the Ambassador of the Kingdom of Saudi Arabia to the Court of St. James. The Board members have a wealth of international and UK experience in a wide range of areas including education, finance, and law. The Board works closely with the Chairman to support and develop the Academy.

The trustees, who are also directors of the Academy for the purposes of company law, present their report along with the financial statements of the charity for the year ended 31 December 2019. This Report and the Financial Statements have been prepared in accordance with the UK Statement of Recommended Practice "Accounting and Reporting by Charities", issued October 2005, and comply with the requirements of applicable law and the Memorandum and Articles of Association and Accounting standards.

### **Constitution and objects**

The King Fahad Academy was founded in September 1985 with the objective of providing schooling of the highest standards, equally acceptable to both Saudi and British Authorities for the children of Saudi Diplomats, Arab Muslims and the local community in London. At its inception, the Academy provided a comprehensive education from kindergarten to university entrance.

The Academy is constituted as an educational trust by command of the late King Fahad Bin Abdulaziz Al-Aziz Al-Saud, with funding at source from the Kingdom of Saudi Arabia. The Academy is a Registered with the Charity Commission of England and Wales, Charity number 327342 and was registered on 27 January 1987. Further, the Academy is a company Limited by guarantee (Registered number: 2090011), which does not have share capital. The governing documents are the Memorandum and Articles of Association dated 15 January 1987.

### **Organisation**

The trustees who have served during the year and since the year-end are shown on page 2. Trustees are all members of the Council of Management and serve for an agreed period after which they may put themselves up for re-election. The Royal Embassy of Saudi Arabia is represented on the Council and His Royal Highness the Ambassador is the Chairman. The Council of Management meets twice yearly, as a minimum, but more often, should the Academy business so demands. The Council decides and votes on the appointment of new trustees.

The day-to-day running of the King Fahad Academy is delegated to the Director of the Academy and members of the School Leadership Team (SLT), which comprises of the Director of Education, the Heads of Upper and Primary School, School Business Manager, School Accountant, Personnel Advisor and Coordinators of the International Baccalaureate Programmes. The SLT deals with all operational aspects of the Academy. The Director chairs weekly leadership meetings.

### **Our Mission, Vision & Philosophy**

The philosophy and objectives of the Academy are set by the Trustees. It is then the prerogative of the Director of the Academy and the School Leadership Team to implement the broad policy decisions after full consultation with the trustees.

### **Our Mission**

The King Fahad Academy aims at providing a bilingual international education with an Islamic ethos to students aged 3 — 18 years. We are committed to helping all students realise their full potential and become well-balanced, productive citizens who appreciate the multicultural world in which we live. We employ our skills and expertise to nurture our students holistically, in terms of their intellectual, emotional, physical, social and spiritual development through a challenging and balanced curriculum.

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

### **Our Vision**

Our Vision is for The King Fahad Academy to be an exemplary professional learning community where children reap the benefits of an international, balanced, faith-based education.

### **Our Philosophy**

We believe that.....

- A holistic education which includes the development of skills is needed for developing intercultural understanding, compassion and respect.
- The KFA establishes high standards of excellence for students to achieve and responds appropriately to help those students who have learning challenges.
- Each student has a unique experience which must be taken into consideration during the teaching process.
- The development of a balanced attitude, free of prejudice or extreme inclination in the matter of religion is the key to a more homogenous human existence.
- The collaborative effort of parents, teachers and students is essential for an effective education.

### **Review of Activities**

The total number of students for the Academic year 2019/20 was 514 (2018/19 493).

### **Educational Programmes**

The King Fahad Academy is an independent International Baccalaureate (D3) World School and the only Islamic school in the UK authorised to offer the IBO programmes. It provides a bilingual international education with an Islamic ethos to students aged 3-18 years.

The Academy's unique approach to faith-based education combines the rigour and innovation of the IBO programmes with the ethos and values of the Islamic faith. The students are helped to cultivate, through their own culture and faith, an understanding and an open-minded attitude towards other cultures and beliefs — equipping them with the necessary knowledge and skills to appreciate and thrive in today's increasingly globalised and multicultural world. Having gained authorisation to teach the International Baccalaureate Diploma Programme, The Academy was authorised for the Primary Years Programme (PYP) in 2011 and the Middle Years Programme in October 2015. The summer of 2018 marked the culmination of the introduction of the Middle Years Programme with the first round of external exams at 16+, the first UK-based school to undertake such examinations.

### **Primary Years Programme (PYP)**

The PYP is designed for all children in Pre-K through to Grade 5. The program focuses on the development of the whole child and includes social, physical, emotional, and cultural development in addition to academic growth. Each student has an opportunity to develop an understanding of important concepts and to acquire a range of essential skills which will be beneficial to them throughout adulthood. The students have the opportunity to explore issues that are of genuine importance in understanding the human condition as well as the world. The King Fahad Academy fosters positive attitudes and strives to develop the students' abilities to be internationally-minded. Topic-based inquiry, development of language skills, plenty of opportunity to discuss and explore a variety of themes as well as make relevant visits across the great city of London of which the Academy is a part are key elements of this Programme. New, stimulating teaching materials are always being obtained and teachers follow an ongoing programme of professional development.

### **Middle Year Programme (MYP)**

The Middle Years Programme provides both flexibility and rigours which enables the students to access the central place of the three fundamental concepts of MYP: holistic learning, intercultural awareness and communication. There is a strong correlation between the MYP fundamental concepts and the vision and philosophy of the Academy, to 'nurture students holistically, in terms of their intellectual, emotional, physical, social and spiritual development through a challenging and balanced curriculum'. The Academy also inculcates in its students, 'intercultural understanding, compassion and respect, balanced attitude, free from prejudice.

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

The summer of 2019 marked the culmination of the introduction of the Middle Years Programme with the external exams at 16+, the first UK-based school to undertake such examinations.

MYP Exam results — Summer 2019

A total of 32 students (2018-27) sat 225 MYP exams in the summer of 2019.

Year/Exam	Total Exams Taken	Total Achieve a Pass	Total Achieve a Pass in 5 or more subjects
2019 MYP	32	92% (4% increase)	78% (14% decrease)

### **Diploma Programme (DP)**

The King Fahad Academy was successful in gaining authorisation to teach the IB Diploma Programme in 2008. This programme is a rigorous two-year course for the final two years at school which is bold, broad and balanced. It was developed out of best practice from a variety of international pre-university programmes, combining academic depth with subject breadth. The overall objective is to produce 'active learners, well-rounded individuals and engaged world citizens' (see IBO website [www.ibo.org](http://www.ibo.org)).

Students must study 6 subjects, 3 at Higher Level and 3 at Standard Level, chosen from six different groups. In addition, they must follow a course of Theory of Knowledge, write a 4,000-word Extended Essay and take part in a programme of creativity, action and service (CAS). A maximum of 7 points is awarded for each subject, with an additional three points available for performance in Theory of Knowledge and on the Extended Essay. The maximum Diploma score is thus 45 points, achieved by only a very small proportion of students' worldwide.

Number of candidates who passed	10
Average point obtained who passed	32
Highest Diploma point awarded	37
Average grade obtained at the school who passed	5.0
Percentage of students who obtained the Diploma Status	86%

During the year the charity has not actively raised funds from public. No professional fund raisers were used during the period and the charity has not voluntarily registered with the Fundraising Regulator.

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

### **Review of the financial year**

During the financial year additional income was received from Kingdom of Saudi Arabia to cover the overspent in previous years. The Academy made an operating profit for the year of £1,023,919 (2018: loss of £298,749).

During the financial year the incoming resources were £9,824,149 (2018: £7,849,605), an increase of 25% due to funds received from Saudi Embassy. The main sources of income are as follows:

- Funding from The Saudi Government of £9,369,903 (2018: £7,339,461) increase of 28%
- Tuition fees of £396,536 for 514 students (2018: £444,890 for 493 students) decreased by 11% in 2019. Discounts/Sponsorships/Bursary were given to fee paying student's and siblings totalling £51,628 (2018: £124,736) and the number fee paying students enrolled in the school decreased to 126 students (2018: 146).

### **Investment policy**

The King Fahad Academy neither holds nor controls investments. Any surplus is placed on short-term deposit. The Board are meeting shortly to discuss an investment policy.

### **Reserves Policy**

The Council of Management regularly review the finances, budgets and spend against budget together with a cash flow analysis as part of the effective stewardship of the School.

In common with other independent schools, the Council of Management have invested substantial sums into the Academy buildings and facilities in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils.

The trustees have considered the level of reserves the Academy needs to keep in order to meet unforeseen needs, the continuing refurbishment, development and future costs of implementing all 3 IB programmes.

The current level of free reserves is £6,092,567 (2018: £4,963,949) (unrestricted funds less funds tied up in tangible fixed assets) which is equivalent to 9 months of operating expenditure. The Trustees aim was for a general reserve fund equivalent to approximately a year's worth of operating expenditure, which has almost been achieved.

The Trustees have received assurances that funding will continue from the Kingdom of Saudi

### **Arabia. Risk Management**

Detailed considerations of risk are delegated to the Senior Leadership Team of the Academy. Risks are identified, assessed and controls established throughout the year. A formal review of the Academy's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

The main risks identified and the plans to manage those risks are:

- **Reputation.** The School's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- **Money.** Our ability to continue is reliant on donations from the Saudi Embassy, pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management.

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

- Curriculum. Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students. We manage this risk by combining attractive salaries, on-going investment in our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning and a bursary scheme that recognises pupil achievement and aptitude.

Through the risk management processes established for the School, the Council of Management are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The trustees have considered the effect of the Covid -19 outbreak. They have followed the government advice and guidelines for school. They have ensured that PPE are available for staff, sanitisers are provided throughout the academy. Clearly identified and implemented social distancing throughout the academy and increased daily cleaning. All staff and pupils' temperatures are checked every morning. All classrooms are rearranged to ensure two meters between desks. In the event of lockdown all lessons can be accessed online and all our staff and pupils are provided with laptops. This outbreak is unlikely to cause significant disruption to academy's activities but at the date of approval of the statements, the extent and quantum of the disruption remains uncertain.

### **Future Plans**

The Academy is addressing the issue raised by Ofsted as stated below to provide a good quality of Education.

We will be refurbishing the maintenance area and security guards break area including toilets and storage area. We will change some of the manually operated gates by electric gates. Staff will access the car park by using fobs or ANPR.

### **Ofsted Inspection**

The Academy was inspected by Ofsted in January 2017. The detailed action plan covering the points raised by Ofsted has been accepted by the Department for Education. The Academy continues to work through this and other plans in order to meet all Independent School Standards Regulations.

### **Development and Refurbishment Projects**

The canteen area and early years classrooms have been refurbished.

The art room has been relocated and refurbished to meet the required standard which created a dedicated ICT room for primary section.

The middle year pupils are now provided with Chrome books

### **Public Benefit Statement**

The sections of this report above entitled "Objectives of the Charity" and "Review of Activities" sets out The King Fahad Academy objectives and reports on the activity and successes in the year to 31 December 2019 as well as explaining the plans for the current financial year.

The Directors have considered this matter and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities

# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

During the year 2016, 2017, 2018 and 2019 we made our school available free of charge to be used for Local General and the EU Referendum Elections

### **Fees, Bursary and Scholarship**

Our fees for 2019, for existing and new students, were: per week for Pre-KG and KG1 £150; per annum for KG2 to Grade 5 £2,500, for Grade 6 to Grade 8 £3,500 and Grade 9 to Diploma, £4,500, same as previous year. Discounts were given to existing students at 15% for the 2<sup>nd</sup> child and 10% for the 3<sup>rd</sup> or more but not to new students

Our fees were significantly lower than other independent or international schools. Our fee structure offers parents from a wide economic background an affordable education for their children in an international school. We believe in wider access and participation and keep our fees to reflect this belief. For current students, we provide discount to parents with more than one child in our school.

Diploma students, we gave scholarship to students according to set criteria. In 2018/2019, we gave 8 students full sponsorships of £38,128 which is 8% of the total fees (2017/2018 9 students for £40,500). Bursary/Discount were given to 6 students totalling £27,267 (2018/19 £27,267). The progress of pupils receiving scholarships and bursaries is reviewed at least annually to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

The Senior Management Team are currently reviewing our Bursary and Scholarship Awards policies to ensure that able children can accept offers of places at our School through the availability of means tested fee assistance. Our policy is designed to widen access to our School. We anticipate this review will help inform the development of our policy and help ensure the objective of wider access continues to be achieved.

### **Key management personnel**

The Trustees consider that they, together with the Head, the Bursar and the Heads of Faculty comprise of the key management personnel (see note 3 to the accounts). The Council of Management give their time freely and the pay and remuneration of the Senior Management Team is set by the Trustees and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- the sector average salary for comparable positions
- trends in pay

In recent years, flexible pay in the Academy School Sector has affected the ease of recruitment to certain roles. We intend to be in the upper quartile for pay for senior roles in the independent school sector.

The Council of Management have delegated authority to the Director and Senior Leadership Team to pay higher salaries for exceptional candidates where this is in the interest of the School.

### **Trustee Recruitment and Training**

The Council of Management body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new trustees the important attribute is a passion for the work of our Schools and an understanding of education as a holistic and rounded experience of personal growth.

### **Council of Management's Responsibilities**

The trustees, who are also directors for the purpose of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.



# **THE KING FAHAD ACADEMY LIMITED**

## **Report of the trustees (incorporating strategic report) for the year ended 31 December 2019**

The trustees are responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and group and of the profit or loss of the company and group for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditors**

Each Trustee confirms that:

- a) insofar as the Trustee is aware, there is no relevant audit information of which the Academy's auditors are unaware; and
- b) the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself / herself aware of any relevant audit information and to establish that the Academy's auditors are aware of that information.

### **Auditors**

In accordance with the company's articles, a resolution proposing that HW Fisher be reappointed as auditors of the company will be put at a General Meeting.

The Trustees' report was approved by the Council of Management



Date: 18/12/2020

HRH Prince Khalid Bin Bander Bin Sultan Bin Abdulaziz Al  
Saud Chairman of the Council of Management

# **THE KING FAHAD ACADEMY LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF KING FAHAD ACADEMY LIMITED**

### **Opinion**

We have audited the accounts of The King Fahad Academy Limited for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# THE KING FAHAD ACADEMY LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE TRUSTEES OF KING FAHAD ACADEMY LIMITED

### Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees' are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://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 and regulations made under that Act. 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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Rich (Senior Statutory Auditor)  
for and on behalf of HW Fisher

Chartered Accountants  
Statutory Auditor  
Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom  
19/01/2021  
.....

**THE KING FAHAD ACADEMY LIMITED****Statement of financial activities for the year ended 31 December 2019  
(Incorporating an Income and Expenditure Account)**

	Notes	2019 £	2018 £
<b>INCOME FROM:</b>			
<b>Donation and legacies:</b>			
Donation from The Kingdom of Saudi Arabia	2a	9,369,903	7,339,461
Investments		15,911	8,097
<b>Charitable Activities:</b>			
Tuition Fees	2b	396,536	444,890
Other Educational Income	2c	41,799	57,157
<b>Total</b>		<b>9,824,149</b>	<b>7,849,605</b>
<b>EXPENDITURE ON:</b>			
<b>Raising Funds</b>			
Bank & Other Interest		4,029	3,387
<b>Charitable Activities</b>			
Education	5	8,796,201	8,144,967
<b>Total</b>		<b>8,800,230</b>	<b>8,148,354</b>
<b>Net Movement in funds</b>		<b>1,023,919</b>	<b>(298,749)</b>
Funds brought forward at 1 January 2019		6,599,481	6,898,230
<b>FUNDS CARRIED FORWARD AT 31 DECEMBER 2019</b>		<b>7,623,400</b>	<b>6,599,481</b>

The charitable company has no gains or losses other than those shown in the Statement of Financial Activities above. There is no difference between the net movement in funds stated above, and its historical cost equivalent.

All incoming resources and Expenditure are derived from continuing activities.

The notes on pages 15 to 23 form an integral part of these financial statements.

The Statement of financial activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

# **THE KING FAHAD ACADEMY LIMITED**

## **Balance Sheet as at 31 December 2019**

	Notes	2019	2018
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	6	1,530,833	1,635,532
<b>CURRENT ASSETS</b>			
Debtors	7	355,726	401,770
Cash at bank & in hand		6,377,847	5,226,393
		<b>6,733,573</b>	<b>5,628,163</b>
<b>CREDITORS: DUE WITHIN ONE YEAR</b>	<b>8</b>	<b>(564,427)</b>	<b>(664,214)</b>
<b>NET CURRENT ASSETS</b>		<b>6,169,146</b>	<b>4,963,949</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,699,979</b>	<b>6,599,481</b>
<b>CREDITORS: DUE AFTER MORE THAN ONE YEAR</b>	<b>8</b>	<b>(76,579)</b>	
<b>TOTAL NET ASSETS</b>		<b>7,623,400</b>	<b>6,599,481</b>
<b>INCOME FUNDS-UNRESTRICTED</b>		<b>7,623,400</b>	<b>6,599,481</b>

Approved by the trustees and signed on their behalf by:



Prince Khalid Bin Bander Bin Sultan Bin Abdulaziz Al Saud  
Chairman of the Council of Management

Date: 18/12/2020

The notes on pages 15 to 23 form an integral part of these financial statements.

**THE KING FAHAD ACADEMY LIMITED****Cash flow statement****For the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Cash generating by operations	10	1,375,995	487,791
<b>Investing activities</b>			
Purchase of tangible fixed assets		(236,425)	(437,564)
Interest Received		15,911	9,837
Interest Paid		(4,029)	(1,066)
<b>Net cash used in investing activities</b>		<b>(224,543)</b>	<b>(428,793)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,151,452</b>	<b>58,998</b>
Cash and cash equivalents at the beginning of the year		5,226,393	5,167,395
<b>Cash and cash equivalents at the end of the year</b>		<b>6,377,847</b>	<b>5,226,393</b>

The notes on pages 15 to 23 form an integral part of these financial statements

# **THE KING FAHAD ACADEMY LIMITED**

## **Notes to the financial statements for the year ended 31 December 2019**

The King Fahad Academy is a charitable company limited by guarantee. Company registration number 2090011. Charity registration number 327342.

### **1. Principal accounting policies**

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2016. The Charity is a Public Benefit Entity as defined by FRS102.

The accounts are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, and drawn up in accordance with the requirements of the Companies Act 2006. The principal accounting policies adopted are set out below.

#### **Going Concern**

At the time of approving the accounts, the Trustees have a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The Trustees have approached the Embassy of Saudi Arabia and received assurances the Embassy will continue to support the Academy for the foreseeable future. Thus, as stated in note 13 the trustees have considered the effect of the Covid -19 outbreak. The trustees consider that the outbreak is unlikely to cause significant disruption to the Academy's activities and are confident that the academy can continue as going concern for a period of at least twelve months from the date of approval of these financial statements. The trustees have reasonable expectations that the Academy has adequate resources to continue in operation for the foreseeable future.

#### **Accumulated Funds**

Funds held by the Charity are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustee.

#### **Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably and it is probable that income will be received.

Income from the Saudi Government and other donations are recognised on a receipt basis. Tuition fees and other income (exam, stationery etc.) are recognised on an accrual basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

#### **Resources expended**

Expenditure is accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis including irrecoverable VAT.

Employee costs are allocated to expense headings in the Statement of Financial Activities based on staff time spent on each activity.

Teaching costs comprise the direct costs of the employment of teaching staff together with the costs of academic resources, teacher and other educational training. Redundancy costs are accounted on an accrual basis.

# **THE KING FAHAD ACADEMY LIMITED**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

Welfare costs include the costs of catering, nursing staff & supplies. Premises costs include heat, lights, insurance, security, cleaning, alarm cost together with the cost of maintenance (including staff) and janitorial services.

Support costs, not directly attributed to a particular functional activity category, are apportioned over the relevant categories on the basis of staff numbers.

Grants, Awards and Prizes provided in respect of the education of pupils, are included in direct costs, without attribution of overheads.

Governance costs comprise of audit charges and expenditure in relation to developing the strategy of the Academy and time spent in preparation for Council of Management meetings.

Cost of goods sold relates to expenditure incurred in acquiring school uniforms for resale.

The Academy offer work place pensions to all staff. Both staff and the academy contribute to Now Pension. Staff pay 5% and the academy pay 3% of their salary.

### **Fixed assets**

Fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided to write off the assets over their estimated useful lives on a reducing balance basis using the following rates:

Property improvements	10%-25%
Furniture and office equipment	25%
Computer equipment	33.33%
Motor vehicles	15%
Plant and machinery	20%

All assets with a cost exceeding £500 are capitalised.

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of financial activities.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### **Financial instruments**

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



# **THE KING FAHAD ACADEMY LIMITED**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### **Critical accounting estimates and judgements**

In the application of the charitable company's accounting policies, the board are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The trustees do not believe there to be any judgements or estimates that would be considered critical to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## **2. Incoming resources**

### **(a) Income from the Kingdom of Saudi Arabia**

Payments of £9,369,903 (2018: £7,339,461) were made by The Saudi Embassy to The King Fahad Academy in order to fund both the cost of salaries and other operational expenditure.

### **(b) School Fees**

School fees £396,536 (2018: £444,890) are stated gross and are below average compared to other Independent Schools.

### **(c) Other Educational Income**

	2019 £	2018 £
Registration Fee Income	10,500	9,000
Exam Fees	24,399	22,607
Stationery Fee	6,900	25,550
	<b>41,799</b>	<b>57,157</b>

# THE KING FAHAD ACADEMY LIMITED

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3. Employees

	2019	2018
Staff Costs:		
Wages and salaries	5,783,253	5,206,702
Social security costs	553,941	500,541
Employer Pension cost	98,555	65,506
Redundancy	140,445	109,358
	<b>6,576,194</b>	<b>5,882,107</b>

Pension arrangements are with Now Pensions under Auto Enrolment. The Academy currently contributes 3% of gross salaries from 1<sup>st</sup> April 2018

The number of employees earning over £60,000 per annum, excluding pension contributions was:

	2019 No.	2018 No.
£ 60,000 - £70,000	5	4
£ 70,001 - £80,000		
£ 80,001 Over	1	3
	<b>6</b>	<b>7</b>

The average number employed by the Academy (all in the United Kingdom) during the year was as follows:

	2019 No.	2018 No.
Teaching	116	113
Support Staff	30	24
Premises	8	8
Welfare	2	2
	<b>156</b>	<b>147</b>

The Directors, who are also the trustees of the Charity, receive no emoluments for their services to the Academy, nor have any of their expenses incurred in this capacity, been reimbursed by the Academy.

The key management personnel of the Charity comprise the Senior Management Team as detailed in the report of the trustees.

The total amounts of employee emoluments received by the Senior Management Team were £597,766 (2018: £729,451).

### 4. Governance Expenditure

	Year Ended 2019 £	Year Ended 2018 £
Auditors' remuneration: audit fees 2019	30,000	25,000
Auditors' under accrual audit fees 2018	12,271	(2,049)
Staff costs allocated		13,315
	<b>42,271</b>	<b>36,266</b>

# THE KING FAHAD ACADEMY LIMITED

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 5. Analysis of Total Expenditure

<i>Cost of Generating funds</i>	Staff Costs £	Other Costs £	Support Costs £	Depn. & Disposal £	Total 2019 £	Total 2018 £
Financing Costs		4,029			4,029	3,387
<i>Charitable Activities</i>						
<i>Education</i>						
Teaching	5,298,761	349,776	1,128,376		6,776,913	6,081,670
Welfare	86,026	15,448	19,971		121,445	112,546
Premises	141,931	1,120,127	79,885	247,985	1,589,928	1,662,455
Grants, Awards & Prizes		25,988			25,988	7,080
Support costs	1,049,476	325,275	(1,228,232)	93,137	239,656	244,950
<i>School operating costs</i>	6,576,194	1,836,614		341,122	8,753,930	8,108,701
<i>Governance Costs</i>			42,271		42,271	36,266
<i>Education</i>	6,576,194	1,836,614	42,271	341,122	8,796,201	8,144,967
<b>TOTAL EXPENDED:</b>	6,576,194	1,840,643	42,271	341,122	8,800,230	8,148,354

<i>Cost of Generating funds</i>	Staff Costs £	Other Costs £	Support Costs £	Depn. £	TOTAL 2018 £
Financing Costs		3,387	-	-	3,387
<i>Charitable Activities</i>					
<i>Education</i>					
Teaching	4,701,365	344,707	1,035,598		6,081,670
Welfare	79,048	15,169	18,329		112,546
Premises	194,105	1,147,048	73,317	247,985	1,662,455
Grants, Awards & Prizes		7,080		-	7,080
Support costs	894,274	387,788	(1,127,244)	90,132	244,950
<i>School operating costs</i>	5,868,792	1,901,792	-	338,117	8,108,701
<i>Governance Costs</i>	13,315		22,951		36,266
<i>Education</i>	5,882,107	1,901,792	22,951	338,117	8,144,967
<b>TOTAL EXPENDED:</b>	5,882,107	1,905,179	22,951	338,117	8,148,354

# THE KING FAHAD ACADEMY LIMITED

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 6. Fixed Assets

	Plant & Machinery £	Furniture and office Equipment £	Computer Equipment £	Property Improvements £	Motor Vehicles £	Total £
<b>Cost</b>						
At 1 Jan 2019	330,354	128,633	679,608	2,313,656	75,585	3,527,836
Additions	65,266	2,566	168,633	-		236,425
Disposal/w/off	(1,369)	(11,914)	(134,108)	(8,201)		(155,592)
At 31 Dec 2019	394,211	119,285	714,133	2,305,455	75,585	3,608,669
<b>Accumulated depreciation</b>						
At 1 Jan 2019	180,740	92,887	529,074	1,030,786	58,817	1,892,304
Charge for the year	42,927	9,330	104,903	175,360	2,515	335,035
Disposal w/off	(1,165)	(10,921)	(129,680)	(7,737)		(149,503)
At 31 Dec 2019	222,502	91,296	504,297	1,198,409	61,332	2,077,836
<b>Net book amount</b>						
At 31 Dec 2019	171,709	27,989	209,836	1,107,046	14,253	1,530,833
At 31 Dec 2018	149,614	35,746	150,534	1,282,870	16,768	1,635,532

The land and buildings comprising the Academy and certain equipment have been purchased directly by the Kingdom of Saudi Arabia and the title remains with them. These assets have therefore not been included in the Academy's accounts. All assets are held for charitable purposes.

The carrying value of tangible fixed assets includes the following in respect of assets held under finance lease or hire purchase contracts.

	2019 £	2018 £
Computer equipment	86,664	
	<b>86,664</b>	

Depreciation charge for the year in respect of leased assets was £43,326 (2018: nil)

### 7. Debtors

	2019 £	2018 £
School Fees Outstanding	117,906	174,920
Other Debtors	5,801	
Prepayments	232,019	225,704
Staff Loan		1,146
	<b>355,726</b>	<b>401,770</b>

# THE KING FAHAD ACADEMY LIMITED

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 8a Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	205,555	170,465
Obligation under finance lease	25,526	
Deferred income	272,469	285,028
Other Creditors	3,200	77,719
Accruals	57,677	131,002
	<b>564,427</b>	<b>664,214</b>

**Deferred Income** is made up of the following and relates to fees for the school year September 2019 to August 2020 and other Income.

	2019 £	2018 £
At 1 January 2019	285,028	361,617
Fees relating to September 2019 to August 2020	423,127	482,540
Exam Income	21,858	14,380
	<b>730,013</b>	<b>858,537</b>
Fees utilised January - December 2019	(443,164)	(569,825)
Exam Income utilised	(14,380)	(3,684)
At 31 December 2019	<b>272,469</b>	<b>285,028</b>

### 8b Creditors: amounts falling due greater than one year

	2019 £	2018 £
Obligation under finance lease	76,579	
	<b>76,579</b>	

#### Finance lease obligations

Future minimum lease payments due under finance lease:

	2019 £	2018 £
Within one year	25,526	
<b>In two to five years</b>	<b>76,579</b>	
	<b>102,105</b>	

Finance lease payments represent rentals payable by the company for computer equipment. All leases are on a fixed repayment basis.

# **THE KING FAHAD ACADEMY LIMITED**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **9. Share capital**

The Academy is a company limited by guarantee and has no share capital; the liability of the members under the guarantee is limited to £1 each.

### **10. Cash generated from operations**

	2019	2018
	£	£
Surplus/(deficit) for the year	1,023,919	(298,749)
Adjustments for:		
Depreciation of tangible fixed assets	341,122	338,117
Interest receivable	(15,911)	(9,837)
Interest Payable	4,029	1,066
Movements in working capital:		
Increase in Debtors	46,044	387,830
Increase in Creditors	(23,208)	69,364
	<u>1,375,995</u>	<u>487,791</u>

### **11. Related Parties**

The Saudi Arabia London Embassy is considered to be a related party to the Academy. During the year, The Kingdom of Saudi Arabia, via the London Embassy, provided the following to the Academy:

- Income amounting to £9,369,903 (2018: £7,339,461)
- Rent free use of the Academy premises which are owned by the Royal Kingdom of Saudi Arabia
- The services of some members of staff who are employed through the London Embassy and are not recharged to the Academy.

Neither the second nor third items are reflected in the financial statements as the value cannot be quantified.

The Trustees who have children attending the Academy are Mr Waleed Alnatheer and Mr Saud Alhamdan. As with all Saudi Arabia nationality, the Trustees children are exempt from paying any fees.

### **12. The Unrestricted/Reserve funds**

General Reserve	£ 7,623,400
Restricted Reserve	0
Total	<u>£ 7,623,400</u>

The General reserves fund is equivalent to 10 months expenditure for unforeseen circumstances.

There are no designated funds.

# **THE KING FAHAD ACADEMY LIMITED**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **13. Post Balance Sheet Events**

The trustees have considered the effect of the Covid-19 outbreak, that has been spreading throughout the world in early 2020, on the academy's activities. This outbreak is unlikely to cause a significant disruption to academy's activities but at the date of approval of the statements, the extent and quantum of the disruption remains uncertain.

### **14. Analysis of changes in net debt**

The charity had no debt during the year.