

THE BECHT FAMILY CHARITABLE TRUST
(Registered Charity Number: 1116657)
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

THE BECHT FAMILY CHARITABLE TRUST

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THE BECHT FAMILY CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020

The Trustees submit their report and the independently audited financial statements of The Becht Family Charitable Trust ("the trust" or "the charity") for the period 4 October 2019 to 31 December 2020. These have been prepared in accordance with the accounting policies set out on pages 15 to 17 and comply with the charity's trust deed and applicable law.

The financial statements comply with the Charities Act 2011, the trust deed dated 3 October 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019.

The prior period comparatives run for the year to 3 October 2019. The presentation of the Financial Statements has been restated to USD to match the Charity's operational currency. The currency was chosen as the Charity globally focused with the majority of assets held and commitments made in USD.

1. REFERENCE AND ADMINISTRATIVE DETAILS

The Becht Family Charitable Trust, registered charity number 1116657, is based and administered in the United Kingdom. The registered address is Eighth Floor, 6 New Street Square, London, EC4A 3AQ.

The names of the Trustees who served throughout the year and continue to serve at the date of the report's approval are:

- Lambertus Johannes Hermanus Becht
- Ann Marie Becht
- David Walter Poulter
- The R&H Trust Co (UK) Ltd

Independent Auditors:

KPH Audit & Assurance Services Ltd, 255 Poulton Road, Wallasey, Wirral, CH44 4BT

Accountants:

Rawlinson & Hunter LLP, Eighth Floor, 6 New Street Square, New Fetter Lane, London, EC4A 3AQ

The Trustees have delegated day to day management of the charity to Rawlinson & Hunter

Solicitors:

Macfarlanes LLP, 20 Cursitor Street, Holborn, London, EC4A 1LT

Investment Managers:

UBS Wealth Management, 1 Finsbury Avenue, London

Fidelity Investments, Oak Brook, Illinois, USA

BDT Capital Partners, LLC, Chicago, Illinois, USA

The Craftory, Egyptian House, 170 Piccadilly, London

AiiM Partners, 410 Sherman Avenue, Palo Alto, California, USA

Goldman Sachs International, Plumtree Court, 25 Shoe Lane, London, EC4A 4AU

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity was established by Declaration of Trust dated 3 October 2006.

In accordance with the Declaration of Trust dated 3 October 2006 there shall never be less than three Trustees.

New Trustees are elected by Trustees who are members of the Becht family. The original Trustees express the wish, without creating any legal obligation, that as each of the children of Lambertus Johannes Hermanus Becht and Ann Marie Becht attain the age of 21 years, they shall be considered for appointment as Trustee if there is a need to appoint Trustees in order to establish a quorum. Otherwise, they should be considered for appointment as Trustees after they have attained the age of 25 years.

Induction and Training

As the children of Lambertus Johannes Hermanus Becht and Ann Marie Becht approach the age where they may be considered for appointment as Trustees, they will be invited to attend and observe Trustee meetings.

In order to ensure that the Trustees operate within current Charity Commission guidelines, Rawlinson & Hunter staff attend regular structured training sessions on charity administration and compliance. Knowledge gained from this training is then passed on to the Trustees for discussion and implementation.

The Trustees meet on a regular basis to review performance, grant applications and any other matters arising. All Trustees are expected to attend the meetings and play an active role in the administration of the trust, including researching possible donees and visiting charity events where applicable.

Through Trustee meetings, consultation with agents, and review of Charity Commission guidance CC 26, the Trustees have examined the major strategic, business, and operational risks that the charity faces. Following a review and assessment of these risks, the Trustees have formulated management policies and implemented internal controls to mitigate risks to the Fund. The Trustees shall continue to review the risks, and the adequacy of the systems in place.

Any complaints are considered by the Trustees and responded to within three weeks.

The trust has a single employee who receives a fair and commensurate pay package which is reviewed annually. The Trustees do not receive remuneration for acting as Trustees.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity'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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Internal Controls

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of internal controls. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps towards the prevention and detection of fraud.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Risk Management and Governance

A risk assessment has been undertaken which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

This continuing process will identify risk areas to which the trust is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

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2. STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Trustees have signed fit and proper declarations in line with HMRC guidance.

In addition, the Trustees have taken due consideration of Good Governance – A Code for the Voluntary and Community Sector, ensuring that the six main principles of the Code are adhered to. These are:

- Understanding the Trustees' role.
- Doing what the organisation was set up to do.
- Working effectively.
- Control.
- Behaving with integrity.
- Openness and accessibility.

The Trustees recognise that good governance plays an essential part in securing the future of the charity and confirm that the said main principles of the Code are followed by them in leading, directing and managing the charity.

3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of the charity are such exclusively charitable purposes as the Trustees may in their absolute discretion determine. The charity is established for general charitable purposes and will operate as a grant making charity, supporting charitable projects, organisations and individuals with grants of varying sizes and durations.

The Trustees may use the income and the capital of the charity in promoting the objects.

Statement of Public Benefit

The Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report, about the trust's aims, activities and achievements in the areas of interest that the trust supports demonstrates the benefit to its beneficiaries and through them to the public, that arise from those activities.

Fundraising

The Trustees have referred to the Charities (Protection and Social Investment) Act 2016 ("the Act") and the Guidance on Charities and Fundraising issued by the Charity Commission ("CC20"). They confirm that the Act and CC20 have no impact on the charity as it does not engage in any public fundraising activities.

Grant Making Policy

The charity has been established to provide grants for purposes that are exclusively charitable under the law of England and Wales. The charity has put in place sound grant arrangements so that it can properly select appropriate grantees and impose prudent terms on grants, including, as appropriate, requiring monitoring and evaluation of the way in which funds are applied by grantees.

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3. OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT (continued)

Objectives and Activities of the Charity

The Trustees shall hold the capital and income of the Trust Fund for such charities, or charitable purposes, in any part of the world as the Trustees may determine. In particular, but not limited to such purposes, the Trustees seek to sponsor and support activities that protect and restore our planet's biodiversity through marine conservation. Additionally the Trustees continue to support activities that provide humanitarian aid.

The Trustees wish to be able to provide regular, long term support to charitable purposes, and therefore wish to maintain sufficient reserves to produce an income yield that will make such support possible.

During the year the trustees made grants to charitable purposes of \$6,465,211 (2019: \$2,962,934).

The Trustees use the Fund to make grants to charitable purposes, in the interests of providing public benefit.

The Trustees have wide powers, enabling them to support charitable purposes. The main areas which the Trustees seek to provide charitable support are (i) protection and restoration of our planet's biodiversity through marine conservation; and (ii) humanitarian aid.

The Trustees are aware that charities may require unrestricted funds to enable them to operate effectively. Therefore, the Trustees are willing to consider making both restricted and unrestricted donations to charitable purposes in the course of their support.

Where the Trustees receive grant applications from a number of applicants operating in the same area of benefit, the Trustees may engage agents to help them select the most suitable application to support.

In order to minimise administrative costs, the Trustees will reply to successful applicants only.

The Trustees request that donees provide updates and information on how they have used any funds received. These responses are considered at Trustee meetings. Such updates should include details of outcomes, outcome against agreed milestones. Whilst many outcomes may be measurable, the Trustees appreciate that certain benefits are less tangible, and this is understood when reviewing the effect of the Trustees' grants. Where further information is required, the Trustees will make contact with donees.

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TRUSTEES' ANNUAL REPORT
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4. ACHIEVEMENT AND PERFORMANCE

Total charitable donations paid or awarded during the year amounted to \$6,465,211 (2019: \$2,962,934).

A total of 20 organisations were supported during the year, compared with 12 in the previous year.

The Trustees' largest donation in the year was \$2,498,400 (2019: \$2,474,800) awarded to the Save the Children – Emergency Health Unit. This was the third of five conditionally contingent payments potentially payable to Save the Children pledged by the Trustees in 2018.

The Trustees have undertaken a strategic review in conjunction with specialist philanthropy consultants Ten Years' Time. As a result of that review, the Trustees have concluded that over the next 5 years they would transition their activities from Humanitarian causes to biodiversity, envisaging 60-80% of activity would be in biodiversity projects, with up to 70% of that focused on marine biodiversity.

The trustees noted that marine conservation is currently a poorly funded area of conservation, but is the most important in providing food, water and oxygen for the planet. Therefore, there is the opportunity to make the biggest impact. Oceans have the ability to recover much faster than land-based systems, making them an important source of resilience against biodiversity loss.

As such the Trustees have begun a process of identifying and awarding grants to new partners such as Blue Ventures Conservation, the International Eco Fund, CleantEarth and Oceana, Inc.

The Trustees are satisfied that they have continued to provide public benefit through their grant making in support of charitable purposes.

\$80,720 was paid in respect of governance costs (2019: \$22,583) and \$321,502 in support costs (2019: \$111,366). The increase in support costs reflects the appointment of a Programme Director and the associated costs in finding a suitable candidate.

Investments

The Trustees' aim in the short to medium term is to grow the Fund and produce sufficient investment income to enable the Trustees to continue their support of charitable purposes.

A net unrealised gain of \$102,476,779 (2019: loss of \$4,903,429) was recognised during the year on the Trustees' investments. Additionally, through investment sales the Trustees realised a net gain of \$7,511,810 (2019: loss of \$4,619,212) in the year. Currency revaluation gains of \$653,951 (2019: gain of \$1,046,904) were recognised during the year.

Investment income for the year to 31 December totalled \$6,018,492 (2019: \$7,663,857); a 21% decrease (2019: 28% increase) on the previous year. The decrease reflects the trustees restructuring of the investment holdings and comparative increase in illiquid investments and accumulation funds.

THE BECHT FAMILY CHARITABLE TRUST
TRUSTEES' ANNUAL REPORT
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5. FINANCIAL REVIEW

Incoming Resources and Resources Expended

Total incoming resources were \$6,018,550 (2019: \$7,663,857). Realised gains on investment sales and currency movements totalled \$7,902,781 (2019: realised loss \$3,572,308). \$1,607,497 (2019: \$1,377,596) was expended on investment management costs. Governance costs totalled \$80,720 (2019: \$22,583), whilst charitable activity totalled \$6,465,211 (2019: \$1,416,185). A net unrealised gain on investments totalled \$102,476,779 (2019: loss of \$4,903,429). Net income over the period totalled \$108,265,791 (2019: net expenditure of \$3,669,627).

The Trustees' source of funding in the year was investment income and gains realised by the charity's investment portfolios.

Investment policy and performance

The Charity's investment objective is to generate a capital appreciation whilst providing liquidity to the Charity in line with the total return of the broader equity market over the long term, after expenses. This should allow the Charity to maintain the real value of the assets, whilst funding its annual expenditure. The Trustees have agreed an asset allocation strategy with investment managers, which is set to achieve this objective.

The key risk to the sustainability of the Charity is inflation and the assets will be invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The trustees are able to tolerate volatility of the capital value of the Charity, as long as the Charity is able to meet its short term grant making commitments through either income or liquid capital assets. To this end the Charity's assets are invested widely and diversified by asset class, by manager and by security. Asset classes can include cash, bonds, equities, property, hedge funds, structured products, private equity, commodities and any other asset that is deemed suitable for the Charity.

The investment philosophy is also to invest a proportion of the Charity's assets into profit seeking companies that have a social charter that is consistent with the purposes of the charity. On occasion this may include early stage higher risk companies where the financial returns are not yet proven but the purpose is strongly aligned with the Charity's objectives particularly with regard to the protection and restoration of marine ecosystems or in the transition to more sustainable agricultural practices. In these cases the Trustees recognise that losses could materialise but that the benefits of purpose outweigh the risks and will not be of a size that would put the overall investment objective at risk.

The Trustees have adopted a targeted approach in managing their investments, to match the aims of the Charity. Investments will not be made in companies which derive significant levels of their turnover from activities which conflict with the aims of the charity, nor the causes which the Trustees are trying to support.

The Trustees are satisfied with the performance of their investments, which produced income during the year of \$6,018,492 (2019: \$7,663,857) and capital appreciation of \$102,476,779 (2019: loss \$4,903,429). The Trustees monitor performance of the underlying investments and managers on a regular basis, through face to face reviews, investment reports and comparisons to peer groups and appropriate indices.

During the period to 31 December 2020 the performance conditions which were attached to the sale orders of the residual Reckitt Benckiser holdings were met and the holdings were sold in full.

THE BECHT FAMILY CHARITABLE TRUST
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FOR THE PERIOD ENDED 31 DECEMBER 2020

5. FINANCIAL REVIEW (continued)

Reserves Policy

The Trustees have reviewed the guidance on reserves in Charity Commission guidance note CC19.

The Trustees have examined the charity's requirements for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands that are not adequately covered by existing resources. The net assets of the charity are regarded as unrestricted reserves and the available funds at 31 December 2020 will be retained to make grants in accordance with the charity's charitable objects and any policies.

The Trustees consider that the freely expendable funds are appropriate and adequately taking into account plans for grants to be awarded in the future. However, the Trustees will keep this under constant review.

The balance held as unrestricted funds as at 31 December 2020 was \$455,144,459 (2019 - \$346,878,668).

6. RELATED PARTY TRANSACTIONS

Related party transactions during the year are disclosed in note 11 on page 22.

7. PLANS FOR THE FUTURE

The Trustees wish to continue to provide sustainable long term support to charitable purposes through making grants. To support their aim, it is intended that the Trustees' investments will grow to provide the Fund an asset base which will support this aim.

8. AUDITOR

It will be proposed at the next Trustees' meeting that KPH Audit & Assurance Services Ltd be reappointed as auditor to the trust for the ensuing year subject to the charity requiring an audit.

Approved by the Trustees and signed on their behalf by:

LJH Becht

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L J H Becht

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A M Becht

DW Poulter

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D W Poulter

R&H Trust Co (UK) Limited

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R&H Trust Co (UK) Ltd

29 October 2021

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Date

**REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF THE
THE BECHT FAMILY CHARITABLE TRUST**

Opinion

We have audited the financial statements of The Becht Family Charitable Trust (the 'charity') for the period 4 October 2019 to 31 December 2020 which comprise the Statement of Financial Activity, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF THE
THE BECHT FAMILY CHARITABLE TRUST (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' 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 trustees' responsibilities statement set out on page 2, the trustees are responsible for the preparation of financial statements which 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 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 charity or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITOR
TO THE TRUSTEES OF THE
THE BECHT FAMILY CHARITABLE TRUST (continued)**

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 regulations made under section 154 of that Act.

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

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

Use of this report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

KPH Audit & Assurance Services Ltd – 31 October 2021

KPH Audit & Assurance Services Ltd
Statutory Auditor and Chartered Accountants

255 Poulton Road, Wallasey
Wirral, CH44 4BT

KPH Audit & Assurance Services Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE BECHT FAMILY CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD 4 OCTOBER 2019 TO 31 DECEMBER 2020

	Page	Unrestricted Funds 31 December 2020 \$	Unrestricted Funds 3 October 2019 \$
Income from:			
Investments (note 2)	17	6,018,550	7,663,857
Total income		<u>6,018,550</u>	<u>7,663,857</u>
Expenditure on:			
Charitable Activities (note 3)	19	6,867,432	3,096,883
Raising Funds (note 4)	19	1,527,867	1,307,614
Other – reversal of historical grant commitment (note 6)	21	-	(1,546,750)
Total expenditure		<u>8,395,299</u>	<u>2,857,747</u>
Net (expenditure)/income before other recognised gains		(2,376,749)	4,806,110
Other recognised gains and (losses):			
Net realised gain/(loss) on investments (note 5)	20	7,511,810	(4,619,212)
Net unrealised gain/(loss) on revaluation of Fixed Assets (note 5)	20	102,476,799	(4,903,429)
Other gains		653,951	1,046,904
Total gains/(losses)		<u>110,642,540</u>	<u>(8,475,737)</u>
Net movement in funds		<u>108,265,791</u>	<u>(3,669,627)</u>
Total funds brought forward at 4 October 2019		346,878,668	350,548,295
Resources carried forward at 31 December 2020		<u><u>\$ 455,144,459</u></u>	<u><u>\$ 346,878,668</u></u>

There are no recognised gains or losses in the year to 3 October 2019 or the period to 31 December 2020 other than those included in the statement of financial activities.

All incoming resources and resources expended derive from continuing activities.

The prior year comparatives are for the year to 3 October 2019.

THE BECHT FAMILY CHARITABLE TRUST

BALANCE SHEET

AT 31 DECEMBER 2020

	Page	Unrestricted Funds 31 December 2020 \$	Unrestricted Funds 3 October 2019 \$
Fixed assets:			
Investments (note 5)	20	450,433,150	341,458,207
Non-current assets:			
Debtor – long term (note 7)	22	-	2,402,719
Current assets:			
Cash at bank (note 8)	22	2,008,297	3,103,122
Debtors – due within one year (note 9)	22	2,734,000	-
Total current assets		4,742,297	3,103,122
Liabilities:			
Creditors - amounts falling due within one year (note 10)	22	30,988	85,380
Net current assets		4,711,309	3,017,742
Total net assets		<u>\$ 455,144,459</u>	<u>\$ 346,878,668</u>
The funds of the charity:			
Unrestricted funds		<u>\$ 455,144,459</u>	<u>\$ 346,878,668</u>

**Approved by the Trustees
and signed on their behalf by:**

L J H Becht

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L J H Becht

D W Poulter

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D W Poulter

29 October 2021

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Date

A M Becht

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A M Becht

R&H Trust Co (UK) Limited

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R&H Trust Co (UK) Ltd

THE BECHT FAMILY CHARITABLE TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Page	31 December 2020 \$	3 October 2019 \$
Net cash flow from Operating Activities			
Net movement on funds for the year	12	108,265,791	(3,669,627)
Less: Investment income and deposit interest		(6,018,492)	(7,663,857)
Net (gain) on investment assets		(109,988,589)	9,522,641
(Increase) in debtors		(331,281)	(22,355)
Decrease in creditors		(54,393)	(1,688,577)
		<hr/>	<hr/>
Net cash outflow from Operating Activities		8,126,964	(3,521,775)
Returns on investments			
Investment income (note 2)	17	5,999,299	7,429,889
Deposit interest (note 2)	17	19,193	233,968
		<hr/>	<hr/>
		6,018,492	7,663,857
Capital expenditure and financial investment			
Purchase of investments (note 6)	20	(257,306,707)	(240,885,030)
Proceeds from sale of investments (note 6)	20	258,320,353	230,001,888
		<hr/>	<hr/>
		1,013,646	(10,883,142)
Net (decrease)/increase in cash in the year		<hr/> <hr/>	<hr/> <hr/>
		\$ (1,094,825)	\$ (6,741,061)
Reconciliation of net cash flow to movement in net funds			
Net cash resources at 4 October 2019		3,103,122	9,844,183
Net increase/(decrease) in cash		(1,094,825)	(6,741,061)
		<hr/>	<hr/>
Net cash resources at 31 December 2020		<hr/> <hr/>	<hr/> <hr/>
		\$ 2,008,297	\$ 3,103,122
Analysis of net funds:			
Cash at Bank (note 8)	22	2,008,297	3,103,122
		<hr/>	<hr/>
		\$ 2,008,297	\$ 3,103,122
		<hr/> <hr/>	<hr/> <hr/>

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The Becht Family Charitable Trust (“the trust” or “the charity”), registered charity number 1116657, is based and administered in the United Kingdom. The registered address is Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ. The nature of the charity’s operations and principal activities are set out in the Trustees’ Annual Report.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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) (“Charities SORP FRS 102”), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Accounting Practice. The Foundation constitutes a public benefit entity as defined by Charities SORP FRS 102.

The financial statements are presented in US Dollars which is the functional currency of the charity.

The comparative figures throughout the Financial Statements and supporting notes are for the year to 3 October 2019.

Status of funds

The entire resources of the charity are unrestricted. The Trustees have complete discretion for the use of the funds in pursuance of the charity’s objectives.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The Trust does not acquire put options, derivatives or other complex financial instruments.

Private equity investments are initially accounted for at the cost of the Charity’s capital call. They are then recorded at fair market value once a valuation is formally conducted by the manager in which the Charity is invested, with any revaluation gain or loss being recorded through the SOFA.

Incoming resources

Investment income is derived from interest and dividends receivable from investments and is accounted for in the period in which the Trust is entitled to receipt. Interest from deposit accounts are included as and when received only. All incoming resources are included in the SOFA when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary donations include donations under Gift Aid with the associated tax credits included when receivable. Interest from deposit accounts are included when received.

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation committing the Trustee to the expenditure. Irrecoverable VAT is charged against the activity for which expenditure was incurred.

Charitable activities include governance costs made during the period and are expended through the SOFA when the offer is conveyed to the recipient.

Cost of raising funds relate to the costs incurred by the Trust in managing its investment portfolios.

Governance costs relating to the general running of the Trust, as opposed to the management functions inherent in generating funds.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value, except where settlement is delayed, in which case the transaction is recognised at the present value of the settlement amount.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions denominated in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. All translation differences are taken to the statement of financial activities as they arise.

Debtors and creditors receivable/payable

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised as expenditure.

Debtors and creditors receivable/payable after one year

Debtors and creditors receivable or payable after one year are recognised at their present value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Also included is cash held under management by the investment broker.

Provisions

Provisions are recognised when the charity has an obligation at the Balance Sheet date as a result of a past event, it is probable that an outflow of economic benefit will be required in settlement and the amount can be reliably estimated.

Liabilities due in more than one year are recognised at present value, where settlement is due over more than one year from date of initial investment, there are no unfulfilled conditions under the control of the trust performance that would permit the trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is a rate of 3% and is regarded by the Trustees as providing the most current available estimate of the cost of money reflecting the time value of money to the trust.

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Going Concern

The Covid-19 pandemic has created significant operational pressures on all charities. The Trust is in the position of having significant assets with expenditure requirements which are within control of the Trustee. The pandemic, therefore, has not had a negative impact on the financial sustainability of the organisation and therefore, the Trustee considers the adoption of the going concern basis in preparing these financial statements continues to be appropriate.

Judgements and key sources of estimated uncertainty

In preparing these financial statements, the Trustees have to make judgements on how to apply the charity's accounting policies and make estimates about the future.

Apart from valuation of investments which are based on open market values and advice from asset managers, the trustees have made no significant judgements.

2. INVESTMENT INCOME

	Page	31 December 2020 \$	3 October 2019 \$
Net income from investments			
UBS portfolio		3,546,817	3,641,684
Execution only portfolio		703,630	2,544,317
Fidelity Investments portfolio		1,748,852	1,243,888
Deposit interest		19,251	233,968
Total investment income	12	\$ 6,018,550	\$ 7,663,857

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Page	31 December 2020 \$	3 October 2019 \$
3. CHARITABLE ACTIVITIES			
Grants payable:			
Save the Children – Emergency Health Unit		2,498,400	2,474,800
Blue Ventures Conservation		1,000,351	-
International Eco Fund		666,050	-
Oceana Inc		500,279	-
Client Earth		397,015	-
Rare, Inc.		307,602	-
Oceans North Conservation		251,236	-
St Georges Hospital Charity		184,065	-
Gravity Road (WWF project)		166,205	-
Greenpeace		119,149	-
Fairchance Foundation		109,299	-
Sightsavers		62,345	61,870
The Universtiy of Chicago – Booth School		50,864	-
Chem Trust		50,442	-
High Seas Alliance		50,442	-
Lamoille Community Food Share		15,456	14,108
United Way of Lamoille County		15,305	14,108
Oxford Hospitals		12,483	12,374
Head for the Cure Foundation		5,000	5,012
Impatience 25		3,222	-
Chelsea and Westminster Hospital		-	123,740
WaterAid		-	61,870
Excellent Development		-	61,870
Save the Children – Other donations		-	48,012
Glen Ellyn Covenant Church – World Relief		-	18,809
Elemental Water Foundation		-	16,610
Finance expense on discount of multi-year commitments		-	45,051
Total Grants payable:		<u>\$ 6,465,210</u>	<u>\$ 2,962,934</u>
Governance costs:			
Accountancy fees		70,040	19,304
Audit fees		5,392	2,970
Bank charges		5,228	309
Total Governance costs:		<u>\$ 80,720</u>	<u>\$ 22,583</u>

Auditor remuneration for the period ended 31 December 2020 totalled \$4,494 excluding VAT (2019: \$2,475 excluding VAT)

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Page	31 December 2020 \$	3 October 2019 \$
3. CHARITABLE ACTIVITIES (continued)			
Support Costs:			
Recruitment advisor		161,240	-
Staff costs		120,508	-
Strategic consultants		31,449	111,366
IT costs		3,665	-
General expenses		3,629	-
Trustee expenses		1,011	-
Total Support costs:		<u>\$ 321,502</u>	<u>\$ 111,366</u>
Total Charitable activities:	12	<u>\$6,867,432</u>	<u>\$ 3,096,883</u>

Included in Staff costs are gross salaries of \$108,625 (2019: nil), Social Security costs of \$8,993 (2019: nil) and Employer pension contributions of \$2,890 (2019: nil)

One employee earned more than £60,000 during the period (2019: nil) and the average number of employees during the period was 1 (2019: nil)

4. COST OF RAISING FUNDS

Investment management fees:			
UBS		887,442	913,524
Private equity		767,692	381,765
Fidelity		-	82,307
Goldman Sachs – rebate		(47,637)	-
Finance income arising on discounting debtors and creditors		(79,630)	(69,982)
	12	<u>\$ 1,527,867</u>	<u>\$ 1,307,614</u>

The investment management fees are costs of managing the investment portfolio which are payable to the investment managers and do not include transactional costs.

The investment management fees do not include management charges for the investments held with Goldman Sachs which are deducted directly from the fund value.

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

5. FIXED ASSET INVESTMENTS (AT MARKET VALUE)

	UBS Execution Only Portfolio \$	UBS Discretionary Portfolio \$	Fidelity Portfolio \$	Private Equity \$	Goldman Sachs \$	Private Investments \$	31 December 2020 Total \$
Opening value as at 4 October 2019	96,893,125	161,638,567	59,408,345	23,518,170	-	-	341,458,207
Additions	46,400,609	119,642,340	-	30,011,959	60,000,000	1,251,799	257,306,707
Disposals	(141,981,762)	(116,338,591)	-	-	-	-	(258,320,353)
Realised gains/(losses)	8,266,724	(754,914)	-	-	-	-	7,511,810
	<u>9,578,696</u>	<u>164,187,402</u>	<u>59,408,345</u>	<u>53,530,129</u>	<u>60,000,000</u>	<u>1,251,799</u>	<u>347,956,371</u>
Unrealised gains	570,748	44,559,468	11,827,929	11,902,438	33,500,996	115,200	102,476,779
Closing value as at 31 December 2020	<u>10,149,444</u>	<u>208,746,870</u>	<u>71,236,274</u>	<u>65,432,567</u>	<u>93,500,996</u>	<u>1,366,999</u>	<u>450,433,150</u>

The Charity has made capital commitments to three private equity funds, managed by BDT Capital, The Craftory and AiiM Partners. As at the 31 December 2020 BDT Capital had called \$28,000,000 (2019: \$15,000,000), The Craftory \$21,847,661 (2019: \$7,835,702) and AiiM Partners \$3,000,000 (2019: nil).

The remaining capital commitment to BDT Capital is \$72,000,000 (2019: \$85,000,000), The Craftory \$18,152,339 (2019: \$32,164,298) and AiiM Partners \$12,000,000 (2019: nil).

As it is unknown when the managers will call the remaining capital no provision is made for the outstanding commitments.

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

5. FIXED ASSET INVESTMENTS (AT MARKET VALUE) (continued)

	UBS Execution Only Portfolio \$	UBS Discretionary Portfolio \$	Fidelity Portfolio \$	Private Equity \$	3 October 2019 Total \$
Opening value as at 4 October 2018	132,530,467	152,105,822	55,461,417	-	340,097,706
Additions	58,856,931	82,299,295	76,945,302	22,783,502	240,885,030
Disposals	(77,324,085)	(78,305,116)	(74,372,687)	-	(230,001,888)
Realised (losses)/gains	(7,427,768)	1,784,113	1,024,443	-	(4,619,212)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	106,635,545	157,884,114	59,058,475	22,783,502	346,361,636
Unrealised (losses)/gains	(9,742,420)	3,754,453	349,870	734,668	(4,903,429)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing value as at 3 October 2019	96,893,125	161,638,567	59,408,345	23,518,170	\$341,458,207

6. OTHER

During the year to 3 October 2019 the trustees, in conjunction with St George's Hospital Charity, concluded that an existing funding commitment originally expressed in the year to 3 October 2016 was no longer possible to deliver and has been written back in the Statement of Financial Activities.

An alternative agreement was reached during the period to 31 December 2020 with the first tranche of a new conditional agreement recognised in these Financial Statements.

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

	Page	31 December 2020 \$	3 October 2019 \$
7. DEBTORS - LONG TERM			
Loan to Save the Children (at present value)	13	\$ -	\$ 2,402,719
		<u> </u>	<u> </u>
<p>During the year ended 3 October 2018 the Charity entered into a funding agreement with Save the Children. The Charity agreed to loan £2m in order to provide liquidity for their "Source to Pay Automation Project".</p> <p>The Loan is free of interest and was repaid in April 2021.</p>			
8. CASH AT BANK			
UBS Bank London		945,424	2,631,455
Coutts & Co Bank		539,285	118,245
Fidelity Investments Chicago		465,373	353,422
Goldman Sachs		58,215	-
	13	<u>\$2,008,297</u>	<u>\$3,103,122</u>
		<u> </u>	<u> </u>
9. DEBTORS - DUE WITHIN ONE YEAR			
Loan to Save the Children	13	\$ 2,734,000	\$ -
		<u> </u>	<u> </u>
10. CREDITORS - Amounts falling due within one year			
Social security costs		13,378	-
Accountancy and administration fees		12,286	14,848
Audit fees		5,324	3,712
Strategic consultants		-	66,820
	13	<u>\$ 30,988</u>	<u>\$ 85,380</u>
		<u> </u>	<u> </u>
11. RELATED PARTY TRANSACTIONS			

Rawlinson & Hunter received \$70,040 during the period (year to 3 October 2019: \$19,304) for the provision of secretarial and accountancy services for the year. Certain partners of Rawlinson & Hunter are also directors of the R&H Trust Co (UK) Ltd. The full amount remains outstanding at year end.

One Trustee was reimbursed \$1,011 in travel expenses during the period to 31 December 2020 (year to 3 October 2019: nil).

THE BECHT FAMILY CHARITABLE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

13. FINANCIAL INSTRUMENTS

Page	31 December 2020 \$	3 October 2019 \$
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The carry amounts of the charity's financial instruments are as follows:

Financial assets

Measured at fair value through SOFA:

-Fixed asset investments	20	450,433,150	341,458,207
-Cash at bank and in hand	22	2,008,297	3,103,122
-Measured at amortised costs	22	-	2,402,719

Financial liabilities

Measured at amortised cost

-Creditors	22	30,988	85,380
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The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

Income and expense

Measured at fair value through SOFA:

-Net gains/(losses) (including changes in fair value)	12	110,642,540	(6,849,634)
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14. COVID-19

The Trustees are actively monitoring the effect of the Coronavirus Disease 19 "COVID-19". Investment valuations may be adversely affected and the eventual proceeds may materially differ from the year end valuations. Given the unpredictable nature and impact of the outbreak, and how rapidly the responses to the outbreak are changing, the Trustees are unable to predict the full extent of the impact with regards to the investment valuations.

The Trustees are undertaking a detailed review of its portfolio of investments with particular focus on those companies immediately and significantly impacted by the virus. In addition, the Charity is in constant contact with investment managers who continue to monitor each portfolio investment's response to the impact of COVID-19.

As explained in note 1 on page 17 the Trustees believe the Charity continues to have sufficient resources in place, including cash and cash equivalents and committed capital to continue operating for a period of at least 12 months from the date of signing of the financial statements.