

**BECHT FOUNDATION**  
**(formerly “The Becht Family Charitable Trust”)**  
**(Registered Charity Number: 1116657)**  
**TRUSTEES’ ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

## **BECHT FOUNDATION**

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**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustees submit their report and the independently audited financial statements of Becht Foundation ("the foundation" or "the charity") for the year to 31 December 2021. 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 period 4 October 2019 to 31 December 2020.

## **1. REFERENCE AND ADMINISTRATIVE DETAILS**

The Becht Foundation (formerly "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**

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 foundation, 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 foundation 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:

**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 foundation 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.

**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

**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 seven main principles of the Code are adhered to. These are:

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- 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.

**Name**

On 18 July 2022 the Trustees exercised the powers in the Trust Deed to change the name of the charity from The Becht Family Charitable Trust to Becht Foundation. The Trustees feel the new name creates a better identity as awareness of their work in marine and climate spaces grow.

**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 foundation'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.

**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

**Grant Making Policy**

The charity has been established to provide grants for purposes that are, or would be deemed to be, 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.

**Objectives and Activities of the Charity**

The Trustees hold the capital and income funds for such charities, or charitable purposes, in any part of the world as they may determine. In particular, but not limited to such purposes, the Trustees seek to sponsor and support activities that protect and restore the planet's biodiversity and fight climate change, with a heavy focus on marine biodiversity. 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 aim to maintain sufficient reserves to produce a yield that will make such support possible.

During the year the Trustees made grants to charitable purposes of \$8,823,509 (2020: \$6,465,210).

The Trustees use the funds 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, with a continued focus on monitoring regular process.

Where the Trustees receive grant applications from a number of applicants operating in the same area of benefit, they 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.

**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

**4. ACHIEVEMENT AND PERFORMANCE**

Total charitable donations paid or awarded during the year amounted to \$8,823,509 (2020: \$6,465,210).

A total of 27 organisations were supported during the year, compared with 20 in the previous year.

The Trustees' largest donation in the year was \$2,051,250 (2020: \$2,498,400) awarded to the Save the Children – Emergency Health Unit. This was the fourth of seven conditionally contingent payments potentially payable to Save the Children pledged by the Trustees in 2018.

As a result of the strategic review undertaken in conjunction with specialist philanthropy consultants Ten Years' Time the Trustees have expanded their efforts in protecting marine biodiversity. This has resulted in grants being awarded to new partners such as the Pew Charitable Trusts, The Nature Conservancy and Oceanmind Limited.

One of the key achievements in 2021 was supporting the implementation of the largest marine reserve in the Atlantic in the area surrounding Tristan da Cunha.

Another key achievement was the Blue Bonds deal in Belize, executed by The Nature Conservancy, which led Belize to substantially reduce its sovereign debt in exchange for protecting 30% of its EEZ, sustainably manage the rest and secure \$180M in financing to support the protections over a long period of time.

The share of charitable expenditure on Marine issues has increased to represent \$6m (68%) of grants awarded, up from \$3.3m (51%) in the previous period. Humanitarian issues have correspondingly decreased to \$2.8m (32%) from \$3m (49%).

Over the next three years the Trustees hope to scale up their work in fighting climate change together with support for the Marine sector with, subject to satisfactory outcomes, the intention that it accounts for 80% of all charitable expenditure.

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

\$50,993 was paid in respect of governance costs (2020: \$80,720) and \$209,093 in support costs (2020: \$321,502). The decrease in costs reflects more settled activity and the shorter period compared to the comparatives.

**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 \$72,597,736 (2020: \$102,476,799) was recognised during the year on the Trustees' investments. Additionally, through investment sales the Trustees realised a net gain of \$15,370,610 (2020: \$7,511,810) in the year. Currency revaluation gains of \$29,261 (2020: \$653,951) were recognised during the year.

Investment income for the year to 31 December 2021 totalled \$3,883,637 (2020: \$6,018,550); a 35% decrease (2020: 21% decrease) on the previous year. The year on year decreases reflect the Trustees restructuring of the investment holdings and total return view.



**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

## **5. FINANCIAL REVIEW**

### **Incoming Resources and Resources Expended**

Total incoming resources were \$3,891,945 (2020: \$6,018,550). \$1,668,052 (2020: \$1,607,497) was expended on investment management costs. Governance costs totalled \$50,993 (2020: \$80,720), whilst direct charitable activity totalled \$8,823,509 (2020: \$6,465,210). Net movement in funds over the period totalled \$81,137,905 (2020: \$108,265,791).

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 \$3,883,637 (2020: \$6,018,550) and capital appreciation of \$72,597,736 (2020: \$102,476,799). 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.

**BECHT FOUNDATION**  
**TRUSTEES' ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. FINANCIAL REVIEW (continued)**

**Reserves policy and going concern**

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 2021 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 2021 was \$536,282,364 (2020 - \$455,144,459).

The Covid-19 pandemic has created significant operational pressures on all charities. The Trustees also note that the conflict in Ukraine has impacted the financial markets and has resulted in a material depreciation in the valuation of the Charity's investments of \$96,987,049 (18.1%) as at 30 June 2022. The Trustees do not believe however this will have an impact on going concern. The Trustees consider that the adoption of the going concern basis in preparing these financial statements continues to be appropriate

**6. RELATED PARTY TRANSACTIONS**

Related party transactions during the year are disclosed in note 10 on page 23.

**7. PLANS FOR THE FUTURE**

The Trustees wish to continue to provide sustainable long term support to charitable purposes through grant making.

**8. AUDITOR**

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

Approved by the Trustees and signed on their behalf by:

Lambertus Becht  
 Lambertus Becht (Sep 21, 2022 12:15 EDT)  
 Trustee

21/09/22  
 Date

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE TRUSTEES OF  
BECHT FOUNDATION**

**Opinion**

We have audited the financial statements of the Becht Foundation (the 'charity') for the year to 31 December 2021 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 2021 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**  
**BECHT FOUNDATION (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**  
**BECHT FOUNDATION (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](http://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  
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.*

**BECHT FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR TO 31 DECEMBER 2021**

	Page	Unrestricted Funds 31 December 2021 \$	Unrestricted Funds 31 December 2020 \$
<b>Income from:</b>			
Investments (note 2)	17	3,883,637	6,018,550
Charitable activity (note 3)	17	8,308	-
<b>Total income</b>		<u>3,891,945</u>	<u>6,018,550</u>
<b>Expenditure on:</b>			
Charitable Activities (note 4)	19	9,083,595	6,867,432
Raising Funds (note 5)	19	1,668,052	1,527,867
<b>Total expenditure</b>		<u>10,751,647</u>	<u>8,395,299</u>
<b>Net expenditure before other recognised gains</b>		(6,859,702)	(2,376,749)
<b>Other recognised gains and (losses):</b>			
Net realised gain on investments (note 6)	20	15,370,610	7,511,810
Net unrealised gain on revaluation of Fixed Assets (note 6)	20	72,597,736	102,476,799
Other gains		29,261	653,951
<b>Total gains</b>		<u>87,997,607</u>	<u>110,642,540</u>
<b>Net movement in funds</b>		<u>81,137,905</u>	<u>108,265,791</u>
Total funds brought forward at 1 January 2021		455,144,459	346,878,668
<b>Resources carried forward at 31 December 2021</b>		<u><u>\$ 536,282,364</u></u>	<u><u>\$ 455,144,459</u></u>

There are no recognised gains or losses in the period to 31 December 2020 or year to 31 December 2021 other than those included in the statement of financial activities.

All incoming resources and resources expended derive from continuing activities.

The prior year comparatives run for the period 4 October 2019 to 31 December 2020.

**BECHT FOUNDATION**  
**BALANCE SHEET**  
**AT 31 DECEMBER 2021**

	Page	Unrestricted Funds 31 December 2021 \$	Unrestricted Funds 31 December 2020 \$
<b>Fixed assets:</b>			
Investments (note 6)	20	526,864,603	450,433,150
<b>Current assets:</b>			
Cash at bank (note 7)	22	9,633,460	2,008,297
Debtors – due within one year (note 8)	22	93,514	2,734,000
<b>Total current assets</b>		<u>9,726,794</u>	<u>4,742,297</u>
<b>Liabilities:</b>			
Creditors - amounts falling due within one year (note 9)	22	<u>309,213</u>	<u>30,988</u>
<b>Net current assets</b>		<u>9,417,763</u>	<u>4,711,309</u>
<b>Total net assets</b>		<u><u>\$ 536,282,364</u></u>	<u><u>\$ 455,144,459</u></u>
<b>The funds of the charity:</b>			
Unrestricted funds		<u><u>\$ 536,282,364</u></u>	<u><u>\$ 455,144,459</u></u>

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

*Lambertus Becht*

[Lambertus Becht \(Sep 21, 2022 12:15 EDT\)](#)

L J H Becht

*A M Becht*

[Ann Becht \(Oct 4, 2022 12:28 EDT\)](#)

A M Becht

*D W Poulter*

[D W Poulter \(Sep 22, 2022 09:08 GMT+1\)](#)

D W Poulter

*Christopher Hawley*

[Christopher Hawley \(Oct 4, 2022 17:32 GMT+1\)](#)

R&H Trust Co (UK) Ltd

**04/10/22**

Date

**BECHT FOUNDATION**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page	31 December 2021 \$	31 December 2020 \$
<b>Net cash flow from Operating Activities</b>			
Net movement on funds for the year	12	81,137,907	108,265,791
Less: Investment income and deposit interest		(3,883,637)	(6,018,492)
Net (gain) on investment assets		(87,968,346)	(109,988,589)
Decrease/(increase) in debtors		2,640,486	(331,281)
Increase/(decrease) in creditors		278,225	(54,393)
		<hr/>	<hr/>
Net cash used by Operating Activities		(7,795,365)	(8,126,964)
<b>Returns on investments</b>			
Investment income (note 2)	17	3,882,214	5,999,299
Deposit interest (note 2)	17	1,423	19,193
		<hr/>	<hr/>
		3,883,637	6,018,492
<b>Capital expenditure and financial investment</b>			
Purchase of investments (note 6)	20	(237,859,683)	(257,306,707)
Proceeds from sale of investments (note 6)	20	249,396,575	258,320,353
		<hr/>	<hr/>
		11,536,892	1,013,646
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash in the year</b>		<u><u>\$ 7,625,164</u></u>	<u><u>\$ (1,094,826)</u></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net cash resources at 1 January 2021		2,008,296	3,103,122
Net increase/(decrease) in cash		<hr/>	<hr/>
		7,625,164	(1,094,826)
		<hr/>	<hr/>
<b>Net cash resources at 31 December 2021</b>		<u><u>9,633,460</u></u>	<u><u>\$ 2,008,296</u></u>
<b>Analysis of net funds:</b>			
Cash at Bank (note 7)	22	9,633,460	2,008,296
		<hr/>	<hr/>
		<u><u>\$ 9,633,460</u></u>	<u><u>\$ 2,008,296</u></u>



**BECHT FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES**

The Becht Foundation (“the Foundation” 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 period from 4 October 2019 to 31 December 2020.

**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 Foundation 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 Foundation 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 Foundation 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.

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

**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.

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 Foundation in managing its investment portfolios.

Governance costs relating to the general running of the Foundation, 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.

**Taxation**

As a registered charity, the Foundation is entitled to certain exemptions from Income and Capital Gains Tax on profits from investments and any trading activities carried on in furtherance of the Charity's primary objectives.

Costs are recorded net of recoverable VAT as the Foundation is able to reclaim a portion of VAT paid, because of its trading activities, using the standard method.

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. ACCOUNTING POLICIES (continued)**

**Going Concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for twelve months from the date of signing of these financial statements. The forecast income and reserves are sufficient to cover all of the budgeted expenditure to be able to continue as a going concern.

The Covid-19 pandemic has created significant operational pressures on all charities. The Trustees also note that the conflict in Ukraine has impacted the financial markets and has resulted in a material depreciation in the valuation of the Charity's investments of \$96,987,049 (18.1%) as at 30 June 2022. The Trustees do not believe however this will have an impact on going concern. The Trustees consider that 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 2021 \$	31 December 2020 \$
<b>Net income from investments</b>			
UBS portfolio		3,189,090	3,546,817
Fidelity Investments portfolio		693,124	1,748,852
Deposit interest		1,423	19,251
Execution only portfolio		-	703,630
<b>Total investment income</b>	12	<u>\$ 3,883,637</u>	<u>\$ 6,018,550</u>

**3. CHARITABLE ACTIVITY**

ESG advisory services	8,308	-
	<u>\$ 8,308</u>	<u>\$ -</u>

On 1 November 2021 the Trustees entered into an agreement with Bansk Group LLP to review and analyse Environmental, Social and Governance matters as required.

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>4. CHARITABLE ACTIVITIES</b>	<b>Page</b>	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>Grants payable:</b>			
Save the Children – Emergency Health Unit		2,051,250	2,498,400
Blue Ventures Conservation		1,000,000	1,000,351
Oceana Inc		737,500	500,279
International Eco Fund		688,900	666,050
Client Earth		556,017	397,015
OceanMind		524,610	-
Greenpeace		435,453	119,149
Rare, Inc.		351,372	307,602
Elemental Water Foundation		314,464	-
The Pew Charitable Trusts		350,000	-
Greenwave		300,000	-
The Nature Conservancy		250,000	-
Oceans North Conservation		250,000	251,236
St Georges Hospital Charity		208,980	184,065
Only One		125,000	-
Irish Environmental Network		100,000	-
Conservation International Foundation		100,000	-
Mangrove Action Project		100,000	-
Fairchance Foundation		89,920	109,299
Chem Trust		75,000	50,442
Sightsavers		69,660	62,345
The University of Chicago – Booth School		50,000	50,864
High Seas Alliance		50,000	50,442
Lamoille Community Food Share		15,000	15,456
United Way of Lamoille County		15,000	15,305
Oxford Hospitals		7,000	12,483
Head for the Cure Foundation		5,000	5,000
Tiny Lives		3,383	-
Gravity Road (WWF project)		-	166,205
Impatience 25		-	3,222
<b>Total Grants payable:</b>		<b>\$ 8,823,509</b>	<b>\$ 6,465,210</b>
<b>Governance costs:</b>			
Accountancy fees		43,821	70,040
Audit fees		6,074	5,392
Bank charges		1,098	5,288
<b>Total Governance costs:</b>		<b>\$ 50,993</b>	<b>\$ 80,720</b>

Auditor remuneration for the year ended 31 December 2021 totalled \$5,075 excluding VAT (2020: \$4,494 excluding VAT)

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page	31 December 2021 \$	31 December 2020 \$
<b>4. CHARITABLE ACTIVITIES (continued)</b>			
<b>Support Costs:</b>			
Staff costs		204,226	120,508
IT costs		3,510	3,665
General expenses		1,357	3,629
Recruitment advisor		-	161,240
Strategic consultants		-	31,449
Trustee expenses		-	1,011
<b>Total Support costs:</b>		<u>\$ 209,093</u>	<u>\$ 321,502</u>
<b>Total Charitable activities:</b>	12	<u>\$9,083,595</u>	<u>\$6,867,432</u>

Included in Staff costs are gross salaries of \$182,517 (2020: \$108,625 ), Social Security costs of \$16,942 (2020: \$8,993) and employer pension contributions of \$4,727 (2020: \$2,890).

One employee earned between \$180,000 and \$190,000 during the year (2020: one earning between \$100,000 and \$110,000) and the average number of employees during the year was one (2020: one).

**5. COST OF RAISING FUNDS**

Investment management fees:			
UBS		1,158,728	887,442
Private equity		843,733	767,692
Fidelity		-	-
Goldman Sachs – rebate		(334,409)	(47,637)
Finance income arising on discounting debtors and creditors		-	(79,630)
	12	<u>\$ 1,668,052</u>	<u>\$ 1,527,867</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 and Fidelity which are deducted directly from the fund value.

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. FIXED ASSET INVESTMENTS (AT MARKET VALUE)**

	UBS Execution Only Portfolio \$	UBS Discretionary Portfolio \$	Fidelity Portfolio \$	Private Equity \$	Goldman Sachs \$	Private Investments \$	31 December 2021 Total \$
<b>Opening value as at 1 January 2021</b>	10,149,444	208,746,870	71,236,274	65,432,567	93,500,996	1,366,999	450,433,150
Additions	55,958,852	82,777,180	-	52,745,901	45,000,000	1,377,750	237,859,683
Disposals	(61,094,082)	(128,175,286)	(60,127,207)	-	-	-	(249,396,575)
Realised gains/(losses)	845,150	9,354,426	5,171,034	-	-	-	15,370,610
	<u>5,859,363</u>	<u>172,703,190</u>	<u>16,280,101</u>	<u>118,178,468</u>	<u>138,500,996</u>	<u>2,744,749</u>	<u>454,266,867</u>
Unrealised gains	(58,755)	31,099,812	3,066,396	31,529,698	8,352,134	(1,391,549)	72,597,736
<b>Closing value as at 31 December 2021</b>	<u>5,800,609</u>	<u>203,803,002</u>	<u>19,346,497</u>	<u>149,708,166</u>	<u>146,853,130</u>	<u>1,353,200</u>	<u>526,864,603</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 2021 BDT Capital had called \$63,500,000 (2020: \$28,000,000), The Craftory \$35,643,562 (2020: \$21,847,661) and AiiM Partners \$6,450,000 (2020: \$3,000,000).

The remaining capital commitment to BDT Capital is \$36,500,000 (2020: \$72,000,000), The Craftory \$24,356,438 (2020: \$18,152,339) and AiiM Partners \$8,550,000 (2020: \$12,000,000). During the year to 31 December 2021, the Trustees increased their capital commitment to The Craftory by \$20,000,000.

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

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. FIXED ASSET INVESTMENTS (AT MARKET VALUE) (continued)**

	<b>UBS Execution Only Portfolio \$</b>	<b>UBS Discretionary Portfolio \$</b>	<b>Fidelity Portfolio \$</b>	<b>Private Equity \$</b>	<b>Goldman Sachs \$</b>	<b>Private Investments \$</b>	<b>31 December 2020 Total \$</b>
<b>Opening value as at 4 October 2019</b>	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
<b>Closing value as at 31 December 2020</b>	<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>

**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page	31 December 2021 \$	31 December 2020 \$
<b>7. CASH AT BANK</b>			
UBS Bank London		3,240,306	945,424
Coutts & Co Bank		5,931,714	539,285
Fidelity Investments Chicago		146,062	465,373
Goldman Sachs		315,378	58,215
	13	<u>\$ 9,633,460</u>	<u>\$2,008,297</u>
<b>8. DEBTORS - DUE WITHIN ONE YEAR</b>			
Investment management fee rebate		78,258	-
Trade receivables		9,969	-
VAT recoverable		4,590	-
Other debtors		697	-
Loan to Save the Children		-	2,734,000
	13	<u>\$ 93,514</u>	<u>\$ 2,734,000</u>
<p>During the year ended 31 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 was free of interest and was repaid in April 2021.</p>			
<b>9. CREDITORS - Amounts falling due within one year</b>			
Investment management fees		238,395	-
Staff costs		23,835	13,378
Accountancy and administration fees		37,511	12,286
Audit fees		6,089	5,324
Donations commitment		3,383	-
	13	<u>\$ 309,213</u>	<u>\$ 30,988</u>



**BECHT FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. RELATED PARTY TRANSACTIONS**

Rawlinson & Hunter received \$43,821 during the year (period to 31 December 2020: \$70,040) 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.

On 1 November 2021 the Trustees entered into an agreement with Bansk Group LLP to review and analyse Environmental, Social and Governance matters as required. Certain Trustees of the Foundation are also members of Bansk Group LLP. As at year end, Bansk Group LLP had incurred costs of \$9,969 inclusive of VAT which remained owing to the Foundation.

No Trustee received reimbursement of expense or payment for services (period to 31 December 2020: one was reimbursed \$1,011 in travel expenses).

**11. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party are the Trustees.

**12. FINANCIAL INSTRUMENTS**

Page	31 December 2021 \$	31 December 2020 \$
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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	526,864,603	450,433,150
-Cash at bank and in hand	22	9,633,460	2,008,297

*Financial liabilities*

Measured at amortised cost

-Creditors	22	309,213	30,988
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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	87,997,609	110,642,540
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