

THE BEIT TRUST

England & Wales · Charity number 232478

Details

Status Registered

Legal form Other

Registered 1964-07-06

Register [View on the Charity Commission register](#)

Contact

Address The Beit Trust
Beit House
Grove Road
Woking
GU21 5JB

Phone 01483772575

Email enquiries@beittrust.org.uk

Website www.beittrust.org.uk

Activities

Objects: CHARITABLE PURPOSES OF AN EDUCATIONAL OR PUBLIC NATURE AS THE BEIT TRUST SHALL FROM TIME TO TIME CONSIDER WILL BEST PROMOTE THE WELFARE OF THE INHABITANTS OF THE AREA AS AT 30 JULY 1954 COMPRISED WITHIN THE BOUNDARIES OF NORTHERN RHODESIA, SOUTHERN RHODESIA AND NYASALAND.

Activities: The Trustees' objectives are to provide assistance in the fields of education, health, welfare and the environment strictly within the beneficial area. Individual grants do not normally exceed GBP50,000 and assistance in the field of education is normally restricted to secondary and tertiary education.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing, Arts/culture/heritage/science, Animals, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

Geography

- **Area of benefit:** SEE OBJECTS
- Malawi
- Zambia
- Zimbabwe

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£2,794,328	£3,667,344	£130,732,149	6
2023-12-31	£3,018,821	£3,932,692	£117,241,694	6
2022-12-31	£2,596,926	£3,042,148	£112,655,028	6
2021-12-31	£2,447,806	£3,061,983	£121,493,694	6
2020-12-31	£2,321,162	£2,923,788	£108,972,760	7

Trustees

Name	Role	Appointed
ALEX DUNCAN	Chair	2012-06-14
Alison Tweed		2022-11-24
Andrew Richard Whittall		2024-07-19
James Munro		2019-11-19
Ms Liseli Bull		2016-11-30
PROFESSOR CHRIS LAVY		

THE BEIT TRUST

England & Wales - Charity number 232478

Accounts

ANNUAL REPORT AND ACCOUNTS

2024



THE BEIT TRUST

THE BEIT TRUST

Charity Registration Number: 232478

Trustees, Committees and Office Holders

Chairman	Mr Alex Duncan MA MSc, Trustee June 2011, Chairman November 2023
Trustees	Professor CBD Lavy OBE MD MCh FRCS, November 2007 Ms. LLM Bull MA, November 2016 Mr. James Munro, July 2020 Mrs. Alison Tweed, November 2022 Mr Andrew Whittall, July 2024
Secretary	Sir Andrew Pocock KCMG, November 2016
Representative in Africa	Mr. DEB Long, January 2018
Finance Committee Members	Mr. James Munro, 28 October 2020, Chairman November 2023 Professor CBD Lavy OBE MD MCh FRCS, March 2024 Ms. LLM Bull MA, May 2018 Sir Andrew Pocock KCMG, November 2016 Mrs. FM Irwin BSc FCA, May 2018 Mr Thomas Seaman MA, MBA, October 2022

Addresses of The Beit Trust

In the UK	Beit House Grove Road Woking Surrey GU21 5JB	
In Africa	5 Ludlow Road Newlands Harare Zimbabwe	
Auditors & Actuaries	Azets Audit Services Limited Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ	Cartwright Pension Trusts 250 Fowler Avenue Farnborough Business Park Farnborough Hampshire GU14 7JP
Investment Managers	Schroders Ltd 1 London Wall Place London EC2Y 5AU	JP Morgan (from September 2024) 60 Victoria Embankment London EC4Y 0JP

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

THE 118th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 - FOUNDATION, GOVERNANCE & MANAGEMENT

FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will created the Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to "education, public or other charitable purposes." This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of the Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust's "Specified Area," joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees, but is quorate with three. Vacancies are filled as they arise. The Board ended 2023 with five Trustees, following the retirement of Sir Alan Munro. Mr Andrew Whittall joined the Board in November 2024, restoring Trustee numbers to six. Trustees must have a broad knowledge of Southern Africa. The Board (and Finance Committee) also has expertise in the fields of international relations, commerce, medicine, education and investment.

Trustees' Responsibilities Statement

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 & 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, of its incoming resources and the application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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;
- prepare the financial statements on a 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 Acts 2011 and 2022 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.

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

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi.

It does not fundraise. The 1906 Beit bequest, and its prudential management for 118 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons and in-country secondments for junior doctors); **welfare** (including care homes for the elderly); and **culture and conservation** (notably the conservation of endangered species and climate action). The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors. An internal Strategic Review in September 2023 confirmed that the Trust is effectively fulfilling its mandate.

Individual project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for crisis relief.

Public Benefit

The Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined under **The Trust's Objectives** above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. The Representative in Africa works with his staff from an office in Harare. There are four salaried staff in the UK and three (two part time) in Zimbabwe.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a committee of regional Correspondents, three per beneficial country (four in Zambia). These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert regional advice on each grant application.

£1.6 million was made available in 2024 for new projects recommended in-country by the Correspondents. In addition, Trustees allocate c£1 million a year to long-term recurrent grants for academic and medical scholarships and bursaries, library books, school computers, contingency support and, for the final time in 2024, student hardship relief at South African universities.

The Trust's Finance Committee meets four weeks prior to the Trustee Boards. The portfolio fund managers (Cazenove Capital until September 2024, JP Morgan since), attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital in real terms, using dividend earnings and capital growth to continue beneficial operations in perpetuity. Performance of the Trust's portfolio is monitored by the Finance Committee. In 2024, Beit dividend income was £2.63m (£2.87m in 2023).

The Trust's investment objective, set in 2011, had been an annual return of UK RPI+4% over a business cycle. This had not been achieved since at least the Covid period. With the advent of JP Morgan as fund manager in September 2024, Trustees have agreed with them a revised benchmark of CPI+4% as a realistic target for an annual return on investment.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2024 calendar year at a valuation of £133.5m (£120.6m in 2023). Total Trust expenditure in 2024 was £3.67m (£3.93m in 2023). The investment portfolio is diversified, to minimize risk and mitigate exposure to market volatility.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

The Trust does not run a specific Reserves Policy as, effectively, the whole investment portfolio would be available to act as a reserve for Trust activities.

The level of total reserves on 31 December 2024 was £130.7m, consisting of unrestricted general reserves of £133.6m, less the pension reserve of £2.8m.

The Pension Fund represents the unfunded defined benefit pension scheme liability.

At the year end, the unrestricted reserves consisted solely of the Capital Fund.

In previous years, the Reserve Fund consisted of unspent income which could be used in future years, to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure was historically transferred into this fund. Trustees, having taken guidance from the Charity Commission, have stated that Beit Trust policy is to commit investments accumulated on a total return basis to benevolent and associated administrative expenditure. Since the Trust now takes a total return approach to the portfolio, with unspent income no longer being generated, the Reserve Fund is no longer considered necessary.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers the responsibility for taking environmental, social and governance (ESG) considerations into account when assessing the selection, retention and realisation of investments. The investment managers are expected to keep Trustees updated on the sustainable characteristics of the portfolio on a timely basis; observe best practice; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2024

Beit Trust Postgraduate Scholarships

During 2024, the Trust provided 21 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Stellenbosch, Rhodes and UCT in South Africa, and are beginning with Pretoria; and with the Universities of Cambridge, Edinburgh, Glasgow, Leeds, Oxford, St Andrews and Strathclyde in the UK.

For the final time in 2024, the Trust provided £40,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 54 emergency Beit Bursaries were awarded by hardship committees at four South African universities.

COSECSA

Since 2009, the Trust has supported the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five-year training. In 2024, 11 Beit-COSECSA bursaries were held by four surgeons each from Zimbabwe and Malawi and three from Zambia.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains at risk from poaching and encroachment on reserves. In 2024, Trustees allocated a further £10,000 to the Lowveld Rhino Trust, and £30,000 a year for five years for a community outreach and education initiative connected with black rhino conservation.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £85,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblionef (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided up to £30,000 of support.

PERFORMANCE

Expenditure in 2024

The Trustees approved grants totaling £2,643,263 (£2,792,835 in 2023). The table below is a summary of grants paid. Further details are in Part 3 (Note 6).

PAID	Scholarships & bursaries	Education	Health	Welfare	Conservation & culture	Total
	£	£	£	£	£	£
General grants	87,341	174,347	27,199	4,800	42,143	335,830
Zimbabwe	209,713	231,283	103,120	153,913	27,923	725,952
Malawi	255,172	246,500	118,015	-	3,000	622,687
Zambia	141,875	564,375	133,000	-	78,800	918,050
Total	694,101	1,216,505	381,334	158,713	151,866	2,602,519

Support and Governance costs in 2024

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners increased by 4.9% to £616,243 (£587,387 in 2023). Harare office expenses increased to £97,269 (£83,059 in 2023). Correspondents' expenses increased to £63,073 (£55,133 in 2023). Working office costs decreased to £57,002 (£57,018 in 2023). This included the Auditor's fee of £15,000, including VAT (£13,680 in 2023). Exchange gains were £26,490 (£27,012 loss in 2023).

The Financial Statement

	2024	2023
	£	£
Income & expenditure for the year		
Income	<u>2,794,328</u>	<u>3,018,821</u>
Expenditure		
Grants approved	2,643,263	2,792,835
Less grants written back	<u>(163,145)</u>	<u>68,287</u>
	2,480,118	2,861,122
Working & Harare office costs, including exchange rate differences	744,058	754,476
Investment Manager's fees	393,979	282,281
Tours	<u>49,189</u>	<u>34,813</u>
Total expenditure	<u>3,667,344</u>	<u>3,932,692</u>
Total (deficit)	<u>(873,016)</u>	<u>(913,871)</u>

Expenditure is budgeted on a value-based formula which is intended, by maximizing total return, to preserve the real value of the endowment.

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £134,386,601 (£121,248,985 in 2023), showing a net increase of 11 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small

number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £2,835,652 at 31 December 2024.

The Trustees' policy on accounting for this liability is set out in detail at Note 19 (Part 3, page 3.14).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other losses.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year, by the Trust's Finance Committee and then the Board.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional Correspondents, and twice-annual tours by Trustees and Trust officials to monitor both, while contingency plans to respond to the latter are routinely reviewed.

Tours in 2024

The Chairman, Mr Alex Duncan, toured the beneficial countries in May 2024. Alison Tweed then made her first tour as a Trustee in September - October. Tours will continue in 2025.

CONCLUSION

In 2024 the Beit Trust continued to deliver on its mandate and objectives by providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-help and self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of "substantial and permanent importance."

Approved by Trustees on 9 July 2025 and signed on their
behalf by:

Mr Alex Duncan MA MSc, Chairman of Trustees



Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust (the 'charity') for the year ended 31 December 2024 which comprise Statement of Financial Activities, the Balance Sheet, the 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" ("FRS 102") (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 2024, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 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.

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

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date:

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2024

		Total funds 2024	Total funds 2023
	Notes	£	£
Income and expenditure - Unrestricted funds			
Income			
Investments	3	2,780,578	3,018,821
Other	4	13,750	-
Total income		2,794,328	3,018,821
Expenditure			
Raising funds	5	393,979	282,281
Charitable activities			
Grants and donations	6	2,480,118	2,861,122
Support costs	7	547,728	554,793
		3,027,846	3,415,915
Other			
Governance costs	8	245,520	234,496
Total expenditure		3,667,344	3,932,692
Net (expenditure) before investment gains		(873,016)	(913,871)
Net gains on investments		14,126,294	5,531,942
Net income		13,253,278	4,618,071
Other recognised gains / (losses)			
Actuarial gains / (losses) on defined benefit pension scheme	19	237,177	(31,405)
Net movement in funds		13,490,455	4,586,666
Reconciliation of funds			
Total funds brought forward		117,241,694	112,655,028
Total funds carried forward		130,732,149	117,241,694

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2024**

		2024	2023
	Notes	£	£
Fixed assets			
Tangible assets	14	169,844	173,240
Investments	15	133,530,548	120,564,216
		<hr/>	<hr/>
		133,700,392	120,737,456
		<hr/>	<hr/>
Current assets			
Debtors	16	310,125	512,501
Cash at bank and in hand	17	767,704	433,458
		<hr/>	<hr/>
		1,077,829	945,959
		<hr/>	<hr/>
Liabilities			
Creditors falling due within one year	18	1,210,420	1,368,892
		<hr/>	<hr/>
Net current (liabilities)		(132,591)	(422,933)
		<hr/>	<hr/>
Total assets less current liabilities		133,567,801	120,314,523
Unfunded defined benefit pension scheme liability	19	2,835,652	3,072,829
		<hr/>	<hr/>
Net assets		130,732,149	117,241,694
		<hr/>	<hr/>
Funds			
Unrestricted funds	20	133,567,801	120,314,523
Pension reserve	20	(2,835,652)	(3,072,829)
		<hr/>	<hr/>
		130,732,149	117,241,694
		<hr/>	<hr/>

Approved by the Board of Trustees on 9 July 2025 and signed on its behalf by:

Mr James Munro
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2024**

	Notes	2024 £	2023 £
Operating activities			
Net (expenditure) before investment gains		(873,016)	(913,871)
Depreciation charge		7,973	8,631
Loss on sale of fixed assets		571	-
Decrease / (increase) in debtors		202,376	(195,187)
(Decrease) / Increase in creditors		(158,472)	380,444
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(820,568)	(719,983)
Capital expenditure and financial investment			
Proceeds from sale of investments		147,284,049	39,355,926
Payments to acquire tangible fixed assets		(5,148)	(25,671)
Purchase of investments		(149,254,035)	(38,570,067)
		<hr/>	<hr/>
Net cash flow movement from investing activities		(1,975,134)	760,188
Management of liquid resources			
Net movement in funds on short term deposit	21	3,129,948	(426,586)
		<hr/>	<hr/>
Increase / (decrease) in cash	21	334,246	(386,381)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2023		433,458	819,839
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2024		767,704	433,458
		<hr/>	<hr/>

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2024

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK.

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and 2022 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following the relevant version of the 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust’s ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expenditure is incurred, as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprises costs of managing the investment portfolio.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(c) Expenditure (cont'd)**

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

Overheads are allocated between support costs within charitable activities and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

The financial statements are presented in Pounds Sterling, which is the functional currency. Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold buildings	2%
Motor vehicles	25%
Computer equipment	33 $\frac{1}{3}$ %
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 13 May 2022 at £470,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2025.

(f) Debtors and creditors receivable / payable within one year

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 in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

The Reserve Fund consisted of unspent income from previous years which could be used in future years, to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure was historically transferred into this fund.

Since the Trust now takes a total return approach to the portfolio, with unspent income no longer being generated, this reserve is no longer considered necessary.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 18).

(3) Income from investments	2024	2023
	£	£
Dividends and bond interest	2,631,755	2,872,655
Cash deposits	110,041	107,314
Other bank current and deposit accounts	38,782	38,852
	<hr/>	<hr/>
	2,780,578	3,018,821
	<hr/>	<hr/>
(4) Other	2024	2023
	£	£
Rent for flat	13,750	-
	<hr/>	<hr/>
(5) Raising funds	2024	2023
	£	£
Investment Managers' fees	393,979	282,281
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(6) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2024.

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2024 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	10,954	942,590	67,063	1,014,199	15,500
Zimbabwe	465,614	516,239	31,097	487,364	405,642
Malawi	268,000	367,515	4,985	271,000	166,500
Zambia	452,100	776,175	60,000	870,700	486,625
	<hr/>				
	1,196,668	2,602,519	163,145	2,643,263	1,074,267
	<hr/>				

£2,480,118 charged in the statement of financial activities is derived from new grants voted in 2024 less unspent grants written back.

(7) Support costs

	Notes	2024 £	2023 £
Harare office	11	334,726	307,806
Woking office	13	190,268	185,162
Overseas tours	12	49,189	34,813
Difference on exchange		(26,455)	27,012
		<hr/>	
		547,728	554,793
		<hr/>	

(8) Governance costs

		2024 £	2023 £
Woking office	13	245,520	234,496
		<hr/>	

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(9) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2024 £	Total 2023 £
Support costs	389,695	152,117	5,916	547,728	554,793
Governance costs	226,548	16,915	2,057	245,520	234,496
	616,243	169,032	7,973	793,248	789,289

(10) Employee costs

	2024 £	2023 £
Wages and salaries	317,736	306,551
National Insurance	19,782	18,636
Zimbabwe National Insurance	1,515	1,423
Zimbabwe Medical Aid Society costs	37,786	32,405
Pensions	169,104	160,764
Ex gratia payments in lieu of pensions	70,320	67,608
	616,243	587,387

Ex gratia payments made to certain retired employees are reviewed annually.

There was 1 employee who earned between £100k - £110k and 1 employee who earned between £60k - £70k (2023: 1 employee who earned between £90k- £100k and 1 employee who earned between £60k - £70k). Both are a members of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £163,817 (2023, £158,373.)

The six Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 12 and 13.

The total number of employees in 2024, by location, was: Harare - 3 (2 part time); Woking - 4 (2023, Harare - 3 (2 part time); Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024**

(11) Harare office expenses	2024	2023
	£	£
Salaries	101,772	98,891
Zimbabwe National Insurance	1,515	1,423
Zimbabwe Medical Aid Society costs	37,786	32,405
Pensions	59,244	56,316
Ex gratia payments in lieu of pensions	37,140	35,712
Property (rent, light, heat and maintenance)	13,428	11,930
Office administration	4,164	3,615
Representative's local travel and motor expenses	6,996	6,470
Correspondents' and Scholarship Board expenses	63,073	55,133
Legal & professional	3,898	143
Audit and accountancy	1,113	1,177
Bank charges	2,431	2,311
Depreciation	2,166	2,280
	<hr/>	<hr/>
	334,726	307,806
	<hr/>	<hr/>
(12) Overseas tours	2024	2023
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	31,743	22,767
Representative's visits	17,446	12,046
	<hr/>	<hr/>
	49,189	34,813
	<hr/>	<hr/>

Two Trustees made separate visits to the beneficial countries in 2024. The Representative made a number of visits within the Trust's countries to ensure that the Trust's funds were being expended for the purpose originally requested, as well as accompanying the Trustees on tour.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024**

(13) Working office expenses	2024	2023
	£	£
Salaries	215,964	207,660
National Insurance	19,782	18,636
Pensions	109,860	104,448
Ex gratia payments in lieu of pensions	33,180	31,896
Property (rent, rates, light, heat and maintenance)	9,556	8,389
Office administration	10,128	13,736
Secretary and Scholarship support expenses	4,535	6,647
Secretary's travel and motor expenses	379	388
Trustees' travel and meeting expenses	2,909	4,398
Audit fees	15,000	13,680
Legal and professional	7,897	3,336
Bank charges	220	93
Depreciation	5,807	6,351
Loss on sale of fixed assets	571	-
	<hr/>	<hr/>
	435,788	419,658
	<hr/>	<hr/>
Allocated as:		
Support costs	190,268	185,162
Governance costs	245,520	234,496
	<hr/>	<hr/>
	435,788	419,658
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(14) Tangible assets**

	Freehold land & buildings £	Motor vehicles £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
At 01 January 2024	254,743	54,725	11,732	37,508	358,708
Additions	3,358	-	1,790	-	5,148
Disposals	-	-	(2,442)	-	(2,442)
	<hr/>				
At 31 December 2024	258,101	54,725	11,080	37,508	361,414
	<hr/>				
Accumulated depreciation					
At 01 January 2024	96,111	54,725	10,312	24,320	185,468
Charge for year	4,122	-	2,016	1,835	7,973
Disposals	-	-	(2,442)	571	(1,871)
	<hr/>				
At 31 December 2024	100,233	54,725	9,886	26,726	191,570
	<hr/>				
Net book values					
At 31 December 2024	157,868	-	1,194	10,782	169,844
	<hr/>				
At 31 December 2023	158,632	-	1,420	13,188	173,240
	<hr/>				

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024**

(15) Investments	2024	2023
	£	£
Listed investments		
Market value at 1 January 2024	120,564,216	115,391,547
Additions	149,254,035	38,570,067
Disposals	(139,201,733)	(38,963,103)
(Decrease) / increase in uninvested cash	(3,129,948)	426,586
Net Unrealised investment gains	6,043,978	5,139,119
	<hr/>	<hr/>
Market value at 31 December 2024	133,530,548	120,564,216
	<hr/>	<hr/>
Cost at 31 December 2024	126,000,102	104,199,806
	<hr/>	<hr/>

No single investment comprises more than 5% of the Trust's investments apart from the following funds:

- iShares Core S&P 500 USD Acc ETF (43.6%)
- Blackstone REIT iCapital Off Access Fund (5.9%)

The investments as at 31 December were divided as follows:

	2024	2023
	£	£
UK equities and unit trusts	-	4,738,942
Overseas equities and unit trusts	83,863,840	80,876,454
UK bonds and fixed interest	949,561	5,588,840
Overseas bonds and fixed interest	25,485,126	-
Alternative investments	12,981,324	15,881,118
Property unit trusts	10,097,489	10,195,708
Cash on deposit	153,208	3,283,154
	<hr/>	<hr/>
	133,530,548	120,564,216
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024**

(16) Debtors	2024	2023
	£	£
Prepayments and accrued income	310,125	512,501
	<hr/>	<hr/>
	310,125	512,501
	<hr/>	<hr/>
(17) Cash at bank and in hand	2024	2023
	£	£
United Kingdom:		
Current accounts	84,633	103,370
Deposit accounts	676,740	326,868
In hand	114	174
Zimbabwe, Malawi and Zambia:		
Current accounts *	873	321
In hand *	5,344	2,725
	<hr/>	<hr/>
	767,704	433,458
	<hr/>	<hr/>
* Including £6,127 (2023 - £3,046) in foreign currencies.		
(18) Liabilities: creditors falling due within one year	2024	2023
	£	£
Schroder Investment Management Limited	51,540	70,842
Accruals	74,579	91,729
Unspent grants carried forward	1,074,267	1,196,668
Other creditors	10,034	9,653
	<hr/>	<hr/>
	1,210,420	1,368,892
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024**

(19) Unfunded defined benefit pension scheme liability	2024	2023
	£	£
Unfunded defined benefit pension scheme liability	2,835,652	3,072,829

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31 December 2024 establishing a liability of £2,835,652.

Other key assumptions that have been used in the calculations are:

	2024	2023
Rate of increase in salaries - current trustee directives	2.85%	3.15%
Rate of increase in deferred pensions - current trustee directives	3.25%	3.15%
Rate of increase in ex gratia payments - current trustee directives	2.85%	2.65%
Discount rate - current AA-rated UK Government Bond yield	5.50%	4.50%
Inflation assumption - current published information	3.25%	3.15%

Changes in the present value of the plan liabilities are as follows:

	2024		2023	
	£	£	£	£
Present value of plan liabilities at 1 January 2024		3,072,829		3,041,424
Current service cost		54,752		52,265
Benefits paid		(239,424)		(228,372)
Interest on plan liabilities		134,122		140,285
Actuarial (gains) / losses		(186,627)		67,227
Net actuarial (gains) / losses on defined benefit pension scheme		(237,177)		31,405
Present value of plan liabilities at 31 December 2024		2,835,652		3,072,829

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2024****(20) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2024 £	Total funds 2023 £
Total funds brought forward	118,511,612	1,802,911	(3,072,829)	117,241,694	112,655,028
Net (expenditure) before investment gains	(873,016)	-	-	(873,016)	(913,871)
Actuarial gains / (losses) on defined benefit pension scheme	-	-	237,177	237,177	(31,405)
Transfer from reserve fund to capital fund	1,802,911	(1,802,911)	-	-	-
Net gains on investments	14,126,294	-	-	14,126,294	5,531,942
Total funds carried forward	133,567,801	-	(2,835,652)	130,732,149	117,241,694

The Reserve Fund consisted of unspent income from previous years which could be used in future years, to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure was historically transferred into this fund.

Since the Trust now takes a total return approach to the portfolio, with unspent income no longer being generated, this reserve is no longer considered necessary.

(21) Analysis of changes in net funds

	Net funds at 1.1.24 £	Cash flows £	Net funds at 31.12.24 £
Cash at bank and in hand	433,458	334,246	767,704
Cash on deposit awaiting investment	3,283,156	(3,129,948)	153,208
	3,716,614	(2,795,702)	920,912

(22) Related party transactions

The trustees consider that there are no related party transactions which require disclosure in the year (2023: none).

THE BEIT TRUST

England & Wales - Charity number 232478

Accounts

ANNUAL REPORT AND ACCOUNTS

2023



THE BEIT TRUST

THE BEIT TRUST

Charity Registration number: 232478

Trustees, Committees and Office Holders

Chairman Mr Alex Duncan MA MSc, Trustee June 2011, Chairman November 2023
Sir Alan Munro KCMG, Chairman 1994, retired November 2023

Trustees Professor CBD Lavy OBE MD MCh FRCS, November 2007
Ms. LLM Bull MA, November 2016
Mr. James Munro, July 2020
Mrs. Alison Tweed, November 2022

Secretary Sir Andrew Pocock KCMG, November 2016

Representative in Africa

Mr. DEB Long, January 2018

Finance Committee Members

Mr. James Munro, 28 October 2020, Chairman November 2023
Mr. Alex Duncan MA MSc, October 2011, Chairman June 2021
Vacated FC Chair November 2023
Ms. LLM Bull MA, May 2018
Professor CBD Lavy OBE MD MCh FRCS, March 2024
Sir Andrew Pocock KCMG, November 2016
Mrs. FM Irwin BSc FCA, May 2018
Mr Thomas Seaman MA, MBA, October 2022

Addresses of The Beit Trust

In the UK Beit House
Grove Road
Woking
Surrey
GU21 5JB

In Africa 5 Ludlow Road
Newlands
Harare
Zimbabwe

Statutory Auditors Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Investment Managers Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

THE 117th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 - FOUNDATION, GOVERNANCE & MANAGEMENT

FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will specifically established the Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to "education, public or other charitable purposes". This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of the Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust's "Specified Area," joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees but is quorate with three. Vacancies are filled as they arise. Sir Alan Munro retired as Trustee and Chairman in November 2023, and was succeeded by Mr Alex Duncan (who relinquished his Chairmanship of the Finance Committee, to be succeeded there by Mr James Munro). The Board ended 2023 with five Trustees, therefore, pending the appointment of a sixth. Trustees must have a broad knowledge of Southern Africa, and the Board has expertise in the fields of international relations, commerce, medicine and education. Mr Seaman's membership of the Finance Committee has added specialist investment expertise.

Trustees' Responsibilities Statement

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 & 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, of its incoming resources and the application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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;
- prepare the financial statements on a 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 Acts 2011 and 2022 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.

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

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi.

It does not fundraise. The 1906 Beit bequest, and its prudential management for 117 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons and in-country secondments for junior doctors); **welfare** (including care homes for the elderly); and **culture and conservation** (notably the conservation of endangered species and climate action). The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors. An internal Strategic Review in September 2023 has helped confirm that the Trust is effectively fulfilling its mandate.

Individual project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for crisis relief.

Public Benefit

The Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined under **The Trust's Objectives** above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. The Representative in Africa works with his staff from an office in Harare. There are four salaried staff in the UK and three (two part time) in Zimbabwe. They receive a salary uplift of RPI (from 2024 CPI) per annum, plus a performance review every three years.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a committee of regional Correspondents, three per beneficial country (four in Zambia). These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert regional advice on each grant application.

£1.6 million was made available in 2023 for new projects recommended in-country by the Correspondents. In addition, Trustees customarily allocate £1 million every year to long-term recurrent grants for academic and medical scholarships and bursaries, student hardship relief, library books, school computers and contingency support.

The Trust's Finance Committee meets four weeks prior to the Trustee Boards. Cazenove Capital, the portfolio investment managers, attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital base in real terms, while using dividend earnings and capital growth to continue beneficial operations in perpetuity. The Trust's diversified investments are managed by Cazenove Capital, monitored by the Trust's Finance Committee. In 2023, Beit dividend income was £2.87m (£2.57m in 2022).

The Trust's investment objective, set in 2011, has been dividend returns of RPI+4%. Performance has varied. Dividend returns in 2023 have been below this benchmark.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2023 calendar year at £120.6m (£115.4m in 2022). Total Trust expenditure in 2023 was £3.93m (£3.04m in 2022). The investment portfolio is diversified, to mitigate exposure to market volatility.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

The Trust does not run a specific Reserves Policy as, effectively, the whole investment portfolio would be available to act as a reserve for Trust activities.

The level of total reserves on 31 December 2023 was **£117.2m**, consisting of unrestricted general reserves of **£120.3m**, less the pension reserve of **£3.1m**. The Pension Fund represents the unfunded defined benefit pension scheme liability. The unrestricted reserves consist of a Capital Fund of **£118.5m**, which can be used in accordance with the Trust's charitable objectives at the discretion of Trustees; and a Reserve Fund (consisting of unspent income from previous years) of **£1.8m**.

Trustees, having taken guidance from the Charity Commission, have stated that Beit Trust policy is to commit investments accumulated on a total return basis to benevolent and associated administrative expenditure. Since commitments take time to fulfil, at the end of any one year there is likely to be a carry-forward, which is included in the Reserve Fund. Trustees may decide to draw on this in future years, to smooth and manage benevolent cash-flows. In addition, Trustees from time to time make donations for specific large projects or needs, which form a direct charge to the Reserve Fund.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers, Cazenove Capital, the

responsibility for taking environmental, social and governance (ESG) issues into account when assessing the selection, retention and realisation of investments. They expect the fund manager to engage with companies on ESG issues; observe best practice; exercise voting rights accordingly; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2023

Beit Trust Postgraduate Scholarships

During 2023, the Trust provided 21 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Stellenbosch, Rhodes and UCT in South Africa; and with Cambridge, Edinburgh, Glasgow, Leeds, Oxford, St Andrews and Strathclyde Universities in the UK.

The Trust provided £80,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 63 emergency Beit Bursaries were awarded by hardship committees at four South African universities.

COSECSA

Since 2009, the Trust has helped the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five- year training. In 2023, 11 Beit-COSECSA scholarships were held by four surgeons each from Zimbabwe and Malawi and three from Zambia.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains endangered by continued poaching and encroachment on reserves. In 2023, Trustees allocated a further £10,000 to the Lowveld Rhino Trust, and £30,000 a year for five years for a community outreach and education project connected with black rhino conservation.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £75,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblioref (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided support of up to £30,000.

PERFORMANCE

Expenditure in 2023

The Trustees approved grants totaling £2,792,835 (£2,219,184 in 2022). The table below is a summary of grants paid. Further details are in Part 3 (Note 5).

PAID	Scholarships & bursaries	Education	Health	Welfare	Conservation & culture	Total
	£	£	£	£	£	£
General grants	126,217	134,050	57,575	1,600	46,000	365,442
One Off projects	-	-	285,000	-	-	285,000
Zimbabwe	242,573	231,905	116,729	82,121	24,799	698,127
Malawi	218,890	125,500	126,000	-	39,500	509,890
Zambia	221,984	315,800	20,900	-	87,600	646,284
Total	809,664	807,255	606,204	83,721	197,899	2,504,743

Support and Governance costs in 2023

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners increased by 14.4% to £587,387 (£513,638 in 2022). Harare office expenses increased to £83,059 (£80,207 in 2022). Correspondents' expenses increased to £55,133 (£49,554 in 2022). Working office costs increased to £57,018 (£43,234 in 2022). This included the Auditor's fee of £13,680, including VAT (£10,080 in 2022). Exchange losses incurred were £27,012 (£29,372 gain in 2022).

The Financial Statement

	2023	2022
	£	£
Income & expenditure for the year		
Income	<u>3,018,821</u>	<u>2,596,926</u>
Expenditure		
Grants approved	2,792,835	2,219,184
Less grants written back	<u>68,287</u>	<u>(109,601)</u>
	2,861,122	2,109,583
Working & Harare office costs, including exchange rate differences	754,476	607,707
Investment Manager's fees	282,281	286,909
Tours	<u>34,813</u>	<u>37,949</u>
Total expenditure	<u>3,932,692</u>	<u>3,042,148</u>
Total (deficit)	<u>(913,871)</u>	<u>(445,222)</u>

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £121,248,985 (£116,263,977 in 2022), showing a net increase of 4 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £3,072,829 at 31 December 2023.

The Trustees' policy on accounting for this liability is set out in detail at Note 18 (Part 3, page 3.14).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other losses.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year by the Trust's Finance Committee.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional CotTeespondents, and twice-annual tours by Trustees and Trust officials to monitor both; while contingency plans to respond to the latter are routinely reviewed.

Tours in 2023

The retiring Chairman, Sir Alan Munro, made his final Trustee tour of the beneficial countries in March/ April 2023. Liseli Bull then toured in the autumn. Tours will continue in 2024.

CONCLUSION

In 2023 the Beit Trust continued to deliver on its mandate and objectives: providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-help and self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of "substantial and permanent importance."

Approved by Trustees on 27 June 2024 and signed on their
behalf by:

Mr Alex Duncan MA MSc, Chairman of Trustees



Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust (the 'charity') for the year ended 31 December 2023 which comprise Statement of Financial Activities, the Balance Sheet, the 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" ("FRS 102") (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 2023, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 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.

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

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date: 27 June 2024

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2023

	Notes	Total funds 2023 £	Total funds 2022 £
Income and expenditure - Unrestricted funds			
Income			
Investments	3	3,018,821	2,596,926
Total income		3,018,821	2,596,926
Expenditure			
Raising funds	4	282,281	286,909
Charitable activities			
Grants and donations	5	2,861,122	2,109,583
Support costs	6	554,793	441,258
		3,415,915	2,550,841
Other			
Governance costs	7	234,496	204,398
Total expenditure		3,932,692	3,042,148
Net (expenditure) before investment gains / (losses)		(913,871)	(445,222)
Net gains / (losses) on investments		5,531,942	(9,131,810)
Net income / (expenditure)		4,618,071	(9,577,032)
Other recognised (losses) /gains			
Actuarial (losses) / gains on defined benefit pension scheme	18	(31,405)	738,366
Net movement in funds		4,586,666	(8,838,666)
Reconciliation of funds			
Total funds brought forward		112,655,028	121,493,694
Total funds carried forward	19	117,241,694	112,655,028

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2023**

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	13	173,240	156,200
Investments	14	120,564,216	115,391,547
		<hr/>	<hr/>
		120,737,456	115,547,747
		<hr/>	<hr/>
Current assets			
Debtors	15	512,501	317,314
Cash at bank and in hand	16	433,458	819,839
		<hr/>	<hr/>
		945,959	1,137,153
Liabilities:			
Creditors falling due within one year	17	1,368,892	988,448
		<hr/>	<hr/>
Net current (liabilities) / assets		(422,933)	148,705
		<hr/>	<hr/>
Total assets less current liabilities		120,314,523	115,696,452
Unfunded defined benefit pension scheme liability	18	3,072,829	3,041,424
		<hr/>	<hr/>
Net assets		117,241,694	112,655,028
		<hr/>	<hr/>
Funds			
Unrestricted funds	19	120,314,523	115,696,452
Pension reserve	19	(3,072,829)	(3,041,424)
		<hr/>	<hr/>
		117,241,694	112,655,028
		<hr/>	<hr/>

Approved by the Board of Trustees on 27 June 2024 and signed on its behalf by:

Mr James Munro
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2023**

	Notes	2023 £	2022 £
Operating activities			
Net (expenditure) before investment gains / (losses)		(913,871)	(445,222)
Depreciation charge		8,631	8,392
(Increase) / decrease in debtors		(195,187)	182,587
Increase in creditors		380,444	139,707
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(719,983)	(114,536)
Capital expenditure and financial investment			
Proceeds from sale of investments		39,355,926	20,280,084
Payments to acquire tangible fixed assets		(25,671)	(4,257)
Purchase of investments		(38,570,067)	(19,056,548)
		<hr/>	<hr/>
Net cash flow movement from investing activities		760,188	1,219,279
Management of liquid resources			
Net movement in funds on short term deposit	20	(426,586)	(978,891)
		<hr/>	<hr/>
(Decrease) / increase in cash	20	(386,381)	125,852
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2022		819,839	693,987
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2023		433,458	819,839
		<hr/>	<hr/>

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK.

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. 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 issued in October 2019, 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 Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expenditure is incurred as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprises costs of managing the investment portfolio.

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2023

(c) Expenditure (cont'd)

Overheads are allocated between support costs within charitable activities and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

The financial statements are presented in Pounds Sterling, which is the functional currency. Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold buildings	2%
Motor vehicles	25%
Computer equipment	33½%
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 13 May 2022 at £470,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2025.

(f) Debtors and creditors receivable / payable within one year

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 in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

Reserve fund - this fund is set aside by the Trustees out of general funds to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure is transferred into this fund.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 18).

(3) Income from investments

	2023 £	2022 £
Dividends and bond interest	2,872,655	2,568,049
Cash deposits	107,314	22,757
Other bank current and deposit accounts	38,852	6,120
	<hr/> 3,018,821	<hr/> 2,596,926

(4) Raising funds

	2023 £	2022 £
Investment Managers' fees	282,281	286,909
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(5) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2023.

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2023 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	-	1,048,889	(75,208)	984,635	10,954
One off projects	-	285,000	-	285,000	-
Zimbabwe	292,889	455,554	6,921	635,200	465,614
Malawi	241,300	291,000	-	269,700	220,000
Zambia	306,100	424,300	-	618,300	500,100
	840,289	2,504,743	(68,287)	2,792,835	1,196,668

£2,861,122 charged in the statement of financial activities is derived from new grants voted in 2023 less unspent grants written back.

Unspent grants written back is a negative figure this year as more scholarships than voted were awarded to support particularly outstanding applications.

(6) Support costs

	Notes	2023 £	2022 £
Harare office	10	307,806	283,115
Woking office	12	185,162	149,566
Overseas tours	11	34,813	37,949
Difference on exchange		27,012	(29,372)
		554,793	441,258

(7) Governance costs

		2023 £	2022 £
Woking office	12	234,496	204,398

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(8) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2023 £	Total 2022 £
Support costs	371,015	177,393	6,385	554,793	441,258
Governance costs	216,372	15,878	2,246	234,496	204,398
	587,387	193,271	8,631	789,289	645,656

(9) Employee costs

	2023 £	2022 £
Wages and salaries	306,551	274,638
National insurance	18,636	15,120
Zimbabwe National insurance	1,423	1,388
Zimbabwe Medical Aid Society costs	32,405	26,427
Pensions	160,764	134,865
Ex gratia payments in lieu of pensions	67,608	61,200
	587,387	513,638

Ex gratia payments made to certain retired employees are reviewed annually.

The Trust Secretary, Sir Andrew Pocock, earned in excess of £60,000 per annum both in 2023 and 2022. He is a member of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £158,373 (2022, £139,491).

The five Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 11 and 12.

The total number of employees in 2022, by location, was: Harare - 2 Woking - 4 (2022, Harare - 2; Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(10) Harare office expenses	2023	2022
	£	£
Salaries	98,891	99,988
Zimbabwe National Insurance	1,423	1,388
Zimbabwe Medical Aid Society costs	32,405	26,427
Pensions	56,316	42,777
Ex gratia payments in lieu of pensions	35,712	32,328
Property (rent, light, heat and maintenance)	11,930	12,833
Office administration	3,615	4,735
Representative's local travel and motor expenses	6,470	5,058
Correspondents' and Scholarship Board expenses	55,133	49,554
Legal & professional	143	3,252
Audit and accountancy	1,177	1,033
Bank charges	2,311	2,006
Depreciation	2,280	1,736
	<hr/>	<hr/>
	307,806	283,115
	<hr/>	<hr/>
(11) Overseas tours	2023	2022
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	22,767	10,779
Representative's visits	12,046	10,650
Secretary's visits	-	16,520
	<hr/>	<hr/>
	34,813	37,949
	<hr/>	<hr/>

Two Trustees made separate visits to the beneficial countries in 2023. The Representative made a number of visits within the Trust's countries to ensure that the Trust funds were being expended for the purpose originally requested, as well as accompanying the Trustees on tour.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(12) Working office expenses	2023	2022
	£	£
Salaries	207,660	174,650
National Insurance	18,636	15,120
Pensions	104,448	92,088
Ex gratia payments in lieu of pensions	31,896	28,872
Property (rent, rates, light, heat and maintenance)	8,389	8,862
Office administration	13,736	10,059
Secretary and Scholarship support expenses	6,647	685
Secretary's travel and motor expenses	388	312
Trustees' travel and meeting expenses	4,398	2,225
Audit fees	13,680	10,080
Legal and professional	3,336	4,236
Bank charges	93	119
Depreciation	6,351	6,656
	<hr/>	<hr/>
	419,658	353,964
	<hr/>	<hr/>
Allocated as:		
Support costs	185,162	149,566
Governance costs	234,496	204,398
	<hr/>	<hr/>
	419,658	353,964
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(13) Tangible assets**

	Freehold land & buildings £	Motor vehicles £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
At 01 January 2023	237,572	54,725	11,732	31,753	335,782
Additions	17,171	-	-	8,500	25,671
Disposals	-	-	-	(2,745)	(2,745)
	<hr/>				
At 31 December 2023	254,743	54,725	11,732	37,508	358,708
	<hr/>				
Accumulated depreciation					
At 01 January 2023	92,056	54,725	7,755	25,046	179,582
Charge for year	4,055	-	2,557	2,019	8,631
Disposals	-	-	-	(2,745)	(2,745)
	<hr/>				
At 31 December 2023	96,111	54,725	10,312	24,320	185,468
	<hr/>				
Net book values					
At 31 December 2023	158,632	-	1,420	13,188	173,240
	<hr/>				
At 31 December 2022	145,516	-	3,977	6,707	156,200
	<hr/>				

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(14) Investments	2023	2022
	£	£
Listed investments		
Market value at 1 January 2023	115,391,547	124,768,002
Additions	38,570,067	19,056,548
Disposals	(38,963,103)	(20,527,580)
Increase in uninvested cash	426,586	978,891
Net Unrealised investment gain / (losses)	5,139,119	(8,884,314)
	<hr/>	<hr/>
Market value at 31 December 2023	120,564,216	115,391,547
	<hr/>	<hr/>
Cost at 31 December 2023	104,199,806	104,969,363
	<hr/>	<hr/>

No single investment comprises more than 5% of the Trust's investments apart from the following funds:

- Fidelity Global Dividend Fund (6.1%)
- Schroder Global Sustainable Growth (8.5%)
- HSBC FTSE All-World Index Fund (10.8%)
- Vanguard S&P 500 UCITS ETF (15.0%)

The investments as at 31 December were divided as follows:	2023	2022
	£	£
UK equities and unit trusts	4,738,942	18,868,101
Overseas equities and unit trusts	80,876,454	60,632,758
UK fixed interest	5,588,840	4,923,036
Alternative investments	15,881,118	16,874,654
Property unit trusts	10,195,708	11,236,429
Cash on deposit	3,283,154	2,856,569
	<hr/>	<hr/>
	120,564,216	115,391,547
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(15) Debtors	2023	2022
	£	£
Prepayments and accrued income	512,501	317,314
	<hr/>	<hr/>
	512,501	317,314
	<hr/>	<hr/>
(16) Cash at bank and in hand	2023	2022
	£	£
United Kingdom:		
Current accounts	103,370	130,398
Deposit accounts	326,868	681,641
In hand	174	268
Zimbabwe, Malawi and Zambia:		
Current accounts *	321	2,108
In hand *	2,725	5,424
	<hr/>	<hr/>
	433,458	819,839
	<hr/>	<hr/>
* Including £3,046 (2022 - £7,532) in foreign currencies.		
(17) Liabilities: creditors falling due within one year	2023	2022
	£	£
Schroder Investment Management Limited	70,842	70,603
Accruals	91,729	69,539
Unspent grants carried forward	1,196,668	840,289
Other creditors	9,653	8,017
	<hr/>	<hr/>
	1,368,892	988,448
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023**

(18) Unfunded defined benefit pension scheme liability	2023	2022
	£	£
Unfunded defined benefit pension scheme liability	3,072,829	3,041,424

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31

December 2022 establishing a liability of £3,072,829.

Other key assumptions that have been used in the calculations are:

	2023	2022
Rate of increase in salaries - current trustee directives	3.15%	3.45%
Rate of increase in deferred pensions - current trustee directives	3.15%	3.45%
Rate of increase in ex gratia payments - current trustee directives	2.65%	2.85%
Discount rate - current AA-rated UK Government Bond yield	4.50%	4.75%
Inflation assumption - current published information	3.15%	3.45%

Changes in the present value of the plan liabilities are as follows:

	2023		2022	
	£	£	£	£
Present value of plan liabilities at 1 January 2023		3,041,424		3,779,790
Current service cost	52,265		105,569	
Benefits paid	(228,372)		(196,064)	
Interest on plan liabilities	140,285		70,956	
Actuarial losses / (gains)	67,227		(718,827)	
Actuarial losses / (gains) on defined benefit pension scheme		31,405		(738,366)
Present value of plan liabilities at 31 December 2023		3,072,829		3,041,424

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2023****(19) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2023 £	Total funds 2022 £
Total funds brought forward	112,979,670	2,716,782	(3,041,424)	112,655,028	121,493,694
Net (expenditure) before investment gains / (losses)	(913,871)	-	-	(913,871)	(445,222)
Actuarial (losses) / gains on defined benefit pension scheme	-	-	(31,405)	(31,405)	738,366
Transfer to reserve fund from capital fund	913,871	(913,871)	-	-	-
Net gains / (losses) on investments	5,531,942	-	-	5,531,942	(9,131,810)
	<hr/>				
Total funds carried forward	118,511,612	1,802,911	(3,072,829)	117,241,694	112,655,028
	<hr/>				

The Reserve Fund is a fund of unspent income from previous years which may be used in future years, to smooth and manage cash-flows or to make donations for specific large projects. Net expenditure is transferred into this fund.

(20) Analysis of changes in net funds

	Net funds at 1.1.23 £	Cash flows £	Net funds at 31.12.23 £
Cash at bank and in hand	819,839	(386,381)	433,458
Cash on deposit awaiting investment	2,856,570	426,586	3,283,156
	<hr/>		
	3,676,409	40,205	3,716,614
	<hr/>		

THE BEIT TRUST

England & Wales - Charity number 232478

Accounts

ANNUAL REPORT AND ACCOUNTS

2022



THE BEIT TRUST

THE BEIT TRUST

Charity Registration number: 232478

Trustees, Committees and Office Holders

Chairman Sir Alan Munro KCMG, appointed Trustee 1979; Chairman 1994

Trustees Professor CBD Lavy OBE MD MCh FRCS, appointed November 2007
Sir Kieran Prendergast KCVO CMG, appointed November 2008 (Retired July 2022)
Mr. Alex Duncan MA, appointed June 2011
Ms. LLM Bull MA, appointed November 2016
Mr. James Munro, appointed July 2020
Mrs. Alison Tweed, appointed November 2022

Secretary Sir Andrew Pocock KCMG, appointed November 2016

Representative in Africa

Mr. DEB Long, appointed January 2018

Finance Committee Members

Mr. Alex Duncan MA, appointed October 2011, Chairman June 2021
Ms. LLM Bull MA, appointed May 2018
Mr. James Munro, appointed 28 October 2020
Sir Andrew Pocock KCMG, appointed November 2016
Mrs. FM Irwin BSc FCA, appointed May 2018

Addresses of The Beit Trust

In the UK Beit House
Grove Road
Woking
Surrey
GU21 5JB

In Africa 5 Ludlow Road
Newlands
Harare
Zimbabwe

Statutory Auditors Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Investment Managers Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

PART 1

**FOUNDATION, GOVERNANCE
& MANAGEMENT**

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

THE 116th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 - FOUNDATION, GOVERNANCE & MANAGEMENT

FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will specifically established the Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to "education, public or other charitable purposes". This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of The Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust's "Specified Area," joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees. Vacancies are filled as they arise. Sir Kieran Prendergast retired in July 2022. With the appointment of Mrs. Alison Tweed in his stead, the Board maintained its full complement. Trustees must have a broad knowledge of Southern Africa, and the Board has expertise in the fields of international relations, commerce, medicine and education.

Trustees' Responsibilities Statement

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 & 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, of its incoming resources and the application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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;
- prepare the financial statements on a 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 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.

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

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi. It does not fundraise. The 1906 Beit bequest, and its prudential management for 116 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons, medical electives and in-country secondments for junior doctors); **welfare** (including care

homes for the elderly); and **culture and conservation** (notably the conservation of endangered species). The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors.

Individual project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for crisis relief.

Public Benefit

The Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined under **The Trust's Objectives** above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. Their Representative in Africa works with his staff from an office in Harare. There are four salaried staff in the UK and two in Zimbabwe. They receive a salary uplift of RPI per annum plus a performance review every three years.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a committee of regional Correspondents, three per beneficial country. These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert advice on each grant application.

£1.3 million was made available in 2022 for new projects recommended in-country by the Correspondents. In addition, Trustees customarily allocate £1 million every year to long-term recurrent grants, for academic and medical scholarships and bursaries, student hardship relief, library books, school computers and contingency support. Medical bursaries for junior doctors were resumed in 2022, after a hiatus in 2021 as a consequence of regional Covid restrictions.

The Trust's Finance Committee meets four weeks prior to the Trustee Boards. Cazenove Capital, the portfolio investment managers, attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital base in real terms, while using dividend earnings and capital growth to continue beneficial operations in perpetuity. The Trust's diversified investments are managed by Cazenove Capital, monitored by the Trust's Finance Committee. In 2022, Beit dividend income was £2.57m (£2.45m in 2021).

The Trust's investment objective, set in 2011, has been dividend returns of RPI+4%. Performance has varied. Dividend returns in 2022 have been below this benchmark due to Covid-related market disruption.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2022 calendar year at £115.4m (£124.8m in 2021). Total Trust expenditure in

2022 was £3.04m (£3.06m in 2021). The investment portfolio is diversified, to mitigate exposure to market volatility.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

Trustees maintain a Reserve Fund of at least one year's expenditure, which on average is £3 million. This is intended to sustain beneficial spend in case of unforeseen financial developments; and, more practically, to achieve greater flexibility of management. Alfred Beit's Will permits Trustees to retain income for expenditure in future years; and Trustees have been further influenced by the *obiter dicta* from Cowan v. Scargill:

“When the purpose of a Trust is the provision of financial benefits, powers of investment must be exercised so that the funds yield the best return by way of income and capital appreciation for present and future beneficiaries judged in relation to rules of investment and circumstances of the charity.”

Trustees, having taken guidance from the Charity Commission, have directed that Beit Trust policy is to commit investments accumulated on a total return basis towards benevolent and associated administrative expenditure. Since commitments take time to fulfil, at the end of any one year there is likely to be a carry-forward, which is included in the Reserve Fund. Trustees may decide to draw on this in future years, to smooth and manage benevolent cash-flows. In addition, Trustees from time to time make donations for specific large projects or needs, which form a direct charge to the Reserve Fund.

The level of total reserves on 31 December 2022 was **£112.7m**, consisting of unrestricted general reserves of **£115.7m**, less the pension reserve of **£3.0m**. The Pension Fund represents the unfunded defined benefit pension scheme liability. The unrestricted reserves consist of a Capital Fund of **£113.0m**, which can be used in accordance with the Trust's charitable objectives at the discretion of Trustees; and a Reserve Fund of **£2.7m**, which consists of funds set aside by Trustees for specific major grants.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers, Cazenove Capital, the responsibility for taking environmental, social and governance (ESG) issues into account when assessing the selection, retention and realisation of investments. They expect the fund manager to engage with companies on ESG issues; observe best practice; exercise voting rights accordingly; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2022

Beit Trust Postgraduate Scholarships

During 2022, the Trust provided 21 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Stellenbosch, Rhodes, and UCT in South Africa; and with Cambridge, Edinburgh, Glasgow, Leeds, Oxford, St Andrews and Strathclyde Universities in the UK.

The Trust provided £80,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 64 emergency Beit Bursaries were awarded by hardship committees at four South African universities, plus others granted by the Beit Representative.

COSECSA

Since 2009, the Trust has helped the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five-year training. In 2022, 12 Beit-COSECSA scholarships were held by four surgeons each from Zambia, Zimbabwe, and Malawi.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains endangered by continued poaching and encroachment on reserves. In 2022, Trustees allocated a further £10,000 to the Lowveld Rhino Trust.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £75,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblioref (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided support of up to £30,000.

PERFORMANCE

Expenditure in 2022

The Trustees approved grants totaling £2,219,184 (£2,170,958 in 2021). The table below is a summary of grants paid. Further details are in Part 3 (Note 5).

PAID	Scholarships & bursaries £	Education £	Health £	Welfare £	Conservation & culture £	Total £
General grants	129,996	138,704	41,659	17,498	18,216	346,073
Zimbabwe	202,033	220,345	106,450	21,149	41,036	591,013
Malawi	174,800	143,800	190,000	10,000	12,500	531,100
Zambia	167,758	324,050	61,400	-	-	553,208
Total	674,587	826,899	399,509	48,647	71,752	2,021,394

Support and Governance costs in 2022

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners increased by 10.6% to £513,638 (£464,243 in 2021). Harare office expenses increased to £80,207 (£78,094 in 2021). Correspondents' expenses increased to £49,554 (£40,360 in 2021). Working office costs decreased to £13,264 (£61,041 in 2021). This included the Auditor's fee of £10,080, including VAT (£9,600 in 2021).

The Financial Statement

	2022	2021
	£	£
Income & expenditure for the year		
Income	<u>2,596,926</u>	<u>2,447,806</u>
Expenditure		
Grants approved	2,219,184	2,170,958
Less grants written back	<u>(109,601)</u>	<u>794</u>
	2,109,583	2,171,752
Working & Harare office costs, including exchange rate differences	607,707	603,378
Investment Manager's fees	286,909	286,853
Tours	<u>37,949</u>	<u>-</u>
Total expenditure	<u>3,042,148</u>	<u>3,061,983</u>
Total (deficit)	<u>(445,222)</u>	<u>(614,177)</u>

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £116,263,977 (£125,772,731 in 2021), showing a net decrease of 8 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £3,041,424 at 31 December 2022.

The Trustees' policy on accounting for this liability is set out in detail at Note 18 (Part 3, page 3.14).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year by the Trust's Finance Committee.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional Correspondents, and twice-annual tours by Trustees and Trust officials to monitor both; while contingency plans to respond to the latter are routinely reviewed.

Tours in 2022

The Secretary toured the beneficial countries in April/May 2022, the first tour since March 2020 (due to Covid travel and other restrictions). James Munro then toured in the autumn. Tours will continue in 2023.

CONCLUSION

In 2022 the Beit Trust, despite lingering Covid restraints and disruption, and economic contagion from the Ukraine crisis, continued to deliver on its mandate and objectives: providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-help and self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of “substantial and permanent importance.”

As it does so, the Trust remains apolitical and operates without consideration of sex, race or religion.

Approved by Trustees on 22 June 2023 and signed on their behalf
by:

Sir Alan Munro, Chairman of Trustees



PART 2

THE AUDITOR'S REPORT

Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust (the 'charity') for the year ended 31 December 2022 which comprise Statement of Financial Activities, the Balance Sheet, the 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" ("FRS 102") (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 2022, and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 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.

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

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date:

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PART 3

FINANCIAL STATEMENTS

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2022

	Notes	Total funds 2022 £	Total funds 2021 £
Income and expenditure - Unrestricted funds			
Income			
Investments	3	2,596,926	2,447,806
Total income		2,596,926	2,447,806
Expenditure			
Raising funds	4	286,909	286,853
Charitable activities			
Grants and donations	5	2,109,583	2,171,752
Support costs	6	441,258	411,876
		2,550,841	2,583,628
Other			
Governance costs	7	204,398	191,502
Total expenditure		3,042,148	3,061,983
Net (expenditure) before investment (losses) / gains		(445,222)	(614,177)
Net (losses) / gains on investments		(9,131,810)	13,238,437
Net (expenditure) / income		(9,577,032)	12,624,260
Other recognised gains / (losses)			
Actuarial gains / (losses) on defined benefit pension scheme	18	738,366	(103,326)
Net movement in funds		(8,838,666)	12,520,934
Reconciliation of funds			
Total funds brought forward		121,493,694	108,972,760
Total funds carried forward		112,655,028	121,493,694

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2022**

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	13	156,200	160,335
Investments	14	115,391,547	124,768,002
		<hr/>	<hr/>
		115,547,747	124,928,337
		<hr/>	<hr/>
Current assets			
Debtors	15	317,314	499,901
Cash at bank and in hand	16	819,839	693,987
		<hr/>	<hr/>
		1,137,153	1,193,888
		<hr/>	<hr/>
Liabilities:			
Creditors falling due within one year	17	988,448	848,741
		<hr/>	<hr/>
Net current assets		148,705	345,147
		<hr/>	<hr/>
Total assets less current liabilities		115,696,452	125,273,484
Unfunded defined benefit pension scheme liability	18	3,041,424	3,779,790
		<hr/>	<hr/>
Net assets		112,655,028	121,493,694
		<hr/>	<hr/>
Funds			
Unrestricted funds	19	115,696,452	125,273,484
Pension reserve	19	(3,041,424)	(3,779,790)
		<hr/>	<hr/>
		112,655,028	121,493,694
		<hr/>	<hr/>

Approved by the Board of Trustees on 22 June 2023 and signed on its behalf by:

Mr Alex Duncan MA
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2022**

	Notes	2022 £	2021 £
Operating activities			
Net (expenditure) before investment (losses) / gains		(445,222)	(614,177)
Depreciation charge		8,392	20,972
Loss on sale of fixed assets		-	660
Decrease / (increase) in debtors		182,587	(142,241)
Increase in creditors		139,707	65,485
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(114,536)	(669,301)
Capital expenditure and financial investment			
Proceeds from sale of fixed assets		-	978
Proceeds from sale of investments		20,280,084	38,046,278
Payments to acquire tangible fixed assets		(4,257)	(9,211)
Purchase of investments		(19,056,548)	(37,683,934)
		<hr/>	<hr/>
Net cash flow movement from investing activities		1,219,279	354,111
Management of liquid resources			
Net movement in funds on short term deposit	20	(978,891)	93,258
		<hr/>	<hr/>
Increase / (decrease) in cash	20	125,852	(221,932)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2021		693,987	915,919
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2022		819,839	693,987
		<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK.

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. 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 issued in October 2019, 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 Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expenditure is incurred as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprises costs of managing the investment portfolio.

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2022

(c) Expenditure (cont'd)

Overheads are allocated between support costs within charitable activities and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

The financial statements are presented in Pounds Sterling, which is the functional currency. Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold buildings	2%
Motor vehicles	25%
Computer equipment	33⅓%
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 13 May 2022 at £470,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2025.

(f) Debtors and creditors receivable / payable within one year

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 in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

Reserve fund - this fund is set aside by the Trustees out of general funds for specific major grants. Any excess of income over expenditure in a given year is transferred to this fund.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 18).

(3) Investments

	2022	2021
	£	£
Dividends and bond interest	2,568,049	2,446,769
Cash deposits	22,757	-
Other bank current and deposit accounts	6,120	1,037
	<hr/>	<hr/>
	2,596,926	2,447,806
	<hr/>	<hr/>

(4) Raising funds

	2022	2021
	£	£
Investment Managers' fees	286,909	286,853
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022****(5) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2022.

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2022 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	1,539	890,664	24,059	913,184	-
One off projects	24,814	-	24,814	-	-
Zimbabwe	246,896	388,980	11,827	446,800	292,889
Malawi	210,201	356,300	48,901	436,300	241,300
Zambia	268,650	385,450	-	422,900	306,100
	<hr/>				
	752,100	2,021,394	109,601	2,219,184	840,289
	<hr/>				

£2,109,583 charged in the statement of financial activities is derived from new grants voted in 2022 less unspent grants written back.

(6) Support costs

	Notes	2022 £	2021 £
Harare office	10	283,115	253,165
Woking office	12	149,566	137,589
Overseas tours	11	37,949	-
Difference on exchange		(29,372)	21,122
		<hr/>	
		441,258	411,876
		<hr/>	

(7) Governance costs

		2022 £	2021 £
Woking office	12	204,398	191,502
		<hr/>	

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022****(8) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2022 £	Total 2021 £
Support costs	324,748	110,501	6,009	441,258	411,876
Governance costs	188,890	13,125	2,383	204,398	191,502
	<hr/>				
	513,638	123,626	8,392	645,656	603,378
	<hr/>				

(9) Employee costs

	2022 £	2021 £
Wages and salaries	274,638	245,571
National insurance	15,120	13,472
Zimbabwe National insurance	1,388	564
Zimbabwe Medical Aid Society costs	26,427	23,006
Pensions	134,865	123,574
Ex gratia payments in lieu of pensions	61,200	58,056
	<hr/>	
	513,638	464,243
	<hr/>	

Ex gratia payments made to certain retired employees are reviewed annually.

The Trust Secretary, Sir Andrew Pocock, earned in excess of £60,000 per annum both in 2022 and 2021. He is a member of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £139,491 (2021, £128,365).

The seven Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 11 and 12.

The total number of employees in 2022, by location, was: Harare - 2 Woking - 4 (2021, Harare - 2; Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

(10) Harare office expenses	2022	2021
	£	£
Salaries	99,988	82,971
Zimbabwe National Insurance	1,388	564
Zimbabwe Medical Aid Society costs	26,427	23,006
Pensions	42,777	37,896
Ex gratia payments in lieu of pensions	32,328	30,672
Property (rent, light, heat and maintenance)	12,833	9,665
Office administration	4,735	3,337
Representative's local travel and motor expenses	5,058	4,593
Correspondents' and Scholarship Board expenses	49,554	40,360
Legal & professional	3,252	2,500
Audit and accountancy	1,033	1,029
Bank charges	2,006	2,100
Depreciation	1,736	14,472
	<hr/>	<hr/>
	283,115	253,165
	<hr/>	<hr/>
(11) Overseas tours	2022	2021
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	10,779	-
Representative's visits	10,650	-
Secretary's visits	16,520	-
	<hr/>	<hr/>
	37,949	-
	<hr/>	<hr/>

One Trustee and the Secretary made separate visits to the beneficial countries in 2022. The Representative made a number of visits within the Trust's countries to ensure that the Trust funds were being expended for the purpose originally requested, as well as accompanying the Trustee and Secretary on tour.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

(12) Working office expenses	2022	2021
	£	£
Salaries	174,650	162,600
National Insurance	15,120	13,472
Pensions	92,088	85,678
Ex gratia payments in lieu of pensions	28,872	27,384
Property (rent, rates, light, heat and maintenance)	8,862	5,897
Office administration	10,059	11,732
Secretary's support expenses	685	381
Secretary's travel and motor expenses	312	99
Trustees' travel and meeting expenses	2,225	1,510
Audit fees	10,080	9,600
Legal and professional	4,236	3,456
Bank charges	119	122
Depreciation	6,656	6,500
Loss on sale of fixed assets	-	660
	<hr/>	<hr/>
	353,964	329,091
	<hr/>	<hr/>
Allocated as:		
Support costs	149,566	137,589
Governance costs	204,398	191,502
	<hr/>	<hr/>
	353,964	329,091
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022****(13) Tangible assets**

	Freehold land & buildings £	Motor vehicles £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
Brought forward					
Total funds brought forward	237,572	54,725	8,397	31,948	332,642
Additions	-	-	4,257	-	4,257
Disposals	-	-	(922)	(195)	(1,117)
Carried forward	<hr/>				
Total funds carried forward	237,572	54,725	11,732	31,753	335,782
	<hr/>				
Accumulated depreciation					
Brought forward					
Total funds brought forward	88,345	54,725	5,855	23,382	172,307
Charge for year	3,711	-	2,822	1,859	8,392
Disposals	-	-	(922)	(195)	(1,117)
Carried forward	<hr/>				
Total funds carried forward	92,056	54,725	7,755	25,046	179,582
	<hr/>				
Net book values					
Total funds carried forward	145,516	-	3,977	6,707	156,200
	<hr/>				
at 31 December 2021	149,227	-	2,542	8,566	160,335
	<hr/>				

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

(14) Investments	2022	2021
	£	£
Listed investments		
Market value at 1 January 2022	124,768,002	111,985,167
Additions	19,056,548	37,683,934
Disposals	(20,527,580)	(36,374,676)
Increase / (Decrease) in uninvested cash	978,891	(93,258)
Net Unrealised investment gain	(8,884,314)	11,566,835
	<hr/>	<hr/>
Market value at 31 December 2022	115,391,547	124,768,002
	<hr/>	<hr/>
Cost at 31 December 2022	104,969,363	105,002,287
	<hr/>	<hr/>

Apart from the investment in Vanguard S&P 500 UCITS ETF (12.2%) and Fidelity Global Dividend Fund, Shs -R- GBP (5.9%) no single investment comprises more than 5% of the Trust's assets.

The investments as at 31 December were divided as follows:		
	2022	2021
	£	£
UK equities and unit trusts	18,868,101	23,691,222
Overseas equities and unit trusts	60,632,758	66,222,874
UK fixed interest	4,923,036	1,859,177
Alternative investments	16,874,654	18,878,916
Property unit trusts	11,236,429	12,238,134
Cash on deposit	2,856,569	1,877,679
	<hr/>	<hr/>
	115,391,547	124,768,002
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

(15) Debtors	2022	2021
	£	£
Prepayments and accrued income	317,314	499,901
	<hr/>	<hr/>
	317,314	499,901
	<hr/>	<hr/>
(16) Cash at bank and in hand	2022	2021
	£	£
United Kingdom:		
Current accounts	130,398	52,916
Deposit accounts	681,641	633,921
In hand	268	279
Zimbabwe, Malawi and Zambia:		
Current accounts *	2,108	1,722
In hand *	5,424	5,149
	<hr/>	<hr/>
	819,839	693,987
	<hr/>	<hr/>
* Including £7,532 (2021 - £6,871) in foreign currencies		
(17) Liabilities: creditors falling due within one year	2022	2021
	£	£
Schroder Investment Management Limited	70,603	75,003
Accruals	69,539	14,406
Unspent grants carried forward	840,289	752,100
Other creditors	8,017	7,232
	<hr/>	<hr/>
	988,448	848,741
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022**

(18) Unfunded defined benefit pension scheme liability	2022	2021
	£	£
Unfunded defined benefit pension scheme liability	3,041,424	3,779,790

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31 December 2022 establishing a liability of £3,041,424.

Other key assumptions that have been used in the calculations are:

	2022	2021
Rate of increase in salaries - current trustee directives	3.45%	3.45%
Rate of increase in deferred pensions - current trustee directives	3.45%	3.45%
Rate of increase in ex gratia payments - current trustee directives	2.85%	2.75%
Discount rate - current AA-rated UK Government Bond yield	4.75%	1.90%
Inflation assumption - current published information	3.45%	3.45%

Changes in the present value of the plan liabilities are as follows:

	2022		2021	
	£	£	£	£
Present value of plan liabilities at 1 January 2022		3,779,790		3,676,464
Current service cost	105,569		114,426	
Benefits paid	(196,064)		(181,620)	
Interest on plan liabilities	70,956		49,179	
Actuarial (gains) / losses	(718,827)		121,341	
Actuarial (gains) / losses on defined benefit pension scheme		(738,366)		103,326
Present value of plan liabilities at 31 December 2022		3,041,424		3,779,790

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2022****(19) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2022 £	Total funds 2021 £
Total funds brought forward	122,111,480	3,162,004	(3,779,790)	121,493,694	108,972,760
Net (expenditure) before investment (losses) / gains	(445,222)	-	-	(445,222)	(614,177)
Actuarial gains / (losses) on defined benefit pension scheme	-	-	738,366	738,366	(103,326)
Transfer to reserve fund from capital fund	445,222	(445,222)	-	-	-
Net (losses) / gains on investments	(9,131,810)	-	-	(9,131,810)	13,238,437
	<hr/>				
Total funds carried forward	112,979,670	2,716,782	(3,041,424)	112,655,028	121,493,694
	<hr/>				

The Reserve Fund is a fund of unspent income from previous years which may be used for major projects or for such beneficial activities as the Trustees may determine.

Net expenditure is transferred into this fund.

(20) Analysis of changes in net funds

	Net funds at 1.1.22 £	Cash flows £	Net funds at 31.12.22 £
Cash at bank and in hand	693,987	125,852	819,839
Cash on deposit awaiting investment	1,877,679	978,891	2,856,570
	<hr/>		
	2,571,666	1,104,743	3,676,409
	<hr/>		

THE BEIT TRUST

England & Wales - Charity number 232478

Accounts

ANNUAL REPORT AND ACCOUNTS

2021



THE BEIT TRUST

THE BEIT TRUST

Charity Registration number: 232478

Trustees, Committees and Office Holders

Chairman Sir Alan Munro KCMG, appointed Trustee 1979; Chairman 1994

Trustees Professor CBD Lavy OBE MD MCh FRCS, appointed November 2007
Sir Kieran Prendergast KCVO CMG, appointed November 2008
A Duncan Esq MA, appointed June 2011
Ms LLM Bull BA BPL MA, appointed November 2016
JG Munro Esq, appointed July 2020

Secretary Sir Andrew Pocock KCMG, appointed November 2016

**Representative
in Africa** DEB Long Esq, appointed January 2018

Finance Committee Members

A Duncan Esq MA, appointed October 2011, Chairman June 2021
Sir Kieran Prendergast KCVO CMG, appointed November 2008, Chairman
2011 (Retired June 2021)
Ms LLM Bull BA BPL MA, appointed May 2018
JG Munro Esq, appointed 28 October 2020
Sir Andrew Pocock KCMG, appointed November 2016
Mrs FM Irwin BSc FCA, appointed May 2018

Addresses of The Beit Trust

In the UK Beit House
Grove Road
Woking
Surrey
GU21 5JB

In Africa 5 Ludlow Road
Newlands
Harare
Zimbabwe

Auditors Azets Audit Services Limited
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

**Investment
Managers** Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

THE 115th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 - FOUNDATION, GOVERNANCE & MANAGEMENT

FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will specifically established the Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to "education, public or other charitable purposes". This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of The Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust's "Specified Area," joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees. Vacancies are filled as they arise. The Board in 2021 had its full complement. Trustees must have a broad knowledge of Southern Africa, and the Board has expertise in the fields of international relations, commerce, medicine and education.

Trustees' Responsibilities Statement

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 & 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 its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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;
- prepare the financial statements on a 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 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.

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

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi. It does not fundraise. The 1906 Beit bequest, and its prudential management for 115 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons, medical electives and in-country secondments for junior doctors); **welfare** (including care homes for the elderly); and **culture and conservation** (notably the conservation of endangered species). The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors.

Project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for crisis relief. In 2021, they maintained a Covid Emergency Fund, which helped both medical and other worthy institutions suffering collateral damage from the pandemic remain going concerns. The Fund remains available for further use.

The Trust also made an exceptional grant of £260,000 in 2021 to CURE International, for surgical equipment required for the uplift of the operating theatres in the BeitCURE orthopedic children's hospital in Blantyre, Malawi. The hospital was built by the Beit Trust and is run by CURE International.



*The BeitCURE pediatric hospital, Blantyre.
Photo kindly provided by CURE International.*

Public Benefit

Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. Their Representative in Africa works with his staff from an office in Harare. There are four salaried staff in the UK and two in Zimbabwe. They receive a salary uplift of RPI per annum plus a performance review every three years.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a Committee of regional Correspondents, three per beneficial country. These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert advice on each grant application.

One million Pounds was made available in 2021 for new projects recommended in-country by the Correspondents. In addition, Trustees customarily allocate £1 million every year to long-term recurrent grants, for academic and medical scholarships and bursaries, student hardship relief, library books, school computers and contingency support. Medical bursaries (for electives and junior doctors in the Trust's Specified Area) were not paid in 2021, as regional visits were still problematic because of Covid restrictions. The bursaries will resume in 2023.

The Trust's Finance Committee meets four weeks prior to the Trustee Boards. Cazenove Capital, the portfolio investment managers, attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital base in real terms; while using dividend earnings and capital growth to continue beneficial operations in perpetuity. The Trust's diversified investments are managed by Cazenove Capital, monitored by the Trust's Finance Committee. In 2021, Beit dividend income was **£2.45m** (£2.31m in 2020).

The Trust's investment objective, set in 2011, has been dividend returns of RPI+4%. Performance has varied. Dividend returns in 2021 have been below this benchmark due to Covid-related market disruption.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2021 calendar year at **£124.8m** (£112.0m in 2020). Total Trust expenditure in 2021 was **£3.06m** (£2.92m in 2020). Improvements in portfolio valuation and grant expenditures reflect the partial financial recovery from the impact of Covid-19.

The portfolio gains achieved in 2021 have been somewhat diminished by difficult market conditions in 2022 as a result of rising inflation, interest rates and the invasion of Ukraine. However, the investment portfolio is well diversified to mitigate any potential exposure.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

Trustees maintain a Reserve Fund of at least one year's expenditure, which on average is £3 million. This is intended to sustain beneficial spend in case of unforeseen financial developments; and, more practically, to achieve greater flexibility of management. Alfred Beit's Will permits Trustees to retain income for expenditure in future years; and Trustees have been further influenced by the *obiter dicta* from Cowan v. Scargill:

“When the purpose of a Trust is the provision of financial benefits, powers of investment must be exercised so that the funds yield the best return by way of income and capital appreciation for present and future beneficiaries judged in relation to rules of investment and circumstances of the charity.”

Trustees, having taken guidance from the Charity Commission, have directed that Beit Trust policy is to commit annual income from investments towards benevolent and associated administrative expenditure. Since commitments take time to fulfil, at the end of any one year there is likely to be a carry-forward, which is included in the Reserve Fund. Trustees may decide to draw on this in future years, to smooth and manage benevolent cash-flows. In addition, Trustees from time to time make donations for specific large projects or needs, which form a direct charge to the Reserve Fund.

The level of total reserves at 31 December 2021 was **£121.5m**, consisting of unrestricted general reserves of **£125.3m**, less the pension reserve of **£3.8m**. The Pension Fund represents the unfunded defined benefit pension scheme liability. The unrestricted reserves consist of a Capital Fund of **£122.1m**, which can be used in accordance with the Trust's charitable objectives at the discretion of Trustees; and a Reserve Fund of **£3.2m**, which consists of funds set aside by Trustees for specific major grants.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers, Cazenove Capital, the responsibility for taking environmental, social and governance (ESG) issues into account when assessing the selection, retention and realisation of investments. They expect the fund manager to engage with companies on ESG issues; observe best practice; exercise voting rights accordingly; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2021

Beit Trust Postgraduate Scholarships

During 2021, the Trust provided 18 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Stellenbosch, Rhodes, and UCT in South Africa; and with Cambridge, Edinburgh, Glasgow, Leeds, Oxford, St Andrews and Strathclyde Universities in the UK.

The Trust provided £80,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 93 emergency Beit Bursaries were awarded by hardship committees at four South African universities, plus others granted by the Beit Representative.

COSECSA

Since 2009, the Trust has helped the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five-year training. In 2021, 12 Beit-COSECSA scholarships were held by four surgeons each from Zambia, Zimbabwe, and Malawi.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains endangered by continued poaching and encroachment on reserves. In 2021, Trustees allocated a further £10,000 to the Lowveld Rhino Trust.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £75,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblioref (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided support of up to £30,000.

PERFORMANCE

Expenditure in 2021

The Trustees approved grants totaling £2,170,958 (£2,408,043 in 2020). The table below is a summary of grants paid. Further details are in Parts 3 (Note 6).

PAID	Scholarships & bursaries £	Education £	Health £	Welfare £	Conservation & culture £	Total £
General grants	129,999	167,745	75,746	12,255	14,675	400,420
One-off projects	-	-	267,886	-	-	267,886
Zimbabwe	196,276	83,693	33,000	39,900	32,200	385,069
Malawi	156,171	119,300	109,700	-	-	385,171
Zambia	218,837	291,700	99,612	-	11,300	621,449
Total	701,283	662,438	585,944	52,155	58,175	2,059,995

Support and Governance costs in 2021

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners decreased by 1.9% to £464,243 (£473,281 in 2020). Harare office expenses increased to £78,094 (£56,691 in 2020). Correspondents' expenses increased to £40,360 (£15,431 in 2020). Working office costs increased to £61,041 (£27,847 in 2020). This included the Auditor's fee of £9,600, including VAT (£9,600 in 2020).

The Financial Statement

	2021	2020
	£	£
Income & expenditure for the year		
Income	<u>2,447,806</u>	<u>2,321,162</u>
Expenditure		
Grants approved	2,170,958	2,408,043
Less grants written back	<u>794</u>	<u>(310,389)</u>
	2,171,752	2,097,654
Working & Harare office costs, including exchange rate differences	603,378	557,819
Investment Manager's fees	286,853	254,112
Tours	<u>-</u>	<u>14,203</u>
Total expenditure	<u>3,061,983</u>	<u>2,923,788</u>
Total (deficit)	<u>(614,177)</u>	<u>(602,626)</u>

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £125,772,731 (£112,969,161 in 2020), showing a net increase of 11 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £3,779,790 at 31 December 2021.

The Trustees' policy on accounting for this liability is set out in detail at Note 19 (Part 3, page 3.14).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year by the Trust's Finance Committee.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional Correspondents, and twice-annual tours by Trustees and Trust officials to monitor both; while contingency plans to respond to the latter are routinely reviewed.

Trustees have also considered the unprecedented impact of the **Covid-19 pandemic** on the Trust's investments. The Trust retains a strong balance sheet. Its total returns policy allows access to capital to fund its ongoing commitments, despite reductions in dividend income. Trustees are committed to maintaining support for existing obligations – grants, scholarships, wages and pensions – to keep the Trust a going concern; and remain prepared to adjust spend on the Trust's continuing beneficial work to accommodate financial and economic circumstances, which they monitor closely.

Tours in 2021

There were no Trustee tours to the beneficial countries in 2021, due to Covid travel and other restrictions. The Representative and Correspondents nevertheless managed to travel within the region and to visit every project recommended to Trustees for approval or rejection at their Board on 2 December 2021. Tours will resume in 2022.

CONCLUSION

In 2021 The Beit Trust, despite Covid restraints and disruption, continued to deliver on its mandate and objectives: providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of “substantial and permanent importance.”

As it does so, the Trust remains apolitical and operates without consideration of sex, race or religion.

Approved by Trustees on 07 July 2022 and signed on their behalf
by:

Sir Alan Munro, Chairman of Trustees



Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust (the 'charity') for the year ended 31 December 2021 which comprise Statement of Financial Activities, the Balance Sheet, the 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" ("FRS 102") (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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 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.

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

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.
- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Date:

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2021

		Total funds 2021	Total funds 2020
	Notes	£	£
Income and expenditure - Unrestricted funds			
Income			
Investments	3	2,447,806	2,317,859
Other	4	-	3,303
Total income		2,447,806	2,321,162
Expenditure			
Raising funds	5	286,853	254,112
Charitable activities			
Grants and donations	6	2,171,752	2,097,654
Support costs	7	411,876	378,914
		2,583,628	2,476,568
Other			
Governance costs	8	191,502	193,108
Total expenditure		3,061,983	2,923,788
Net (expenditure) before investment gains / (losses)		(614,177)	(602,626)
Net gains / (losses) on investments		13,238,437	(2,610,803)
Net (expenditure) / income		12,624,260	(3,213,429)
Other recognised (losses)			
Actuarial (losses) on defined benefit pension scheme	19	(103,326)	(258,445)
Net movement in funds		12,520,934	(3,471,874)
Reconciliation of funds			
Total funds brought forward		108,972,760	112,444,634
Total funds carried forward		121,493,694	108,972,760

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2021**

		2021	2020
	Notes	£	£
Fixed assets			
Tangible assets	14	160,335	173,734
Investments	15	124,768,002	111,985,167
		<hr/>	<hr/>
		124,928,337	112,158,901
		<hr/>	<hr/>
Current assets			
Debtors	16	499,901	357,660
Cash at bank and in hand	17	693,987	915,919
		<hr/>	<hr/>
		1,193,888	1,273,579
		<hr/>	<hr/>
Liabilities:			
Creditors falling due within one year	18	848,741	783,256
		<hr/>	<hr/>
Net current assets		345,147	490,323
		<hr/>	<hr/>
Total assets less current liabilities		125,273,484	112,649,224
Unfunded defined benefit pension scheme liability	19	3,779,790	3,676,464
		<hr/>	<hr/>
Net assets		121,493,694	108,972,760
		<hr/>	<hr/>
Funds			
Unrestricted funds	20	125,273,484	112,649,224
Pension reserve	20	(3,779,790)	(3,676,464)
		<hr/>	<hr/>
		121,493,694	108,972,760
		<hr/>	<hr/>

Approved by the Board of Trustees on 07 July 2022 and signed on its behalf by:

Mr Alex Duncan MA
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Operating activities			
Net (expenditure) before investment (losses) / gains		(614,177)	(602,626)
Depreciation charge		20,972	20,488
Loss on sale of fixed assets		660	-
(Increase) / decrease in debtors		(142,241)	104,460
Increase / (decrease) in creditors		65,485	(193,806)
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(669,301)	(671,484)
Capital expenditure and financial investment			
Proceeds from sale of fixed assets		978	-
Proceeds from sale of investments		38,046,278	30,334,115
Payments to acquire tangible fixed assets		(9,211)	(6,837)
Purchase of investments		(37,683,934)	(31,783,539)
		<hr/>	<hr/>
Net cash flow movement from investing activities		354,111	(1,456,261)
Management of liquid resources			
Net movement in funds on short term deposit	21	93,258	1,657,785
		<hr/>	<hr/>
(Decrease) / increase in cash	21	(221,932)	(469,960)
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2020		915,919	1,385,879
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2021		693,987	915,919
		<hr/>	<hr/>

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2021

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK.

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. 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 issued in October 2019, 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 Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

As outlined in the Trustees' Annual Report, the Trustees have also considered the long term impact of the Covid 19 pandemic and do not believe that this will affect the Trust's ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expenditure is incurred as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprises costs of managing the investment portfolio.

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(c) Expenditure (cont'd)**

Overhead and support costs are allocated between charitable activities and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

The financial statements are presented in Pounds Sterling, which is the functional currency. Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold buildings	2%
Motor vehicles	25%
Computer equipment	33 $\frac{1}{3}$ %
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 22 March 2019 at £425,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2022.

(f) Debtors and creditors receivable / payable within one year

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 in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

Reserve fund - this fund is set aside by the Trustees out of general funds for specific major grants. Any excess of income over expenditure in a given year is transferred to this fund.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 19).

(3) Investments

	2021	2020
	£	£
Dividends and bond interest	2,446,769	2,311,731
Cash deposits	-	2,589
Other bank current and deposit accounts	1,037	3,539
	<hr/>	<hr/>
	2,447,806	2,317,859
	<hr/>	<hr/>

(4) Other

	2021	2020
	£	£
Rent for flat	-	3,303
	<hr/>	<hr/>

(5) Raising funds

	2021	2020
	£	£
Investment Managers' fees	286,853	254,112
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(6) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2021.

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2021 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	43,877	971,704	(6,058)	923,308	1,539
One off projects	52,700	267,886	-	240,000	24,814
Zimbabwe	135,953	188,793	264	300,000	246,896
Malawi	148,201	229,000	-	291,000	210,201
Zambia	259,612	402,612	5,000	416,650	268,650
	640,343	2,059,995	(794)	2,170,958	752,100

£2,171,752 charged in the statement of financial activities is derived from new grants voted in 2021 less unspent grants written back.

(7) Support costs

	Notes	2021 £	2020 £
Harare office	11	253,165	233,823
Woking office	13	137,589	136,776
Overseas tours	12	-	14,203
Difference on exchange		21,122	(5,888)
		411,876	378,914

(8) Governance costs

		2021 £	2020 £
Woking office	13	191,502	193,108

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(9) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2021 £	Total 2020 £
Support costs	287,251	106,013	18,612	411,876	378,914
Governance costs	176,992	12,150	2,360	191,502	193,108
	464,243	118,163	20,972	603,378	572,022

(10) Employee costs

	2021 £	2020 £
Wages and salaries	245,571	255,926
National insurance	13,472	13,548
Zimbabwe National insurance	564	574
Zimbabwe Medical Aid Society costs	23,006	20,349
Pensions	123,574	120,176
Ex gratia payments in lieu of pensions	58,056	62,708
	464,243	473,281

Ex gratia payments made to certain retired employees are reviewed annually.

The Trust Secretary, Sir Andrew Pocock, earned in excess of £60,000 per annum both in 2021 and 2020. During 2020 he paid £1,951 rent whilst occupying a flat owned by the Trust. He is a member of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £128,365 (2020, £127,726).

The six Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 12 and 13.

The total number of employees in 2021, by location, was: Harare - 2 Woking - 4 (2020, Harare - 3; Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021**

(11) Harare office expenses	2021	2020
	£	£
Salaries	82,971	89,405
Zimbabwe National Insurance	564	574
Zimbabwe Medical Aid Society costs	23,006	20,349
Pensions	37,896	37,440
Ex gratia payments in lieu of pensions	30,672	30,480
Property (rent, light, heat and maintenance)	9,665	11,140
Office administration	3,337	4,213
Representatives' local travel and motor expenses	4,593	4,938
Correspondents' and Scholarship Board expenses	40,360	15,431
Legal & professional	2,500	2,500
Audit and accountancy	1,029	1,099
Bank charges	2,100	1,370
Depreciation	14,472	14,884
	<hr/>	<hr/>
	253,165	233,823
	<hr/>	<hr/>
(12) Overseas tours	2021	2020
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	-	10,225
Representative's visits	-	3,978
Secretary's visits	-	-
	<hr/>	<hr/>
	-	14,203
	<hr/>	<hr/>

Restrictions due to the Covid pandemic prevented the Trustees and the Secretary from visiting the beneficial countries in 2021.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021**

(13) Working office expenses	2021	2020
	£	£
Salaries	162,600	166,521
National Insurance	13,472	13,548
Pensions	85,678	82,736
Ex gratia payments in lieu of pensions	27,384	32,228
Property (rent, rates, light, heat and maintenance)	5,897	6,533
Office administration	11,732	9,509
Secretary's support expenses	381	406
Secretary's travel and motor expenses	99	17
Trustees' travel and meeting expenses	1,510	67
Audit fees	9,600	9,600
Legal and professional	3,456	3,000
Bank charges	122	115
Depreciation	6,500	5,604
Loss on sale of fixed assets	660	-
	<hr/>	<hr/>
	329,091	329,884
	<hr/>	<hr/>
Allocated as:		
Support costs	137,589	136,776
Governance costs	191,502	193,108
	<hr/>	<hr/>
	329,091	329,884
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(14) Tangible assets**

	Freehold land & buildings £	Motor vehicles £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
Brought forward					
Total funds brought forward	233,414	54,725	6,954	33,148	328,241
Additions	4,158	-	5,053	-	9,211
Disposals	-	-	(3,610)	(1,200)	(4,810)
Carried forward					
Total funds carried forward	237,572	54,725	8,397	31,948	332,642
Accumulated depreciation					
Brought forward					
Total funds brought forward	84,634	41,043	6,107	22,723	154,507
Charge for year	3,711	13,682	1,720	1,859	20,972
Disposals	-	-	(1,972)	(1,200)	(3,172)
Carried forward					
Total funds carried forward	88,345	54,725	5,855	23,382	172,307
Net book values					
Total funds carried forward	149,227	-	2,542	8,566	160,335
at 31 December 2020	148,780	13,682	847	10,425	173,734

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021**

(15) Investments	2021	2020
	£	£
Listed investments		
Market value at 1 January 2021	111,985,167	114,804,331
Additions	37,683,934	31,783,539
Disposals	(36,374,676)	(34,026,420)
Increase / (Decrease) in uninvested cash	(93,258)	(1,657,785)
Net Unrealised investment gain	11,566,835	1,081,502
	<hr/>	<hr/>
Market value at 31 December 2021	124,768,002	111,985,167
	<hr/>	<hr/>
Cost at 31 December 2021	105,002,287	99,702,858
	<hr/>	<hr/>

Apart from the investment in Vanguard S&P 500 UCITS ETF (12.6%) no single investment comprises more than 5% of the Trust's assets.

The investments as at 31 December were divided as follows:

	2021	2020
	£	£
UK equities and unit trusts	23,691,222	22,376,566
Overseas equities and unit trusts	66,222,874	60,494,809
UK fixed interest	1,859,177	4,886,244
Alternative investments	18,878,916	11,165,843
Property unit trusts	12,238,134	11,090,768
Cash on deposit awaiting investment	1,877,679	1,970,937
	<hr/>	<hr/>
	124,768,002	111,985,167
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021**

(16) Debtors	2021	2020
	£	£
Prepayments and accrued income	499,901	356,238
Other debtors	-	1,422
	<hr/>	<hr/>
	499,901	357,660
	<hr/>	<hr/>
(17) Cash at bank and in hand	2021	2020
	£	£
United Kingdom:		
Current accounts	52,916	150,524
Deposit accounts	633,921	748,302
In hand	279	411
Zimbabwe, Malawi and Zambia:		
Current accounts *	1,722	3,126
In hand *	5,149	13,556
	<hr/>	<hr/>
	693,987	915,919
	<hr/>	<hr/>
* Including £6,871 (2020 - £16,682) in foreign currencies		
(18) Liabilities: creditors falling due within one year	2021	2020
	£	£
Schroder Investment Management Limited	75,003	65,588
Accruals	14,406	69,832
Unspent grants carried forward	752,100	640,343
Other creditors	7,232	7,493
	<hr/>	<hr/>
	848,741	783,256
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021**

(19) Unfunded defined benefit pension scheme liability	2021	2020
	£	£
Unfunded defined benefit pension scheme liability	3,779,790	3,676,464

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31 December 2021 establishing a liability of £3,779,790.

Other key assumptions that have been used in the calculations are:

	2021	2020
Rate of increase in salaries - current trustee directives	3.45%	3.05%
Rate of increase in deferred pensions - current trustee directives	3.45%	3.05%
Rate of increase in ex gratia payments - current trustee directives	2.75%	2.25%
Discount rate - current AA-rated UK Government Bond yield	1.90%	1.35%
Inflation assumption - current published information	3.45%	3.05%

Changes in the present value of the plan liabilities are as follows:

	2021		2020	
	£	£	£	£
Present value of plan liabilities at 1 January 2021		3,676,464		3,418,019
Current service cost	114,426		103,028	
Benefits paid	(181,620)		(182,884)	
Interest on plan liabilities	49,179		67,562	
Actuarial losses	121,341		270,739	
Actuarial losses on defined benefit pension scheme		103,326		258,445
Present value of plan liabilities at 31 December 2021		3,779,790		3,676,464

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2021****(20) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2021 £	Total funds 2020 £
Total funds brought forward	108,873,043	3,776,181	(3,676,464)	108,972,760	112,444,634
Net (expenditure) before investment (losses) / gains	(614,177)	-	-	(614,177)	(602,626)
Actuarial (losses) on defined benefit pension scheme	-	-	(103,326)	(103,326)	(258,445)
Transfer to reserve fund from capital fund	614,177	(614,177)	-	-	-
Net (losses) / gains on investments	13,238,437	-	-	13,238,437	(2,610,803)
Total funds carried forward	122,111,480	3,162,004	(3,779,790)	121,493,694	108,972,760

The Reserve Fund is a fund of unspent income from previous years which may be used for major projects or for such beneficial activities as the Trustees may determine.

Net expenditure is transferred into this fund.

(21) Analysis of changes in net funds

	Net funds at 1.1.21 £	Cash flows £	Net funds at 31.12.21 £
Cash at bank and in hand	915,919	(221,932)	693,987
Cash on deposit awaiting investment	1,970,937	(93,258)	1,877,679
	2,886,856	(315,190)	2,571,666

THE BEIT TRUST

England & Wales - Charity number 232478

Accounts

ANNUAL REPORT AND ACCOUNTS

2020



THE BEIT TRUST

THE BEIT TRUST

Charity Registration number: 232478

Trustees, Committees and Office Holders

Chairman	Sir Alan Munro KCMG, appointed Trustee 1979; Chairman 1994
Trustees	CJ Driver Esq BA BEd MPhil FRSA, appointed May 1998 (ret. Nov. 2020) Professor CBD Lavy OBE MD MCh FRCS, appointed November 2007 Sir Kieran Prendergast KCVO CMG, appointed November 2008 A Duncan Esq MA, appointed June 2011 Ms LLM Bull BA BPL MA, appointed November 2016 JG Munro Esq, appointed July 2020
Secretary	Sir Andrew Pocock KCMG, appointed November 2016
Representative in Africa	DEB Long Esq, appointed January 2018

Finance Committee Members

Sir Kieran Prendergast KCVO CMG, appointed 2009; Chairman 2011
A Duncan Esq MA, appointed October 2011
Ms LLM Bull BA BPL MA, appointed May 2018
The Revd PH Wolton MA, appointed April 2013 (ret. Nov. 2020)
JG Munro Esq, appointed 28 October 2020
Sir Andrew Pocock KCMG, appointed November 2016
Mrs FM Irwin BSc FCA, appointed May 2018

Addresses of The Beit Trust

In the UK	Beit House Grove Road Woking Surrey GU21 5JB
In Africa	5 Ludlow Road Newlands Harare Zimbabwe
Auditors	Azets Audit Services Limited Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Investment Managers	Cazenove Capital Management 1 London Wall Place London EC2Y 5AU

TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

THE 114th YEAR OF THE BEIT TRUST

Charity Registration Number 232478

PART 1 – FOUNDATION, GOVERNANCE & MANAGEMENT FOUNDATION

The Trust was established in 1906 by the Will of Alfred Beit, a financier and philanthropist. He had many interests and left a substantial legacy to a wide range of charitable causes.

His Will specifically established The Beit Railway Fund, to promote regional communications via the development of the railway system in Southern Africa.

It also provided, should Trustees decide that the Fund was no longer needed for its primary purpose, that the income could be applied to “education, public or other charitable purposes”. This now forms the mandate for the modern operations of the Trust.

In 1954, the Trust was reconstituted by a British Act of Parliament. Under Section 3 of The Act, the Beit Trust became an incorporated body. With the advent of Federation in the same year, the country of Malawi was included as a beneficiary in the Trust’s “Specified Area”, joining Zambia and Zimbabwe.



Alfred Beit

GOVERNANCE

Trustees

The Beit Trust Act specifies six Trustees. Vacancies are filled as they arise. The current Board has its full complement. Trustees must have a broad knowledge of Southern Africa, and the Board has expertise in the fields of international relations, commerce, medicine and education.

Trustees' Responsibilities Statement

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 & 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 its incoming resources and application of resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (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;
- 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 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.

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

Recruitment, Induction and Training of New Trustees

The Secretary inducts new Trustees and helps with training if there is no previous experience of charity Trusteeship. A new Trustee, Mr JG Munro, was appointed in July 2020, to succeed Mr CJ Driver. In addition to experience in Southern Africa, business and communications, he also runs the Munro family charity.

The Trust's Objectives

Alfred Beit set out the Trust's objectives in his Will. These were re-affirmed in The Beit Trust Act 1954. The Trust's benevolent mandate is exclusively for Zambia, Zimbabwe and Malawi. It does not fundraise. The 1906 Beit bequest, and its prudential management for 114 years, remains the Trust's sole funding source.

In 1946, the Trustees changed the focus from communications infrastructure to assistance in **education** (including now postgraduate scholarships, school buildings, teacher training, libraries, books and computers); **health** (including hospitals, clinics, medical equipment, support for regional trainee surgeons, medical electives and in-country secondments for junior doctors); **welfare** (including care homes for the elderly); and **culture and conservation** (notably the conservation of endangered species).

The Trust takes care to evaluate its priorities and ensure its ways of working remain effective in achieving its objectives. It does so, for Trust-funded projects, through regular spot-checks by Trustees, the Secretary, the Harare-based Representative and the Trust's regional Correspondents; and, in the broader context, through consultations with a wide range of other well-informed interlocutors.

Project grants seldom exceed £50,000. The Trustees rarely make grants to other UK grant-making charities, but occasionally provide funds for **crisis relief**. In 2020, they established a Covid Emergency Fund, which disbursed over £50,000 to the BeitCURE hospitals in Blantyre and Lusaka (and to other institutions) for personal protective equipment and other priorities. The Fund remains available for further use.



BeitCURE Hospital Lusaka. The new hostel funded by The Beit Trust

Public Benefit

Trustees confirm that in the exercise of their powers and duties they have complied with their responsibility to have due regard to Charity Commission guidance on public benefit (outlined above, and throughout this report).

MANAGEMENT

The Trust's Organisation

Trust Headquarters is Beit House in Woking, Surrey. Their Representative in Africa works with his two staff from an office in Harare. There are four salaried staff in the UK and three in Zimbabwe. They receive a salary uplift of RPI per annum plus a performance review every three years.

Trustees meet every six months to agree broad strategy on investments, reserves and risk management, and to consider grant applications. They are supported by a Committee of regional Correspondents, three per beneficial country. These are all volunteers and essential to the Trust's cost-effective performance. The Correspondents Committee Meeting is held six weeks before Trustee Boards, to give expert advice on each grant application.

£1.45 million was made available in 2020 for new projects recommended in-country by the Correspondents. In addition, Trustees every year customarily allocate over £1.2 million to long-term recurrent grants, for academic and medical scholarships and bursaries, student hardship relief, library books, school computers and contingency support. The bursaries were largely unpaid this year. Restrictions due to the Covid pandemic prevented secondments by all but two junior doctors, and all medical electives in the region.

The Trust's Finance Committee meets four weeks prior to the Boards. Cazenove Capital, the portfolio investment managers, attend and address finance and investment policy matters. In November, the Finance Committee submits to the Trustees, for their approval, a proposed budget of income and expenditure for the coming year.

Investment Policy

The Trustees' policy, through prudential investment and management, is to maintain and increase the Trust's capital base in real terms; while using dividend earnings and capital growth to continue beneficial operations in perpetuity. The Trust's diversified investments are managed by Cazenove Capital, monitored by the Trust's Finance Committee. In 2020, Beit dividend income was **£2.31m** (£3.71m in 2019).

The Trust's investment objective, set in 2011, has been dividend returns of RPI+4%. Performance has varied, but returns in 2020 have been below this benchmark due to Covid-related market disruption.

Trustees take a total return approach to the Beit portfolio. Excluding invested cash balances, the portfolio ended the 2020 calendar year at **£112.0m** (£114.8m in 2019). Total Trust expenditure in 2020 was **£2.92m** (£3.80m in 2019). Reductions in valuation, income and expenditure reflect the financial impact of Covid-19.

Grants Policy

Applications for grants are considered on merit. Trustees seldom give grants to government organisations. Instead, they support independent institutions, in particular schools, hospitals and health centres. Trustees seek to maintain, as far as possible, an equitable distribution of grants between the three countries.

Strict rules are applied to infrastructure grants, to ensure that detailed and serviceable plans are submitted before a grant is paid. A proportion of the funding is routinely withheld until the Trust is sure that a project can be satisfactorily completed, to or below budget. Regular visits within the beneficial area by Correspondents, the Representative, Trustees and the Secretary allow an application to be judged before Trustees consider it; progress reviewed while under construction; and work assessed when finished. Trustees place particular emphasis on the sustainability of new projects in staffing and maintenance terms.

Reserve Policy

Trustees maintain a Reserve Fund of at least one year's expenditure, which on average is £3 million. This is intended to sustain beneficial spend in case of unforeseen financial developments; and, more practically, to achieve greater flexibility of management. Alfred Beit's Will permits Trustees to retain income for expenditure in future years; and Trustees have been further influenced by the *obiter dicta* from Cowan v. Scargill:

“When the purpose of a Trust is the provision of financial benefits, powers of investment must be exercised so that the funds yield the best return by way of income and capital appreciation for present and future beneficiaries judged in relation to rules of investment and circumstances of the charity.”

Trustees, having taken guidance from the Charity Commission, have directed that Beit Trust policy is to commit annual income from investments towards benevolent and associated administrative expenditure. Since commitments take time to fulfil, at the end of any one year there is likely to be a carry-forward, which is included in the Reserve Fund. Trustees may decide to draw on this in future years, to smooth and manage benevolent cash-flows. In addition, Trustees from time to time make donations for specific large projects or needs, which form a direct charge to the Reserve Fund.

The level of total reserves at 31 December 2020 was **£109m**, consisting of unrestricted general reserves of **£112.7m**, less the pension reserve of **£3.7m**. The Pension Fund represents the unfunded defined benefit pension scheme liability. The unrestricted reserves consist of a Capital Fund of **£108.9m**, which can be used in accordance with the Trust's charitable objectives at the discretion of Trustees; and a Reserve Fund of **£3.8m**, which consists of funds set aside by Trustees for specific major grants.

Ethical and Socially Responsible Investment Policy

Trustees abide by the restrictions against holding ordinary shares in mining stocks stipulated in Alfred Beit's Will. They delegate to their investment managers, Cazenove Capital, the responsibility for taking environmental, social and governance (ESG) issues into account when assessing the selection, retention and realisation of investments. They expect the fund manager to engage with companies on ESG issues; observe best practice; exercise voting rights accordingly; and monitor the implementation of this policy.

CHARITABLE VENTURES ASSOCIATED WITH THE BEIT TRUST IN 2020

Beit Trust Postgraduate Scholarships

During 2020, the Trust provided 20 new Scholarships at British and South African institutions, through generous academic partnerships with leading universities. Joint scholarships continued with Rhodes, Stellenbosch and UCT in South Africa; and with Cambridge, Edinburgh, Glasgow, Leeds, Oxford and Strathclyde Universities in the UK. New partnerships were initiated with the Blavatnik School of Government in Oxford (in conjunction with Wadham College); and with the University of St Andrews (in Computer Science).

The Trust provided £80,000 in hardship support to financially constrained undergraduate and postgraduate students from the beneficial area. A total of 97 emergency Beit Bursaries were awarded by hardship committees at four South African universities, plus others granted by the Beit Representative.

COSECSA

Since 2009, the Trust has helped the College of Surgeons of East, Central and Southern Africa (COSECSA). It has sponsored at least one aspiring surgeon per year, per country, throughout their five-year training. In 2020, 12 Beit-COSECSA scholarships were held by four surgeons each from Zambia, Zimbabwe and Malawi.

Beit Trust Black Rhino Conservation Project

The only significant black rhino population in the beneficial countries is in Zimbabwe. It remains endangered by continued poaching and encroachment on reserves. In 2020, Trustees allocated a further £10,000 to the Lowveld Rhino Trust.

Book Aid International (BAI) is a registered UK charity which supplies a broad range of books, educational materials and assistance to libraries in developing countries worldwide. The Trust gave BAI a grant of £75,000 for book provision to Zambia, Zimbabwe and Malawi.

Biblioref (South Africa) is a literary charity working out of Cape Town. It supplies book packs to schools in Southern Africa. The Trust provided support of up to £30,000.

PERFORMANCE

Expenditure in 2020

The Trustees approved grants totalling £2,408,043 (£3,122,096 in 2019). This included the last of six annual tranches for expenditure on projects under the Zimbabwe Medical Audit, with actual expenditure in 2020 of £65,923. The table below is a summary of grants paid. Further details are in Parts 3 (Note 6) and 4.

PAID	Scholarships & bursaries	Education	Health	Welfare	Conservation & culture	Total
	£	£	£	£	£	£
General grants	129,945	162,567	78,660	37,328	16,900	425,400
One-off projects	-	-	57,726	-	20,000	77,726
Zimbabwe	188,903	135,912	68,900	111,708	-	505,423
Malawi	102,428	244,900	85,599	1,500	7,500	441,927
Zambia	194,738	319,650	275,788	9,500	91,100	890,776
Total	616,014	863,029	566,673	160,036	135,500	2,341,252

Support and Governance costs in 2020

Salaries, national insurance, pensions, *ex-gratia* payments and allowances to Trust staff and pensioners increased by 2.5% to £473,281 (£461,619 in 2019). Harare office expenses decreased to £56,691 (£86,503 in 2019). Correspondents' expenses decreased to £15,431 (£35,911 in 2019). Working office

costs decreased to £27,847 (£59,581 in 2019). This included the Auditor's fee of £9,600, including VAT (£12,000 in 2019).

The Financial Statement

	2020	2019
	£	£
Income & expenditure for the year		
Income	<u>2,321,162</u>	<u>3,742,952</u>
Expenditure		
Grants approved	2,408,043	3,122,096
Less grants written back	<u>(310,389)</u>	<u>(220,499)</u>
	2,097,654	2,901,597
Working & Harare office costs, including exchange rate differences	557,819	607,703
Investment Manager's fees	254,112	271,708
Tours	14,203	18,710
Total expenditure	<u>2,923,788</u>	<u>3,799,718</u>
Total (deficit)	<u>(602,626)</u>	<u>(56,766)</u>

The year-end value of the Beit portfolio, including cash balances after the expenditure outlined above, was £112,969,161 (£116,381,091 in 2019), showing a net decrease of 3 %.

Pensions and Gratuities

Trustees established a Defined Benefit arrangement in 2014 for new employees. Given the very small number of present and retired Beit servants, Trustees have not established a separate Pension Fund. The unfunded pension liability was calculated by actuaries, The Cartwright Group, as £3,676,464 at 31 December 2020.

The Trustees' policy on accounting for this liability is set out in detail at Note 19 (Part 3, page 3.13).

Risk Assessment

Trustees considered the major risks to which the charity could be exposed, and reviewed mitigation. They are not aware of any irregularities, including fraud, involving management or employees. Nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Trust suffering significant penalties or other loss.

The Trust faces both financial and operational risk. The financial risk in maintaining and enhancing the capital value of its endowment is addressed through a professionally managed, diversified portfolio of high-quality assets across a wide variety of asset classes and markets. Performance and risk mitigation are reviewed twice a year by the Trust's Finance Committee.

The major operational risks are twofold: that Beit funding is not used effectively to achieve impact; and from political and financial fragility in the region. The Trust uses its Harare Representative, network of regional Correspondents, and twice-annual tours by Trustees and Trust officials to monitor both; while contingency plans to respond to the latter are routinely reviewed.

Trustees have also considered the unprecedented impact of the Covid-19 pandemic on the Trust's investments. The Trust retains a strong balance sheet. Its total returns policy allows access to capital to

fund its ongoing commitments, despite reductions in dividend income. Trustees are committed to maintaining support for existing obligations – grants, scholarships, wages and pensions – to keep the Trust a going concern; and have adjusted spend on its continuing beneficial work to accommodate financial and economic circumstances, which they monitor closely.

Tours in 2020

A Trustee toured the beneficial countries in April. The September tour was postponed in the face of Covid travel and other restrictions.

CONCLUSION

In 2020 The Beit Trust, despite Covid restraints and disruption, continued to deliver on its mandate and objectives: providing support to its beneficial countries; helping institutions remain viable which might otherwise founder; boosting human capital wherever possible; and as a catalyst to self-improvement. It remained committed, in the words of former Chairman Sir Otto Beit, to underwriting work of “substantial and permanent importance.”

As it does so, the Trust remains apolitical and operates without consideration of sex, race or religion.

Approved by Trustees on 08 July 2021 and signed on their behalf by:

Sir Alan Munro, Chairman of Trustees



Independent Auditor's Report to the Trustees of The BEIT Trust

Opinion

We have audited the financial statements of The BEIT Trust ("the charity") for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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" ("FRS 102") (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 income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, 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, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 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.

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

Based on our understanding of the charity and the industry, we identified that the principal risks of non-compliance with laws and regulations related to the carrying value of investments; the carrying value of the defined benefit pension scheme liability; the recognition of income; and the recognition of grant obligations and expenditure. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, FRS 102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase income or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments or the defined benefit pension scheme liability. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or of fraud.
- Evaluation of management's internal controls designed to prevent and detect irregularities.
- Reading key correspondence with the Charity Commission in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes.
- Procedures relating to the valuation of investments and the defined benefit pension liability, including testing investment ownership and valuation to third party sources and obtaining and reviewing the pension scheme actuarial valuation and assessing the assumptions and estimates utilised therein.
- Identifying and testing journal entries and other significant transactions, in particular any that appeared unusual or outside the normal course of the charity's activities. Evaluating the rationale for such journal entries or transactions.

- Assessing whether the judgements made in making accounting estimates were indicative of a potential bias.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement, whether due to fraud or otherwise.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members to enable them to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Signed:

Alex Temlett

Azets Audit Services Limited
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming Surrey
GU7 1LQ

Date: 08 July 2021

Azets Audit Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ANNUAL REPORT

THE BEIT TRUST

PART 3 - FINANCIAL STATEMENTS

Statement of financial activities for the year ended 31 December 2020

		Total funds 2020	Total funds 2019
	Notes	£	£
Income and expenditure - Unrestricted funds			
Income			
Investments	3	2,317,859	3,734,840
Other	4	3,303	8,112
		<hr/>	<hr/>
Total income		2,321,162	3,742,952
Expenditure			
Raising funds	5	254,112	271,708
Charitable activities			
Grants and donations	6	2,097,654	2,901,597
Support costs	7	378,914	451,880
		<hr/>	<hr/>
Other			
Governance costs	8	193,108	174,533
		<hr/>	<hr/>
Total expenditure		2,923,788	3,799,718
		<hr/>	<hr/>
Net (expenditure) before investment (losses) / gains		(602,626)	(56,766)
Net (losses) / gains on investments		(2,610,803)	8,390,410
		<hr/>	<hr/>
Net (expenditure) / income		(3,213,429)	8,333,644
Other recognised (losses)			
Actuarial (losses) on defined benefit pension scheme	19	(258,445)	(228,891)
		<hr/>	<hr/>
Net movement in funds		(3,471,874)	8,104,753
Reconciliation of funds			
Total funds brought forward		112,444,634	104,339,881
		<hr/>	<hr/>
Total funds carried forward	20	108,972,760	112,444,634
		<hr/>	<hr/>

The notes on pages 3.4 to 3.15 form part of these financial statements

THE BEIT TRUST**Balance sheet at 31 December 2020**

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	14	173,734	187,385
Investments	15	111,985,167	114,804,331
		<hr/>	<hr/>
		112,158,901	114,991,716
		<hr/>	<hr/>
Current assets			
Debtors	16	357,660	462,120
Cash at bank and in hand	17	915,919	1,385,879
		<hr/>	<hr/>
		1,273,579	1,847,999
		<hr/>	<hr/>
Liabilities:			
Creditors falling due within one year	18	783,256	977,062
		<hr/>	<hr/>
Net current assets		490,323	870,937
		<hr/>	<hr/>
Total assets less current liabilities		112,649,224	115,862,653
Unfunded defined benefit pension scheme liability	19	3,676,464	3,418,019
		<hr/>	<hr/>
Net assets		108,972,760	112,444,634
		<hr/>	<hr/>
Funds			
Unrestricted funds		112,649,224	115,862,653
Pension reserve		(3,676,464)	(3,418,019)
		<hr/>	<hr/>
		108,972,760	112,444,634
		<hr/>	<hr/>

Approved by the Board of Trustees on 08 July 2021 and signed on its behalf by:

Sir Kieran Prendergast
Chairman of the Finance Committee

THE BEIT TRUST**Cash flow statement for the year ended 31 December 2020**

	Notes	2020 £	2019 £
Operating activities			
Net (expenditure) before investment (losses) / gains		(602,626)	(56,766)
Depreciation charge		20,488	20,174
Decrease / (increase) in debtors		104,460	(19,423)
(Decrease) in creditors		(193,806)	(11,647)
		<hr/>	<hr/>
Net cash (outflow) from operating activities		(671,484)	(67,662)
Capital expenditure and financial investment			
Proceeds from sale of investments		30,334,115	31,299,039
Payments to acquire tangible fixed assets		(6,837)	(5,131)
Purchase of investments		(31,783,539)	(30,464,821)
		<hr/>	<hr/>
Net cash flow movement from investing activities		(1,456,261)	829,087
Management of liquid resources			
Net movement in funds on short term deposit		1,657,785	(642,735)
		<hr/>	<hr/>
(Decrease) / increase in cash	21	(469,960)	118,690
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2019		1,385,879	1,267,189
		<hr/>	<hr/>
Cash and cash equivalents at 31 December 2020		915,919	1,385,879
		<hr/>	<hr/>

THE BEIT TRUST

Notes to the financial statements for the year ended 31 December 2020

The Beit Trust is registered with the Charity Commissioners (No. 232478).
The Registered Office is Beit House, Grove Road, Woking, Surrey, GU21 5JB, UK

(1) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the inclusion of fixed asset investments at market value. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Reporting

Standard applicable in the UK and Republic of Ireland issued in October 2019, 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 Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

As outlined in the Trustees' Annual Report, the Trustees have also considered the long term impact of the Covid 19 pandemic and do not believe that this will affect the Trust's ability to continue as a going concern.

(2) Principal accounting policies

The principal accounting policies remain unchanged from the previous year. The net liability on the unfunded pension scheme has been included on the balance sheet in compliance with FRS 102.

(a) Investments

Investments are included at closing mid-market value at the balance sheet date.

Gains and losses on disposal and revaluation of investments are taken to the Statement of Financial Activities.

(b) Investment income

Investment income is accounted for in the year in which the Trust is entitled to receipt.

(c) Expenditure

Liabilities are recognised as expenditure is incurred as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is included on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Raising funds comprise costs of managing the investment portfolio.

Grants payable are to third parties in furtherance of the Trust's charitable objectives. Provisions for grants are made in the year in which the grant is approved by the Trustees, and any over or under provision adjusted once the final amount of the grant has been paid.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(c) Expenditure (cont'd)**

Overhead and support costs are allocated first between charitable activity and governance. Support costs comprise costs for processing grants and applications, including Harare office costs, trustees' tours and foreign currency translation differences. Governance costs comprise those incurred in meeting the Trust's constitutional and statutory obligations. The costs of the Woking office are apportioned between support and governance costs based upon staff time expended.

(d) Foreign currencies

Transactions in foreign currencies are translated at the rate prevailing at the date of the transaction. Balances denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date. All differences are taken to the statement of financial activities.

(e) Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than freehold land for which the estimated cost is £52,000, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates generally applicable are:

Freehold building	2%
Motor vehicles	25%
Computer equipment	33 $\frac{1}{3}$ %
Fixtures, fittings and equipment	10%

The freehold building, Beit House, Woking, was valued on 22 March 2019 at £425,000, but is carried in the balance sheet at historical cost less depreciation. Trustees intend to have the property valued again in 2022.

(f) Debtors and creditors receivable / payable within one year

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 in expenditure.

(g) Pensions

The Trust operates an unfunded defined benefit scheme for all staff. The net actuarial liability representing the net deficit on the scheme is included on the balance sheet in accordance with the requirements of FRS 102. Other pension costs are accounted for as they are paid to retired employees.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(h) Fund accounting**

The following funds held by the Trust are all unrestricted:

Capital fund - this fund can be used in accordance with the charitable objectives at the discretion of the Trustees.

Reserve fund - this fund is set aside by the Trustees out of general funds for specific major grants. Any excess of income over expenditure in a given year is transferred to this fund.

Pension fund - this fund represents the unfunded defined benefit pension scheme liability.

(i) Key judgements

The trustees consider the only key judgements to be the pension assumptions (described in Note 19).

(3) Investments

	2020	2019
	£	£
Dividends and bond interest	2,311,731	3,714,677
Cash deposits	2,589	14,550
Other bank current and deposit accounts	3,539	5,613
	<hr/>	<hr/>
	2,317,859	3,734,840
	<hr/>	<hr/>

(4) Other

	2020	2019
	£	£
Rent for flat	3,303	8,112
	<hr/>	<hr/>

(5) Raising funds

	2020	2019
	£	£
Investment Managers' fees	254,112	271,708
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(6) Grants and donations**

Grants and donations paid, written back, voted and unspent in 2020. (See details in Part 4)

	Unspent grants brought forward £	Grants paid in the year £	Unspent grants written back £	New grants voted in 2019 £	Unspent grants carried forward £
Unrestricted funds					
General grants, scholarships and bursaries	-	911,469	258,871	1,214,217	43,877
One off projects	-	77,726	-	130,426	52,700
Zimbabwe	204,789	316,520	(3,484)	244,200	135,953
Malawi	210,500	339,499	5,000	282,200	148,201
Zambia	468,652	696,038	50,002	537,000	259,612
	883,941	2,341,252	310,389	2,408,043	640,343

£2,097,654 charged in the statement of financial activities is derived from new grants voted in 2020 less unspent grants written back.

(7) Support costs

	Notes	2020 £	2019 £
Harare office	11	233,823	260,249
Woking office	13	136,776	147,488
Overseas tours	12	14,203	18,710
Difference on exchange		(5,888)	25,433
		378,914	451,880

(8) Governance costs

		2020 £	2019 £
Woking office	13	193,108	174,533

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(9) Analysis of support and governance costs**

	Staff costs £	Other costs £	Depreciation £	Total 2020 £	Total 2019 £
Support costs	292,791	67,674	18,449	378,914	451,880
Governance costs	180,490	10,579	2,039	193,108	174,533
	473,281	78,253	20,488	572,022	626,413

(10) Employee costs

	2020 £	2019 £
Wages and salaries	255,926	261,636
National insurance	13,548	15,117
Zimbabwe National insurance	574	835
Zimbabwe Medical Aid Society costs	20,349	19,253
Pensions	120,176	107,802
Ex gratia payments in lieu of pensions	62,708	56,976
	473,281	461,619

Ex gratia payments made to certain retired employees are reviewed annually.

The Trust Secretary, Sir Andrew Pocock, earned in excess of £60,000 per annum both in 2020 and 2019. During 2020 he paid £1,951 rent whilst occupying a flat owned by the Trust. He is a member of the Trust pension scheme.

The Trust's key management personnel received remuneration totalling £127,726 (2019, £125,493)

The six Trustees have not received any remuneration from the Trust, but are reimbursed for their travelling and other expenses incurred on Trust business as disclosed in notes 12 and 13.

The total number of employees in 2020, by location, was: Harare - 3; Woking - 4 (2019, Harare - 3; Woking - 4).

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020**

(11) Harare office expenses	2020	2019
	£	£
Salaries	89,405	96,048
Zimbabwe National Insurance	574	835
Zimbabwe Medical Aid Society costs	20,349	19,253
Pensions	37,440	36,210
Ex gratia payments in lieu of pensions	30,480	30,096
Property (rent, light, heat and maintenance)	11,140	12,643
Office administration	4,213	3,815
Representatives' local travel and motor expenses	4,938	5,842
Correspondents' and Scholarship Board expenses	15,431	35,911
Legal & professional	2,500	2,500
Audit and accountancy	1,099	1,066
Bank charges	1,370	1,146
Depreciation	14,884	14,884
	<hr/>	<hr/>
	233,823	260,249
	<hr/>	<hr/>
(12) Overseas tours	2020	2019
	£	£
Trustees' visits to Zimbabwe, Malawi and Zambia	10,225	9,472
Representative's visits	3,978	3,603
Secretary's visits	-	5,635
	<hr/>	<hr/>
	14,203	18,710
	<hr/>	<hr/>

One Trustee visited the beneficial countries in 2020. The Representative made a number of visits within the Trust's countries to ensure that the Trust funds were being expended for the purpose originally requested, as well as accompanying the Trustee on tour.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020**

(13) Working office expenses	2020	2019
	£	£
Salaries	166,521	165,588
National Insurance	13,548	15,117
Pensions	82,736	71,592
Ex gratia payments in lieu of pensions	32,228	26,880
Property (rent, rates, light, heat and maintenance)	6,533	6,223
Office administration	9,509	12,163
Secretary's support expenses	406	1,490
Secretary's travel and motor expenses	17	305
Trustees' travel and meeting expenses	67	1,793
Audit fees	9,600	12,000
Legal and professional	3,000	3,500
Bank charges	115	80
Depreciation	5,604	5,290
	<hr/>	<hr/>
	329,884	322,021
	<hr/>	<hr/>
Allocated as:		
Support costs	136,776	147,488
Governance costs	193,108	174,533
	<hr/>	<hr/>
	329,884	322,021
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(14) Tangible assets**

	Freehold land & building £	Motor vehicle £	Computer equipment £	Fixtures fittings & equipment £	Total £
Cost					
Brought forward					
Total funds brought forward	231,974	54,725	6,160	28,883	321,742
Additions	1,440	-	794	4,603	6,837
Disposals	-	-	-	(338)	(338)
Carried forward					
Total funds carried forward	233,414	54,725	6,954	33,148	328,241
Accumulated depreciation					
Brought forward					
Total funds brought forward	81,006	27,362	4,848	21,141	134,357
Charge for year	3,628	13,681	1,259	1,920	20,488
Disposals	-	-	-	(338)	(338)
Carried forward					
Total funds carried forward	84,634	41,043	6,107	22,723	154,507
Net book values					
Total funds carried forward	148,780	13,682	847	10,425	173,734
at 31 December 2019	150,968	27,363	1,312	7,742	187,385

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020**

(15) Investments	2020	2019
	£	£
Listed investments		
Market value at 1 January 2020	114,804,331	106,605,404
Additions	31,783,539	30,464,821
Disposals	(34,026,420)	(28,343,434)
Increase / (Decrease) in uninvested cash	(1,657,785)	642,735
Net Unrealised investment gain	1,081,502	5,434,805
	<hr/>	<hr/>
Market value at 31 December 2020	111,985,167	114,804,331
	<hr/>	<hr/>
Cost at 31 December 2020	99,702,858	96,722,780
	<hr/>	<hr/>
<p>Apart from the investment in Vanguard S&P 500 UCITS ETF (10.8%) no single investment comprises more than 5% of the Trust's assets.</p>		
<p>The investments as at 31 December were divided as follows:</p>		
	2020	2019
	£	£
UK equities and unit trusts	22,376,566	39,605,290
Overseas equities and unit trusts	60,494,809	41,249,039
UK fixed interest	4,886,244	5,486,087
Alternative investments	11,165,843	13,181,234
Property unit trusts	11,090,768	11,653,959
Cash on deposit awaiting investment	1,970,937	3,628,722
	<hr/>	<hr/>
	111,985,167	114,804,331
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020**

(16) Debtors	2020	2019
	£	£
Prepayments and accrued income	356,238	461,246
Other debtors	1,422	874
	<hr/>	<hr/>
	357,660	462,120
	<hr/>	<hr/>
(17) Cash at bank and in hand	2020	2019
	£	£
United Kingdom:		
Current accounts	150,524	82,678
Deposit accounts	748,302	1,269,188
In hand	411	268
Zimbabwe, Malawi and Zambia:		
Current accounts *	3,126	9,324
In hand *	13,556	24,421
	<hr/>	<hr/>
	915,919	1,385,879
	<hr/>	<hr/>
* Including £16,682 (2019 - £33,745) in foreign currencies		
(18) Liabilities: creditors falling due within one year	2020	2019
	£	£
Schroder Investment Management Limited	65,588	69,169
Accruals	69,832	16,460
Unspent grants carried forward	640,343	883,941
Other creditors	7,493	7,492
	<hr/>	<hr/>
	783,256	977,062
	<hr/>	<hr/>

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020**

(19) Unfunded defined benefit pension scheme liability	2020	2019
	£	£
Unfunded defined benefit pension scheme liability	3,676,464	3,418,019

The Trust operates a defined benefit pension scheme. This is an unfunded arrangement where benefits are paid out of the Trust's portfolio when due. An actuarial valuation was undertaken as at 31 December 2020 establishing a liability of £3,676,464.

Other key assumptions that have been used in the calculations are:

	2020	2019
Rate of increase in salaries - current trustee directives	3.05%	3.10%
Rate of increase in deferred pensions - current trustee directives	3.05%	3.10%
Rate of increase in ex gratia payments - current trustee directives	2.25%	2.10%
Discount rate - current AA-rated UK Government Bond yield	1.35%	2.00%
Inflation assumption - current published information	3.05%	3.10%

Changes in the present value of the plan liabilities are as follows:

	2020		2019	
	£	£	£	£
Present value of plan liabilities at 1 January 2020		3,418,019		3,189,128
Current service cost	103,028		112,902	
Benefits paid	(182,884)		(164,778)	
Interest on plan liabilities	67,562		86,988	
Actuarial losses	270,739		174,536	
Loss on plan changes	-		19,243	
Actuarial losses on defined benefit pension scheme		<u>258,445</u>		<u>228,891</u>
Present value of plan liabilities at 31 December 2020		<u>3,676,464</u>		<u>3,418,019</u>

The scheme is unfunded and holds no assets.

THE BEIT TRUST**Notes to the financial statements for the year ended 31 December 2020****(20) Movements on unrestricted funds during the year**

	Capital fund £	Reserve fund £	Pension Reserve £	Total funds 2020 £	Total funds 2019 £
Total funds brought forward	111,483,846	4,378,807	(3,418,019)	112,444,634	104,339,881
Net (expenditure) before investment (losses) / gains	(602,626)	-	-	(602,626)	(56,766)
Actuarial (losses) on defined benefit pension scheme	-	-	(258,445)	(258,445)	(228,891)
Transfer to reserve fund from capital fund	602,626	(602,626)	-	-	-
Net (losses) / gains on investments	(2,610,803)	-	-	(2,610,803)	8,390,410
Total funds carried forward	108,873,043	3,776,181	(3,676,464)	108,972,760	112,444,634

The Reserve Fund is a fund of unspent income from previous years which may be used for major projects or for such beneficial activities as the Trustees may determine.

Net expenditure is transferred into this fund.

(21) Analysis of changes in net funds

	Net funds at 1.1.20 £	Cash flows £	Net funds at 31.12.20 £
Cash at bank and in hand	1,385,879	(469,960)	915,919
Cash on deposit awaiting investment	3,628,722	(1,657,785)	1,970,937
	5,014,601	(2,127,745)	2,886,856