

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

		Total funds 2022	Total funds 2021
	Notes	£	£
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	19	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
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
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)
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
Increase / (decrease) in cash		125,852	(221,932)
Cash and cash equivalents at 31 December 2021		693,987	915,919
Cash and cash equivalents at 31 December 2022		819,839	693,987

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

(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
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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					
Total funds carried forward	237,572	54,725	11,732	31,753	335,782
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					
Total funds carried forward	92,056	54,725	7,755	25,046	179,582
Net book values					
Total funds carried forward	145,516	-	3,977	6,707	156,200
at 31 December 2021	149,227	-	2,542	8,566	160,335

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
Total funds carried forward	112,979,670	2,716,782	(3,041,424)	112,655,028	121,493,694

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
	2,571,666	1,104,743	3,676,409