

**bet365 Foundation**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**

29 March 2015



Company Registration No. 08191619  
Registered Charity No. 1149110

# bet365 Foundation

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# bet365 Foundation

## LEGAL AND ADMINISTRATIVE INFORMATION

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### LEGAL AND ADMINISTRATIVE INFORMATION

Charity Number: 1149110

Company Number: 08191619

Trustees/Company Directors: D Coates CBE  
JF Coates  
P Coates  
SJ Adlington  
S Galletley (appointed 1 April 2014)  
J White (appointed 1 April 2014)  
D Hall (resigned 1 April 2014)

Auditor: Baker Tilly UK Audit LLP, Festival Park, Stoke-on-Trent, ST1 5BB

Banker: Barclays Bank  
Pall Mall Corporate Banking Centre  
Pall Mall Corporate Group  
50 Pall Mall  
London

Investment Manager: Goldman Sachs International  
River Court  
120 Fleet Street  
London  
EC4A 2BE

Registered Office: Unit 2 Hillside, Festival Way, Stoke-on-Trent, ST1 5SH

Status: bet365 Foundation is a company limited by guarantee. It is a registered charity and governed by the provisions of its Memorandum and Articles of Association dated 24 August 2012 as amended by special resolution on 30 November 2012.

# bet365 Foundation

## REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT

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The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 29 March 2015.

### PRINCIPAL ACTIVITIES

The principal activity of the Foundation is the provision of funding to charities that will use the resources to enrich the lives of those that they exist to support.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### **Governing document**

bet365 Foundation is a company limited by guarantee and does not have any share capital. It is a non-profit making organisation and registered charity governed by its Memorandum and Articles of Association dated 24 August 2012 as amended by special resolution on 30 November 2012. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

#### **Organisational structure**

All decisions regarding management of the Foundation and the distribution of its funds are made by the Trustees. The Foundation has no employees and is not charged for the Trustees' time.

A review system is in place to monitor the bank accounts and to reconcile all transactions back to Trustee approved charitable donations.

#### **Appointment of Trustees**

The skill set of the Board of Trustees is constantly reviewed and compared to the requirements of the Foundation to achieve its objectives. Where there are gaps the Trustees seek to make appropriate appointments of individuals with the required skills and experiences.

#### **Trustee induction and training**

It is the intention that all new Trustees will attend an induction meeting with one of the existing Trustees, observing how the Foundation's objectives are achieved. Should any additional specialised training be required then appropriate training arrangements will be put in-place.

### OBJECTIVES AND ACTIVITIES

#### **The objectives of the charity and strategies employed to achieve the objective**

The Foundation's aim is to promote such charitable purposes anywhere in the world for the public benefit as are exclusively charitable according to the laws of England and Wales as the Trustees may in their absolute discretion determine, in particular but not exclusively through the provision or assistance in the provision of facilities for the promotion of community participation in healthy recreation.

#### **Grant making policy**

Charities are invited to present proposals to the Foundation's Trustees detailing how a donation would be used and the benefits that it would deliver. The Trustees assess how the proposal aligns to the Foundation's objectives in order to determine whether or not to grant a donation.

# bet365 Foundation

## REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT

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### ACHIEVEMENTS AND PERFORMANCE

#### **Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing bet365 Foundation's aims and objectives and planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees believe that the Foundation meets the principles relating to charities and public benefit described in the Charity Commission guidance and that this Trustees' Annual Report demonstrates the Foundation's contribution.

#### **Related parties**

The Foundation received a donation from Hillside (Shared Services) Limited during 2014/15. Two of the Foundation's Trustees are Directors of Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited) and three of the Trustees are Directors of Hillside (Shared Services) Limited's ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore this is deemed to be a related party.

#### **Risk management**

The Trustees acknowledge their responsibility for managing risk. They will regularly review the risk management process adopted and will amend procedures as and when it is deemed necessary.

### FUTURE PLANS

The Foundation continues to review applications for funding and will continue to provide donations that meet its charitable objectives.

### STRATEGIC REPORT

#### Achievements and performance

In the 2014/15 financial year the Foundation provided £3.6m of donations to 23 charitable entities, 22 of which each received donations totalling more than £20,000. In addition, as at 29 March 2015 unconditional commitments to provide £400k of donations to four charitable entities were in place. The Foundation is waiting for notification that the Charities wish to drawdown and use the funds.

The Foundation gifted significant funds to support charitable activities locally, nationally and internationally through UK registered charities. Examples of how the Foundation's charitable giving has/will be used are provided below.

- Health and Wellbeing

Locally the Foundation has donated to three charities (hospices) that provide life enriching front line support to individuals, and their families, suffering with progressive terminal illness. One of the organisations focuses upon care and support for children and the other two on care and support for adults. The care provided by the hospices extends beyond the provision of medical care with services/facilities intended to maximise quality of life and to provide support for all those affected by an individual's illness. In two instances the funding was targeted directly to the front-line activities undertaken by each of the organisations. In the third, the funding has been used to build a brand new purpose-built outpatient facility enabling the Charity to extend access to, and quality of, the services it provides.

A local NHS Trust received a donation enabling it to purchase state of the art gynaecological laparoscopic, key-hole, surgical equipment. The funding provided covered the whole cost of the equipment to be purchased. Once operational the equipment will enable the Trust to increase the number of procedures performed using laparoscopic techniques thus reducing the need to undertake open surgery which will deliver significant benefits to both patients, recovery time, and the Trust which will benefit from reduced pressure on resources required to support patient recovery.

The Foundation has provided funding to a national children's charity to the extent that over the next two years its Schools Service will be able to deliver its awareness of abuse and neglect programme to year 5 and 6 pupils in every Staffordshire primary school.

A grant was provided to a local residential home for disabled people enabling it to acquire a modified minibus, doubling the size of its fleet and, therefore, significantly increasing the ability for residents to undertake, and enjoy, trips away from the residential home.

The Foundation once again funded a charity providing assistance dogs to the physically disabled.

Internationally, funding to support the first year of a two year project was exclusively funded by the Foundation. The Cleaner Living programme will deliver improved sanitation, hygiene and understanding of public health. It is anticipated that over one hundred thousand people will directly benefit from the project in year one with around three hundred thousand people benefitting when the project is fully delivered.

- Education and Training

Education is the key to an individual achieving their full potential therefore access to education is of paramount importance. Through no fault of their own some people face greater barriers than most. The Foundation is therefore committed to trying to make a difference, giving people an opportunity to realise their potential by helping to “level the playing field”.

Locally, the Foundation has committed to providing charitable funding to two universities with the stipulation that the donations are to be used to support students from the local area who have disadvantaged backgrounds. Each of the institutions will use the funding, scholarships, to support 1<sup>st</sup> year students starting their undergraduate courses in the academic year 2015/16.

The Foundation again provided funding to a charity project operating in sub-Saharan Africa delivering training and support to women infected with HIV/AIDS. The funding provided in 2014/15 will underpin the implementation of an Early Childhood Development programme to support the Charity’s work in Swaziland and Lesotho. The programme will train mothers living with HIV to work alongside doctors and nurses, providing critical information and support to pregnant women and mothers of new born babies, explaining how to keep themselves healthy and what steps they can take to have a healthy, HIV free baby. The project is run by a UK registered charity.

The Foundation has also unconditionally committed to providing funding to support an education project to operate in Sierra Leone. The project, when delivered, aims to provide severely disadvantaged children with access to education and training that will ultimately provide them with the skills to earn a living. When fully operational the school will be providing an education to 200 children.

Unfortunately, project implementation was delayed as a consequence of the Ebola outbreak. Delivery will be picked up once more when the conditions in the country normalise.

- Medical Research and Development

The Trustees recognise the need for medical research to advance treatments and to potentially deliver cures for diseases and conditions that can have a devastating impact upon individuals suffering directly and those close to them. In the year the foundation provided funding in support of three medical research programmes, two of which are focused upon research in the field of dementia and one upon lung function in pre-term babies.

- Disaster Recovery/Emergency Relief

At the height of the Ebola crisis in West Africa the Foundation made two significant donations to support the “on-the-ground” efforts to combat the effects and spread of the virus.

- Community Development

Locally, the Foundation provided funding to a charity that targets its support towards young people. The Charity used the funding to assist with the development of premises which was undertaken by a Community Interest Company comprising of individuals who have at some point in their lives been homeless and/or incarcerated. Businesses are now housed within the developed facility providing employment and an opportunity for young people assisted by the Charity to gain experience and skills through volunteering assignments with these businesses.

- **Arts and Culture**

The Arts, for many, are a life enriching source of pleasure, education and inspiration and to this end the Foundation has made significant donations.

Locally, the Foundation provided significant contributions in response to campaigns raising funds to save two historically important pottery collections, the collections are of particular importance to the heritage of the Stoke-on-Trent area where, following successful appeals, the collections will be on permanent display at a local museum. In addition the Foundation has once again donated to a local theatre in support of a major investment in the development of its facilities.

Nationally, the Foundation has provided funding to a highly respected and internationally recognised art gallery to support a major exhibition of Barbara Hepworth's work.

### **Financial review**

A Statement of the Financial Activities of the charity is given on page 10. The total incoming resources for the period were derived from interest and investment returns of £1,135,150 and a charitable donation of £10,000,000 resulting in total incoming resources of £11,135,150 (2014: £105,500,000). During the Financial Year £4,143,727 (2014: £1,451,973) was expended/committed to charitable giving. After allowing for governance costs of £14,098 (2014: £8,644) there were £118,071,965 (2014: £105,038,593) of funds carried forward to the following financial year for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Year there was £400,000 of outstanding commitments in relation to four grants committed but not made as at the Balance Sheet date. In the view of the Trustees the funds held at 29 March 2015 were available and adequate to fulfil its existing obligations.

### **Donation**

On 27 March 2015 the Foundation received a donation of £10,000,000 reported within the Financial Statements as Endowment Funds. This sum will be held as an expendable endowment and held as a long-term investment, the return from which, in excess of annual inflation, will be distributed to support charities/charitable activities that align to the objectives of the Foundation. As at 29 March 2015 the excess return, over and above annual RPI inflation, was £6,259,649 which has been transferred to Unrestricted Funds within the Financial Statements.

As at the balance sheet date the £10,000,000 donation received on 27 March 2015 was held in a non-interest bearing retail current account ahead of the funds being transferred to and invested by an investment management company with a long standing track record of funds management.

### **Plans for future periods**

The charity continues to review applications for funding and will continue to provide donations that meet its charitable objectives.

### **Investment policy**

The Trustees' investment policy is to maintain the real value of the Endowment Fund through a strategic balance of equity risk and fixed income return, consistent with its reserves policy with the excess funds over and above annual RPI inflation being transferred to Unrestricted Funds. The expendable endowment funds are managed as a balanced "moderate" risk portfolio on a discretionary basis to achieve the Trustees' investment goals to maximise the portfolios return within the constraints of the mandate granted by the Trustees.



# bet365 Foundation

## REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT

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### Investment performance

As at 29 March 2015 the investment portfolio stood at £107,238,917, representing growth of £7,159,599 (net of all costs paid or accrued), 7.2%, for the 11 months since its inception, the initial Endowment Fund invested being £100,000,000. The UK annual inflation rate, RPI, was 0.9% for March 2015 therefore the Investment Portfolio delivered growth significantly ahead of annual inflation, 6.3% above, which aligns with the long-term "out-performance" objective. Since the start of 2015 to the end of March 2015 the portfolio has outperformed the agreed benchmark return, which comprises of a combination of indices and which achieved a growth rate of 3.4% over the same period.

### Reserves policy

The policy of the Trustees is to maintain the real value of the Endowment but otherwise to distribute all the Foundation's realised income and gains within a reasonable period. This policy should allow the Foundation to operate on an enduring basis without being dependent upon donations from any particular source. The Trustees have reviewed the reserves policy and have agreed that the level of reserves is assessed annually in order to mitigate current and future risks as well as enabling bet365 Foundation to achieve its objectives. As at 29 March 2015, the actual reserves were £118,071,965 (2014: £105,038,593).

### Principal risks and uncertainties

The principal risk faced by the Foundation is the erosion of the value of its long-term investment. The Trustees are satisfied that the investment management company has sufficiently demonstrated that it has the expertise to manage the investment of the Endowment Fund in accordance with the Trustees requirements. In addition the Trustees will be provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the management company's performance under ongoing review.

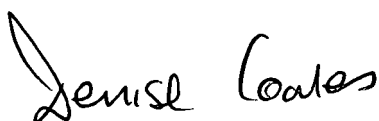
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has then been communicated to the auditor.

### AUDITOR

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditors by the company on 2 September 2013. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and therefore Baker Tilly UK Audit LLP will continue in office.

The Report of the Trustees and Strategic Report were approved by the Trustees and signed on their behalf by:



**Denise Coates CBE**  
Director and Trustee

4 September 2015

# bet365 Foundation

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees (who are also directors of bet365 Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair value of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BET365 FOUNDATION

We have audited the financial statements of bet365 Foundation for the period ended 29 March 2015 on pages 10 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 29 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

*Baker Tilly UK Audit LLP*

ROGER DAVIES BA, FCA (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Festival Way  
Stoke-on-Trent  
Staffordshire  
ST1 5BB

*16 September* 2015

# bet365 Foundation

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the 364 days ended 29 March 2015

	Note	Endowment Fund	Unrestricted Funds	Total Funds Period ended 29 March 2015	Total Funds Period ended 30 March 2014
		£	£	£	£
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Donations	1	10,000,000	-	10,000,000	500,000
Donations – exceptional income	1	-	-	-	105,000,000
Investment income	2	1,103,552	31,598	1,135,150	-
<b>TOTAL INCOMING RESOURCES</b>		<b>11,103,552</b>	<b>31,598</b>	<b>11,135,150</b>	<b>105,500,000</b>
<b>RESOURCES EXPENDED</b>					
Investment manager costs		292,769	-	292,769	-
Charitable activities	3	-	4,143,727	4,143,727	1,451,973
Governance costs	4	-	14,098	14,098	8,644
<b>TOTAL RESOURCES EXPENDED</b>		<b>(292,769)</b>	<b>(4,157,825)</b>	<b>(4,450,594)</b>	<b>(1,460,617)</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>10,810,783</b>	<b>(4,126,227)</b>	<b>6,684,556</b>	<b>104,039,383</b>
<b>TRANSFERS</b>					
Gross transfers between funds	10	(6,259,649)	6,259,649	-	-
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>4,551,134</b>	<b>2,133,422</b>	<b>6,684,556</b>	<b>104,039,383</b>
<b>OTHER RECOGNISED GAINS</b>					
Gains on investment assets		6,348,816	-	6,348,816	-
<b>NET MOVEMENT IN FUNDS</b>		<b>10,899,950</b>	<b>2,133,422</b>	<b>13,033,372</b>	<b>104,039,383</b>
Total funds brought forward		100,000,000	5,038,593	105,038,593	999,210
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>10</b>	<b>110,899,950</b>	<b>7,172,015</b>	<b>118,071,965</b>	<b>105,038,593</b>

The incoming resources and resources expended derive from the continuing activities.

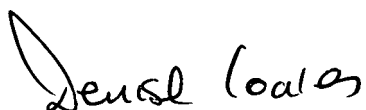
# bet365 Foundation

## BALANCE SHEET

At 29 March 2015

	Note	2015	2014
		£	£
<b>FIXED ASSETS</b>			
Investments	7	<b>107,238,917</b>	-
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	8	<b>19,940</b>	-
Cash at bank and in hand		<b>11,302,626</b>	105,044,293
		<b>11,322,566</b>	105,044,293
<b>CREDITORS: Amounts falling due within one year</b>	9	<b>(489,518)</b>	(5,700)
<b>NET CURRENT ASSETS</b>		<b>10,833,048</b>	105,038,593
<b>NET ASSETS</b>		<b>118,071,965</b>	105,038,593
<b>ACCUMULATED FUNDS</b>			
<b>UNRESTRICTED FUNDS</b>			
General funds	10	<b>7,172,015</b>	5,038,593
ENDOWMENT FUND	10	<b>110,899,950</b>	100,000,000
<b>TOTAL FUNDS</b>	11	<b>118,071,965</b>	105,038,593

The financial statements on pages 10 to 21 were approved by the board and authorised for issue on **4<sup>th</sup> September** 2015 and were signed on its behalf by:



**Denise Coates CBE**  
Director and Trustee

Company Registration No. 08191619

Registered Charity No. 1149110

# bet365 Foundation

## CASH FLOW STATEMENT

for the 364 days ended 29 March 2015

	Note	29 March 2015		31 March 2014	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	12		6,246,675		104,039,383
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received		11,658		-	
			11,658		-
FINANCING					-
Endowment investment			(100,000,000)		-
(DECREASE)/INCREASE IN CASH IN THE PERIOD	13		(93,741,667)		104,039,383

# bet365 Foundation

## ACCOUNTING POLICIES

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The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

### BASIS OF PREPARATION

The financial statements are presented in accordance with the Statement of Recommended Practice ("SORP") 2005 "Accounting and Reporting by Charities", issued by the Charity Accounting Committee and approved by the Accounting Standards Board. Accordingly, the profit and loss account prescribed by the Companies Act 2006 has been replaced by the Statement of Financial Activities in order to reflect the special nature of the company's operations.

### GOING CONCERN

The Trustees have confirmed that they will continue to support the Foundation via donations from the related party. In addition, to ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received in the period and to distribute from the realised gains in future periods. The Trustees believe there are adequate resources which will enable the Foundation to meet its liabilities as they fall due for the foreseeable future. For this reason, the Trustees have adopted the going concern basis in preparing the financial statements.

### ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost accounting rules except for the valuation of investments and are in accordance with applicable accounting standards.

### INCOMING RESOURCES

The values of all resources accruing to the Foundation are recorded in the Statement of Financial Activities as soon as it is legally entitled to the income and the amount can be quantified with reasonable accuracy. This is dependent on an actual receipt or enforceable right to receipt, a reasonable certainty of receipt and whether the monetary value can be sufficiently and reliably measured. Where such income has been received in advance of the relevant expenditure having been incurred, the income is held in the balance sheet as deferred income to be released as the expenditure is incurred.

### RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and includes attributable VAT which cannot be recovered. Expenditure has been classified under the appropriate heading but where costs cannot be directly attributed to particular headings (support costs); they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are those costs associated with the governance arrangements of the Foundation which relate to its general running. These include audit, insurance costs, and legal advice for Trustees and costs associated with constitutional and statutory requirements such as the costs of Trustee meetings and preparing the statutory financial statements, plus a share of support costs.

All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

### GRANTS

Grants payable are made by the charity based on formal applications and presentations to the trustees. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

### DONATIONS

Donations are payments made in the year to third parties but initiated by the trustees and are solely at the discretion of the trustees. Donations are not based on any formal application or set process. Donations are made to individuals and institutions by the trustees where the charity considers it is in furtherance of the charity's objectives.

# bet365 Foundation

## ACCOUNTING POLICIES

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### FUND STRUCTURE

#### *Unrestricted funds*

General accumulated funds are unrestricted funds available to the Foundation for its general purposes and include from time to time funds designated by the Foundation for particular purposes, the use of any such designated funds remaining at all times at the discretion of the Trustees.

#### *Expendable endowment fund*

The Foundation has an expendable endowment fund which comprises of gifts from Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited). The income and capital of this endowment can be used by the trustees to finance their planned strategy of charitable grants, in accordance with the Foundation's objectives.

The return generated in the expendable endowment fund, in excess of annual RPI inflation, is transferred to the unrestricted funds in accordance with the agreed trustee policy.

### TAXATION

As a registered charity the Foundation is exempt from liability to corporation tax on its income from charitable activities and capital gains and no provision for taxation is therefore made.

### INVESTMENTS

Investments held as Fixed Assets are revalued at mid-market value at the Balance Sheet date and the gain or loss taken to the Statement of Financial Activities.

Gains and Losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market value.

Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value (or purchase date if later). Realised and unrealised gains and losses are not separated in the Statement of Financial Activities.

### FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### GROSS TRANSFER

The Foundation has a policy with regard to transferring the total returns on the expendable endowment fund in each period, less the UK annual inflation rate, RPI, to the unrestricted funds. This policy is maintained to secure the long term capital base of the expendable endowment fund.



# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

### 1 INCOMING RESOURCES

#### a) *Exceptional Donations*

	2015		Total	Total
	Endowment fund	Unrestricted fund	2015	2014
	£	£	£	£
Exceptional donations	-	-	-	105,000,000

#### b) *Expendable endowment donations*

The Foundation received donations during the period from Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited) which included £10,000,000 (2014: £100,000,000) allocated to expendable endowment funds.

### 2 INVESTMENT INCOME

	2015		Total	Total
	Endowment fund	Unrestricted fund	2015	2014
	£	£	£	£
Managed investments:				
Fixed interest – listed	76,305	-	76,305	-
Fixed interest – unlisted	345,730	-	345,730	-
Dividends – listed	382,360	-	382,360	-
Dividends – unlisted	243,418	-	243,418	-
Interest on cash	55,739	-	55,739	-
Bank interest on cash deposits	-	31,598	31,598	-
	1,103,552	31,598	1,135,150	-

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

### 3 RESOURCES EXPENDED

The charity undertakes its charitable activities through grant making and awarded grants to a number of individuals and institutions in furtherance of its charitable activities:

	Grant funding £	Support costs £	Total Period ended 29 March 2015 £	Total Period ended 30 March 2014 £
Charitable activity – donations	576,536	-	576,536	540,018
– grants	3,567,191	-	3,567,191	911,955
	<u>4,143,727</u>	<u>-</u>	<u>4,143,727</u>	<u>1,451,973</u>

During the period donations have been made to charities covering the following key areas of activity:

	Total Period ended 29 March 2015 £	Total Period ended 30 March 2014 £
Health and Wellbeing	27,976	15,018
Education and Training	512,560	500,000
Disaster Recovery	-	25,000
Community Development	1,000	-
Arts and Culture	35,000	-
	<u>576,536</u>	<u>540,018</u>

Grants made during the period between institutions and individuals are as follows:

	Period ended 29 March 2015		Period ended 30 March 2014	
	Grants to institutions £	Grants to individuals £	Grants to institutions £	Grants to individuals £
Health and Wellbeing	1,804,941	-	510,000	-
Education and Training	480,000	-	324,455	-
Medical Research and Development	564,750	-	-	-
Community Development	50,000	-	50,000	-
Arts and Culture	667,500	-	27,500	-
	<u>3,567,191</u>	<u>-</u>	<u>911,955</u>	<u>-</u>

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the 364 days ended 29 March 2015

### 3 RESOURCES EXPENDED (continued)

Recipients of institutional grant(s):

Institution	Funded Activity	No of donations	Total	
			£	£
The Board of Trustees of the Tate Gallery	Support for an exhibition of the British artist Barbara Hepworth's work	1	360,000	
Chronic Disease Research Foundation	Research into dementia with the intention of improving understanding of the disease and ultimately assisting with the future development of dementia treatments	1	315,000	
Oxfam	The Cleaner Living Programme in Liberia, a specific Oxfam project, delivering improved sanitation, hygiene and understanding of public health	1	295,000	
St Luke's Cheshire Hospice	Contribution towards the construction and fit-out of the Hospice's purpose build outpatient facility.	1	294,000	
The Art Fund	Donation to the Wedgwood Collection appeal enabling the Art Fund to acquire the collection on behalf of the Nation	1	250,000	
The Donna Louise Trust	The delivery of the Children's Hospice's front line activities	1	250,000	
CAFOD	Set up of a HIV/AIDS education and awareness programme in Uganda	1	250,000	
University Hospitals of North Midlands Charity	Acquisition of gynaecological laparoscopic surgical equipment to be used within the National Health Service	1	245,161	
Catch the Dream Project	Set up and development of a school for severely disadvantaged children in Sierra Leone	1	230,000	
Douglas MacMillan Hospice	The delivery of the Hospice's front line activities	1	209,000	
The University of Sheffield	Acquisition of scientific hardware to be used by the University's dementia research programme	1	172,500	
NSPCC	Delivery of an awareness of abuse and neglect programme in all Staffordshire primary schools	1	140,180	
				3,010,841
There were a further 11 institutions who benefitted from grants to aid their charitable activities and which are aligned to the bet365 Foundation's charitable objectives				556,350
				3,567,191

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

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### 4 GOVERNANCE COSTS

<i>Unrestricted funds</i>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Legal and professional	<b>12,534</b>	7,252
Insurance	<b>1,392</b>	1,392
Bank charges	<b>172</b>	-
	<b>14,098</b>	<b>8,644</b>

### 5 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

	<b>2015 £</b>	<b>2014 £</b>
Auditors' remuneration:		
Audit services	<b>8,000</b>	5,200
Non audit services	<b>2,934</b>	1,552

### 6 STAFF NUMBERS, STAFF COSTS AND TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the trustees received no remuneration or expenses during the period.

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

### 7 FIXED ASSET INVESTMENTS

	Unlisted Securities £	Listed Securities £	Cash £	Other Investments £	Total £
<i>Market value</i>					
At beginning of period	-	-	-	-	-
Transfer from cash balances	-	-	100,000,000	-	100,000,000
Additions to investments at cost	68,505,804	27,902,902	(104,408,706)	8,000,000	-
Disposals at carrying value	(4,664,670)	(3,137,331)	7,802,001	-	-
Investment income	589,149	458,665	55,738	-	1,103,552
Realised and unrealised gains and losses during the period	5,466,935	3,159,039	(2,383,168)	106,010	6,348,816
Expenses (see below *)	-	-	(213,451)	-	(213,451)
At end of period	69,897,218	28,383,275	852,414	8,106,010	107,238,917

\* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £79,318 is included in accruals to cover unpaid fees relating to 2015.

*The realised and unrealised gains and losses detailed above can be analysed as follows:*

	£
Unrealised gains on investments	8,159,954
Realised loss on investments	(1,223,759)
Realised loss on currency and money markets	(587,379)
	6,348,816

### 8 DEBTORS: Amounts falling due within one year

	2015 £	2014 £
Accrued Income	19,940	-

### 9 CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Accruals	89,518	5,700
Grant commitments	400,000	-
	489,518	5,700

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

### 10 STATEMENT OF FUNDS

	At 30 March 2014 £	Income £	Expenditure £	Gains on revaluation of investments £	Transfer of Funds £	At 29 March 2015 £
<b>UNRESTRICTED FUNDS</b>						
General fund	5,038,593	31,598	(4,157,825)	-	6,259,649	7,172,015
<b>ENDOWMENT FUND</b>						
Expendable	100,000,000	11,103,552	(292,769)	6,348,816	(6,259,649)	110,899,950
<b>TOTAL FUNDS</b>	<b>105,038,593</b>	<b>11,135,150</b>	<b>(4,450,594)</b>	<b>6,348,816</b>	<b>-</b>	<b>118,071,965</b>

#### Unrestricted Funds

The general funds represent the unrestricted funds of the Foundation that are not designated for particular purposes.

#### Expendable Endowment Fund

The expendable endowment fund was established in March 2014 by an initial gift from Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited) and has been increased in the year by a further endowment of £10,000,000. The Trustees have the power to spend both the capital and the income.

#### Transfer of Funds

The transfer of funds to the unrestricted fund from the endowment fund is based on the trustees retaining in the endowment fund a return equivalent to the UK annual inflation rate, RPI, being 0.9% at March 2015 and amounting to £899,950. The total return on the endowment fund was £7,159,599 giving rise to a transfer of £6,259,649.

### 11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment fund £	Unrestricted General funds £	Total funds £
Investments	107,238,917	-	107,238,917
Cash at bank and in hand	3,740,351	7,562,275	11,302,626
Creditors due within one year	(79,318)	(410,200)	(489,518)
Debtors due within one year	-	19,940	19,940
<b>Total net assets</b>	<b>110,899,950</b>	<b>7,172,015</b>	<b>118,071,965</b>

# bet365 Foundation

## NOTES TO THE FINANCIAL STATEMENTS for the 364 days ended 29 March 2015

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### 12 RECONCILIATION OF OPERATING SURPLUS TO CASH INFLOW FROM OPERATING ACTIVITIES

	29 March 2015 £	30 March 2014 £
Net incoming resources	6,684,556	104,039,383
Investment income	(1,135,150)	-
Investment manager costs	292,769	-
Increase in creditors	404,500	-
	<hr/>	<hr/>
Cash inflow from operating activities	6,246,675	104,039,383
	<hr/>	<hr/>

### 13 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	29 March 2015 £	30 March 2014 £
(Decrease)/increase in cash in the period	(93,741,667)	104,039,383
	<hr/>	<hr/>
Change in net cash resulting from cash flows	(93,741,667)	104,039,383
Net funds at start of period	105,044,293	1,004,910
	<hr/>	<hr/>
Net funds at end of period	11,302,626	105,044,293
	<hr/>	<hr/>

In 2015 cash held on the balance sheet included £10,000,000 (2014: £100,000,000) relating to cash in transit prior to investment in the endowment investments.

### 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited) is a related party of the Foundation by virtue of common directors and that its ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The charity received donations totalling £10,000,000 (2014: £105,500,000) during the period. No balances were owed to or from Hillside (Shared Services) Limited (formerly Hillside (New Media) Limited) at the period end (2014: £nil).

The Foundation receives support from the bet365 Group Limited in respect of office space and other costs including management time, but the trustees believe that this support is not quantifiable and measurable or material to disclose in the period.