# DENISE COATES FOUNDATION

England & Wales · Charity number 1149110

## Details

| | |
|---|---|
| **Other names** | BET365 FOUNDATION |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 08191619 |
| **Registered** | 2012-09-26 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Denise Coates Foundation<br>bet365 House<br>Media Way<br>Stoke-On-Trent<br>ST1 5SZ |
| **Phone** | 08456000365 |

## Activities

**Objects:** 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.

**Activities:** The Foundation's purpose is to distribute funds in support of local, national and international charitable activities, exclusively charitable according to the laws of England and Wales.

## Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, The General Public/mankind

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## Geography

- Throughout England

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-26 | £143,968,000 | £18,990,000 | £1,094,498,000 | 0 |
| 2024-03-26 | £133,297,000 | £13,040,000 | £942,293,000 | 0 |
| 2023-03-26 | £107,917,000 | £12,443,000 | £730,163,000 | 0 |
| 2022-03-27 | £105,115,540 | £20,294,194 | £667,958,593 | 0 |
| 2021-03-28 | £103,813,000 | £7,307,000 | £568,342,000 | 0 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **JOHN FITZGERALD COATES** | Chair | 2012-08-31 |
| DENISE COATES | | 2012-08-31 |
| JAMES EDWARD WHITE | | 2014-04-01 |
| Oliver Adams | | 2019-11-19 |
| PETER COATES | | 2012-08-31 |
| SIMON HUGH GALLETLEY | | 2014-04-01 |

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**DENISE COATES FOUNDATION**

England & Wales - Charity number 1149110

# Accounts

# Denise Coates Foundation

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

30 March 2025

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation
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## REFERENCE AND ADMINISTRATIVE DETAILS

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|---|---|
| Charity Number: | 1149110 |
| Company Number: | 08191619 |
| Trustees/Company Directors: | D Coates CBE<br>JF Coates<br>P Coates<br>SH Galletley<br>JE White<br>OR Adams |
| Auditor: | RSM UK Audit LLP<br>Chartered Accountants<br>Festival Way<br>Festival Park<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5BB |
| Investment Manager: | Stonehage Fleming<br>6 St James's Square<br>London<br>SW1Y 4JU<br>United Kingdom |
| Registered/Principal Office: | bet365 House<br>Media Way<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5SZ |
| Status: | Denise Coates 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 and 4 February 2016. |

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 30 March 2025. This report also contains a directors' report and strategic report as required by company law.

## 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

Denise Coates 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 and 4 February 2016. 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. However, the Foundation receives administrative support through a related party, for which there is no charge.

### Appointment of Trustees

The skill set of the Board of Trustees is frequently 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 by an open recruitment process to fill any gaps. The Trustees are satisfied with the current skill set of the board.

### Trustee induction and training

All new Trustees attend an induction meeting with one of the existing Trustees, observing how the Foundation's objectives are achieved. Trustees are briefed on their legal obligations under charity and company law, along with the processes and procedures of the Foundation. Training for the Trustees is regularly under review and identifies any development that needs to be addressed. Annually, the appropriate training is supplied to keep the Board apprised of relevant changes in regulation. Should any additional specialised training be required for the existing, or any newly appointed Trustees, then appropriate training arrangements will be put in place.

### Related parties

The Foundation received donations from bet365 Group Limited and Hillside (Media Services) Limited during the period. The Foundation also received administrative support, primarily accountancy support, from Hillside (Shared Services 2018) Limited. Two of the Foundation's Trustees are Directors of Hillside (Media Services) Limited and Hillside (Shared Services 2018) Limited and three of the Trustees are Directors of the ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore, these entities are deemed to be related parties.

**Trustees' indemnity insurance**

The Foundation holds trustee indemnity insurance, the cost of this was £5,443 (2024: £5,443).

**Risk management**

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

OBJECTIVES AND ACTIVITIES

**The objectives of the Foundation and policies employed to achieve the objectives**

The overall aims and objectives of the Denise Coates Foundation as set out in the governing document is to promote charitable purposes anywhere in the world, for the public benefit, as are exclusively charitable purposes according to the laws of England and Wales, and 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.

The trustees review the aims, objectives and activities of the Charity annually. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the Charity's aims, objectives and activities remained focused on its stated purposes.

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

**Grant Making Policy**

The Foundation identifies charities locally, nationally or internationally (registered through UK charities) that it wishes to support, it also welcomes applications. Contact is made with these charities proactively, to discuss any projects/programmes that they are looking to undertake that the Foundation may be in a position to support. These charities are then invited to present to the Foundation's Trustees with a proposal detailing how a grant would be of use to the charity and the benefits that it would deliver. Given that the Foundation's objectives are broad, the Trustees will consider most grants that have a charitable purpose but particular consideration is given in areas of health and welfare, community development, medical research and development, education and training, arts and culture and disaster recovery. The Trustees assess how each proposal aligns to the Foundation's objectives in order to determine whether the grant is to be suitably awarded and considers if/what conditions should be attached to the grants, in particular but not exclusively to multi-year grants. During the Financial Period £16.7m (2024: £11.3m) was expended/committed to charitable giving.

Financial due diligence assessments of the potential recipients are undertaken, evaluating Key Performance Indicators from the latest filed Statutory Accounts, to verify the financial position of the charity. Once a grant has been approved, a formal Grant Making Agreement is signed by both parties documenting the amount due, any conditions attached to the grant, and the purpose the funds must be used for.

Procedures are in place to monitor bank accounts and reconcile all transactions back to Trustee approved charitable grants and donations. This includes a review system to monitor grants and conditional grants are only continued if set milestones and set review conditions are met. These are monitored in accordance with the conditions set out in the grant agreements, which include reviewing progress reports and the financial position of the project.

**Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the 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.

**Future Plans**

The Foundation plans to continue to approach charities and review potential proposal applications for funding and will continue to provide grants and donations that meet the Foundation's charitable objectives.

A website has been created to highlight the Foundation's grant making activity and to encourage a greater number of charities to apply for funding.

STRATEGIC REPORT

**Achievements and performance**

During the Financial Period the Foundation committed £16.7m (2024: £11.4m) of grants and donations to support charitable activities locally, nationally and internationally. All donations were made through UK registered charities in line with the Foundation's governing principles.

Examples of those commitments are summarised below.

*Medical Research and Development*

The University Hospitals of North Midlands Charity (UHNMC), which raises charitable funds for the Royal Stoke University Hospital, County Hospital and Staffordshire Children's Hospital at Royal Stoke, received two grants of £3.9m and £2.5m. The grants will provide funding for a range of essential equipment, including a surgical robot for spinal procedures, additional technology to extend its functionality to lung surgery, spinal and trauma surgery equipment, 185 specialist beds and mattresses, and 77 specialist chemotherapy chairs for patients.

Cancer Research UK, a charity dedicated to beating cancer through research, received a grant of £0.6m to support a 3-year project testing a new vaccine for ovarian cancer.

A grant of £0.6m was given to The Royal Marsden Cancer Charity, a charity that supports The Royal Marsden Hospital, a world-leading cancer centre. This grant will contribute to the 3-year lease of a 'Symani System', facilitating clinical and translational studies in robotic reconstructive microsurgery.

Alzheimer's Research UK, a leading Alzheimer's research charity aiming to find a cure for dementia received a grant of £0.1m to fund two innovative projects at the University of Sheffield. The first, using lab-grown brain cells to understand how diabetes increases dementia risk; and the second, simulating protein build-up in Frontotemporal Dementia using light.

The Foundation maintained its commitment to the Chronic Disease Research Foundation, an independent medical research charity. A grant of £0.1m was made to fund pilot projects, offering fellowships to appropriate candidates whilst supporting PhD students and related project grants.

The Foundation also continued its support of a local medical research charity, North Staffordshire Medical Institute. The donation helped the Institute to fund various research projects.

*Education and Training*

The Foundation continued its funding for bursary and scholarship schemes at three universities. Keele University, Staffordshire University and the University of Sheffield each received £0.2m to fund bursary schemes for undergraduates from disadvantaged backgrounds.

In addition, grants were awarded to other educational institutions, the largest of which was £3.8m.

*Health and Welfare*

The Foundation continued its support of the Douglas Macmillan Hospice, a Hospice providing services free of charge to adults, young adults and children living with a life-limiting illness in Stoke-on-Trent, North Staffordshire and surrounding villages. Two grants of £1.1m and £0.2m were made to support the continued integration of the Hospice with another local entity, the Donna Louise Trust. The grants also funded the cost of a specialist medical care team, ensuring the delivery of high-quality care to patients.

The University Hospitals Birmingham Charity (UHB) supports four of Birmingham's largest hospitals and the Birmingham Chest Clinic. UHB Charity works across the hospital sites to support patients, families, and staff by providing items that are 'over and above' that which are funded by the NHS. The charity received a grant of £0.5m to support 'The Birmingham Transplant Centre' project, which will transform an existing building into a new facility, replacing three decommissioned wards. The UHB Charity has stated the new transplant centre will "bring all of the specialist care available to the patient, taking away a huge amount of stress and therefore speeding up recovery time".

Thrive at Five is a collective impact initiative conceived around a vision of a society that cherishes children's development in the early years. A grant of £0.6m was provided to support a 2-year project extension of the original Thrive at Five pathfinder project in Bentilee and Abbey Hulton.

Newfriars College, a special needs college in Stoke-on-Trent, received a grant to cover the capital costs to fund a Spa Lift Ultra hoist at Newfriars College.

*Community Development*

Edmund Rice Development, a project providing donor funding to partner projects across Africa, India and Latin America focussed on alleviating poverty and minimising injustice received two grants of £0.2m and £0.1m. These funds will support a 3-year "The Western Cluster Project" which aims to empower marginalised communities in the Western Province of Zambia and a 3-year project "Empower Her" project which aims to empower the households of people with disabilities in the Kibera informal settlement, Kenya.

As in previous periods, the New Vic Theatre, a producing theatre working in the community of Stoke-on-Trent and North Staffordshire, received £0.1m towards its award-winning Borderlines initiative. This programme uses theatre to help individuals discover new and positive ways to understand themselves and their communities, challenging destructive behaviours while fostering self-awareness and positive attitudes.

YMCA North Staffordshire, a UK registered charity responding to the needs of local children, young people, their families and their communities, received a grant of £0.1m to cover the fit-out costs of a new development hub for the Stoke-on-Trent community. The aim of the project is to help regenerate the area, providing opportunities for community engagement and access to high-quality activities.

New Vic Appetite, a project working with a range of local and national artists and communities to develop an appetite for the arts in Stoke-on-Trent, received a grant to support its 'A Christmas Gift for Middleport' project. A community venue and park were transformed to create a free magical light event for Middleport residents and the wider City.

The Foundation provided a grant to Wishing Well, a charity offering a range of community-based health and wellbeing services in Cheshire. The grant contributed towards a 3-year project which aims to strengthen the 'Age Well' provision and deliver greater impact to the communities in which it operates.

A grant was awarded to Sandbach Foodbank, which provides emergency food parcels for individuals and families who are in financial need in the area of Sandbach.

*Arts and Culture*

A grant of £0.4m was given to New Vic Theatre, to fund the installation and upgrade of sound equipment and infrastructure. The theatre anticipates that these improvements will enhance its resilience and capacity to direct resources towards artistic goals while engaging new and diverse audiences.

The Foundation also provided a grant to The Parochial Church Council of the Ecclesiastical Parish of Stoke-on-Trent and Fenton. The grant supported the refurbishment of Stoke Minster, including the installation of a new boiler system.

**Prior period project updates**

**Financial period 2023/24**

A grant of £0.3m was provided to The Zoological Society of London (ZSL) to purchase vital equipment to support its wildlife health services programme. This new, state of the art veterinary equipment has now replaced older items, some of which had been used for over two decades. The funding also facilitated conservation education for a diverse range of students at all levels, both in the UK and internationally, equipping them with the tools to inspire the next generation of conservationists. This new equipment has significantly enhanced ZSL's understanding of wildlife, fostering collaboration with the global zoological community and supporting future initiatives.

**Financial period 2022/23**

mothers2mothers (m2m) was awarded a grant of £1.5m to fund a 3-year programme to support the implementation of its "Mentor Mother" model which helps to support women, adolescent girls and children's health and wellbeing in Lilongwe District, Malawi. According to the latest m2m annual report, the project reached 81,635 clients (90% of the annual target of 90,500). During the implementation period, 26 Mentor Mothers and 20 Adolescent Peer Mentors were trained and deployed in five health facilities. In total, the Adolescent Peer Mentors reached 16,654 adolescents providing a wide range of services, including facilitating access to male contraception, long-term and short-term family planning methods, distributing HIV self-test kits, and offering STI treatment services.

**Financial period 2021/22**

Thrive at Five was awarded a £1.0 million grant to launch its first three-year pathfinder project in Bentilee and Abbey Hulton, Stoke-on-Trent. The project focused on building a robust support network for families with young children, concentrating on four key areas: engaging parents of babies, boosting home learning and language development, supporting 3-5 year olds, and strengthening the local support system.

To achieve these aims, the project has:

1. Implemented for the second year, an effective language support programme for all children who required 'catch up' support.
2. Supported nurseries and schools to implement Talking Time training, designed to create environments that support the development of expressive language.
3. Strengthened the early years workforce through training practioners in PEEP Learning Together, an evidence-based programme designed to improve the home learning environment.
4. Continued to support the development of parent, baby and toddler groups with the latest opening at Our Lady St Benedict School in Abbey Hulton.
5. Rolled out the third year of Ready Steady Stoke, to support all children under five in a smooth transition into nursery and schools.
6. Engaged parents at scale through a growing Facebook community and at free community events in partnership with other organisations.
7. Recruited local parents as 'Parent Connectors, paid parent champions who are breaking down barriers amongst parents to create better support systems.

**Financial review**

A Statement of the Financial Activities of the Foundation is given on page 15. The total incoming resources for the period were derived from interest and investment returns of £14.0m (2024: £13.3m) and charitable donations of £130.0m (2024: £120.0m) resulting in total incoming resources of £144.0m (2024: £133.3m).

During the Financial Period £16.7m (2024: £11.3m) was expended/committed to charitable giving. After allowing for governance costs of £0.1m (2024: £0.1m), investment management costs of £2.2m (2024: £1.7m) and taking into account investment gain of £27.2m (2024: Gain of £91.9m), this resulted in net income for the period of £152.2m (2024: £212.1m) which when added to the funds brought forward gave rise to £1,094.5m (2024: £942.3m) of funds carried forward to the following Financial Period for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Period there were £11.9m (2024: £10.1m) of outstanding unconditional commitments in relation to twelve donations/grants committed but not made as at the Statement of Financial Position date. In the view of the Trustees, the funds held at 30 March 2025 were available and adequate to fulfil its existing obligations.

In respect of non-financial key performance indicators, the Trustees monitor the level of grants issued each period against previous periods, this is detailed in note 3.

During the period 27 (2024: 20) donations and grants were made to 22 (2024: 15) institutions.

**Donation**

On 21 March 2025 the Foundation received two donations totalling £130.0m 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 will be distributed to support charities/charitable activities that align to the objectives of the Foundation.

As at the balance sheet date the £130.0m of donations received were held in an interest bearing 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.

**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 anticipated funds 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 portfolio's return within the constraints of the mandate granted by the Trustees.

When identifying third party fund managers, Stonehage Fleming ("SFIM") place importance upon environmental, social and governance factors ("ESG") as part of an extensive due diligence process. The managers selected exhibit good stewardship practices and show awareness of ESG factors consistent with their investment approach. SFIM's commitment to rewarding good practice is recognised in them being a signatory to the UK Stewardship Code and their affiliation with the UN Principles of Responsible Investment.

ESG issues form a key assessment of the quality and culture of the business' management. Companies not actively addressing their ESG risks are less likely to generate future sustainable growth.

SFIM follows an investment philosophy that prioritises the long-term preservation and growth of real wealth. This approach is reflected in a strategy that avoids speculation and emphasises effective

diversification across multiple factors. Diversification is achieved through asset classes, including cash, fixed income, public equities, alternative strategies, commodities, and private capital, as well as through currency exposure, enabling a globally orientated investment strategy. Additionally, SFIM incorporates process diversification by blending traditional active managers, passive index strategies, and direct investments in equities and bonds, ensuring a balanced and resilient portfolio construction.

**Investment performance**

As at 30 March 2025 the total investment portfolio stood at £975.0m net of accrued investment management charges (2024: £830.0m), £145.0m higher than at the end of the previous Financial Period. In the period a total of £120.0m was transferred from cash at bank to the Endowment Fund part of the portfolio, and £13.0m was withdrawn from the Unrestricted Funds part of the portfolio to fund grant/donation distribution.

Taking in-year transfers to/from the investment portfolio into account, over the Financial Period, the investment portfolio has delivered an investment gain of £38.1m, 4.1% (2024: Gain of £102.7m, 14.4%).

During the same period;

- FTSE 100 index increased 8.9%
- FTSE 250 index decreased 0.1%
- S&P 500 index increased 6.2%

As at 30 March 2025 the value of the Endowment Fund element of the investment portfolio was £947.6m (2024: £805.7m) net of accrued investment management charges. Over the course of the Financial Period the Endowment Fund element of the investment portfolio delivered a gain of £37.0m, 4.1% (2024: Gain of £101.7m, 14.6%). The UK annual inflation rate, RPI, was 3.2% for March 2025.

**Reserves policy**

The policy of the Trustees is to maintain the real value of the Endowment (including inflation), being the donations received to date of £981.7m (2024: £851.7m) plus inflation, but otherwise to distribute all of the Foundation's realised income and gains within the short/medium term, considered to be 1-5 years. 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 Denise Coates Foundation to achieve its objectives. As at 30 March 2025, the actual reserves were £1,094.5m (2024: £942.3m).

During the Period the Trustees, at their discretion, decided to transfer a total of £15.9m (2024: £10.5m) from expendable Endowment Funds to Unrestricted Funds to further the Foundation's ability to provide donations that meet its charitable objectives.

The level of Unrestricted Funds at 30 March 2025 was £16.8m (2024: £16.5m) and these funds are retained at this level to allow the Trustees, at their discretion, to award an appropriate level of grants in line with the agreed budgets set for the following financial period.

The level of Endowment Funds at 30 March 2025 was £1,077.7m (2024: £925.8m).

As at 30 March 2025 the level of Free Reserves, as defined by the Charity Commission, are its Unrestricted Funds and amounted to £16.8m (2024: £16.5m). The policy of the Trustees is to hold a level of Free Reserves that allows them to set appropriate budgets for the following financial period for grant making of £16.5m (2024: £16.3m) and governance costs. The Trustees are satisfied with this level of Free Reserves and it is their intention to distribute all Free Reserves through charitable giving.

**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 are provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the investment 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 charitable company's 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

RSM 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 RSM 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

**Denise Coates CBE**
Trustee and Director

19 November 2025

# Denise Coates Foundation
## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Denise Coates Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees including the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of 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 accounting 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, and
- 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 maintaining proper accounting records which 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 DENISE COATES FOUNDATION

### Opinion

We have audited the financial statements of Denise Coates Foundation (the 'charitable company') for the period ended 30 March 2025 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 March 2025 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 requirements of the Companies Act 2006.

### 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 charitable company 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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:

- adequate accounting records have not been kept, 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.

### Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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.

### The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 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.

Anna Spencer-Gray

ANNA SPENCER-GRAY(Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5BB

21/11/25

# Denise Coates Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the 52 weeks ended 30 March 2025

| | Note | Endowment Fund | Unrestricted Funds | **Total Funds 52 week Period ended 30 March 2025** | Total Funds 53 week Period ended 31 March 2024 |
|---|---|---|---|---|---|
| INCOME AND ENDOWMENTS: | | £000 | £000 | **£000** | £000 |
| Donations; | | | | | |
| Gift of expendable endowment | 1 | 130,000 | - | **130,000** | 120,000 |
| Investment income | 2 | 12,834 | 1,134 | **13,968** | 13,297 |
| TOTAL INCOME | | 142,834 | 1,134 | **143,968** | 133,297 |
| EXPENDITURE | | | | | |
| Raising funds; | | | | | |
| Investment management costs | | (2,171) | - | **(2,171)** | (1,670) |
| Charitable activities | 3 | - | (16,819) | **(16,819)** | (11,370) |
| TOTAL EXPENDITURE | | (2,171) | (16,819) | **(18,990)** | (13,040) |
| NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS | | 140,663 | (15,685) | **124,978** | 120,257 |
| Net gains on investment assets | | 27,225 | - | **27,225** | 91,873 |
| NET INCOME/(EXPENDITURE) | | 167,888 | (15,685) | **152,203** | 212,130 |
| TRANSFERS | | | | | |
| Gross transfers between funds | 11 | (15,934) | 15,934 | - | - |
| NET MOVEMENTS IN FUNDS | | 151,953 | 250 | **152,203** | 212,130 |
| *Reconciliation of funds* | | | | | |
| Total funds brought forward | | 925,795 | 16,500 | **942,295** | 730,163 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 1,077,748 | 16,750 | **1,094,498** | 942,293 |

All income and expenditure derive from continuing activities.

# Denise Coates Foundation

## STATEMENT OF FINANCIAL POSITION

At 30 March 2025

| | Note | 2025 | | 2024 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| FIXED ASSETS | | | | | |
| Investments | 6 | | **975,542** | | 830,428 |
| CURRENT ASSETS | | | | | |
| DEBTORS | | | | | |
| Amounts falling due within one year | 7 | **133** | | 142 | |
| Cash at bank and in hand | | **131,372** | | 122,307 | |
| TOTAL CURRENT ASSETS | | **131,505** | | 122,449 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 8 | **(10,802)** | | (5,628) | |
| NET CURRENT ASSETS | | | **120,703** | | 116,821 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | **1,096,245** | | 947,249 |
| CREDITORS | | | | | |
| Amounts falling due after one year | 9 | | **(1,747)** | | (4,956) |
| TOTAL NET ASSETS | | | **1,094,498** | | 942,293 |
| THE FUNDS OF THE FOUNDATION | | | | | |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 12 | | **16,750** | | 16,500 |
| ENDOWMENT FUND | 12 | | **1,077,748** | | 925,793 |
| TOTAL FOUNDATION FUNDS | 12 | | **1,094,498** | | 942,293 |

The financial statements on pages 15 to 33 were approved by the board and authorised for issue on 19th November 2025 and were signed on its behalf by:

Denise Coates

**Denise Coates CBE**
Trustee and Director

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation

STATEMENT OF CASH FLOWS
for the 52 weeks ended 30 March 2025

| | Note | **30 March 2025** | | 31 March 2024 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 13 | | **1,035** | | 3,937 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expendable endowment invested | | **(120,000)** | | (98,000) | |
| Transfer from investment | | **13,000** | | 4,500 | |
| Interest received | | **965** | | 735 | |
| Net cash used in investing activities | | | **(106,035)** | | (92,765) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Gift of expendable endowment | | | **130,000** | | 120,000 |
| Endowment conversion | | | **(15,935)** | | (10,514) |
| Net cash provided by financing activities | | | **114,065** | | 109,486 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD | | | **9,065** | | 20,658 |
| Cash and cash equivalents at the beginning of the period | | | **122,307** | | 101,649 |
| Total cash and cash equivalents at the end of the period | | | **131,372** | | 122,307 |

Cash shown on the Statement of Financial Position includes £130.0m (2024: £120.0m) related to cash held prior to being transferred to the endowment investments.

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

LEGAL STATUS OF THE FOUNDATION
The Foundation is a private company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation. The Foundation's address is bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ.

BASIS OF PREPARATION
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES
The financial statements are presented in sterling which is also the functional currency of the Foundation.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

GOING CONCERN
To ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received to date 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 at least 12 months from the date of signing. 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.

INCOME RECOGNITION
All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and the donation has been received.

Interest on funds held on deposits is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Notional interest representing the current returns on bank deposits is allocated to the unrestricted funds, representing the unrestricted element of investments held in the investment fund.

EXPENDITURE RECOGNITION
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

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.

All costs are allocated between the expenditure categories of the statement of financial activities (SoFA) 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 Foundation 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant has been satisfied.

DONATIONS
Donations are payments made in the period 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 institutions by the Trustees where the Foundation considers it is in furtherance of the Foundation's objectives.

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 certain corporate members of the bet365 Group. 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.

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, however the Trustees may, at their discretion, transfer an amount higher or lower than the returns on the expendable endowment, if they feel it is appropriate. This policy is maintained to secure the long-term capital base of the expendable endowment fund and to support grant giving.

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 which form a basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date as follows:

Unlisted securities comprise bonds, pooled investment vehicles and managed funds that are not traded but have published prices. These have been valued using the closing published price.

Listed securities comprise equities, bonds, pooled investment vehicles, and managed funds that are traded. These have been valued using the closing bid market price.

Other investments comprise other funds and alternative strategy investments. These have been valued using either closing bid market prices, published prices where they exist, or a valuation technique.

Investments have been split into three categories;
- Level 1 ~ unlisted and listed securities, and other investments where the fair value is based on quoted prices in an active market.
- Level 2 ~ unlisted private equity investments, where the fair value is based on observable inputs from comparable market data.
- Level 3 ~ unlisted private equity investments, where the fair value is based on other valuation techniques, in the absence of quoted prices or observable inputs from market data.

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.

The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities.

FINANCIAL INSTRUMENTS
The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Cash at bank and in hand*
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

*Creditors and provisions*
Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

CONTINGENT GRANT COMMITMENTS
A contingent commitment is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Critical areas of judgement*

The Trustees deem the key area of judgement in the financial statements to be the recognition of grant commitments. For each grant awarded by the Trustees, which has not been paid in the period, the Trustees consider the status of the award of the grant, the conditions attaching to the grant and whether there is reasonable certainty the grant will be paid. Once evaluated the grant will be accrued or disclosed as required to meet the requirements of Financial Reporting Standards and the Charities SORP.

## 1 INCOMING RESOURCES

*Expendable endowment donations*

The Foundation received donations during the period from bet365 Group Limited of £35.0m and Hillside (Media Services) Limited of £95.0m totalling £130.0m (2024: £120.0m) allocated to expendable endowment funds.

## 2 INVESTMENT INCOME

| **2025** | Endowment fund £000 | Unrestricted fund £000 | **Total 2025 £000** |
|---|---|---|---|
| Managed investments: | | | |
| Dividends and interest – listed | 5,764 | 509 | **6,273** |
| Dividends and interest – unlisted | 5,061 | 448 | **5,509** |
| Interest on cash | 1,083 | 96 | **1,179** |
| Bank interest on cash deposits | 926 | 81 | **1,007** |
| | 12,834 | 1,134 | **13,968** |

| **2024** | Endowment fund £000 | Unrestricted fund £000 | **Total 2024 £000** |
|---|---|---|---|
| Managed investments: | | | |
| Dividends and interest – listed | 4,735 | 417 | 5,152 |
| Dividends and interest – unlisted | 4,991 | 440 | 5,431 |
| Interest on cash | 1,774 | 156 | 1,930 |
| Bank interest on cash deposits | 691 | 93 | 784 |
| | 12,191 | 1,106 | 13,297 |

## 3 RESOURCES EXPENDED: UNRESTRICTED 2025 AND 2024

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

| | Grant funding £000 | Support costs £000 | **Total Period ended 30 March 2025 £000** | Total Period ended 31 March 2024 £000 |
|---|---|---|---|---|
| Charitable activity – donations | 25 | - | **25** | 25 |
| – grants | 16,701 | - | **16,701** | 11,279 |
| – governance costs | - | 93 | **93** | 66 |
| | 16,726 | 93 | **16,819** | 11,370 |

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

| | **Total Period ended 30 March 2025 £000** | Total Period ended 31 March 2024 £000 |
|---|---|---|
| Medical Research and Development | **25** | 25 |
| | **25** | 25 |

Grants made during the period to institutions are split between the following key areas of activity:

| | **Total Period ended 30 March 2025 £000** | Total Period ended 31 March 2024 £000 |
|---|---|---|
| Medical Research and Development | **7,816** | 4,177 |
| Health and Welfare | **2,428** | 2,580 |
| Education and Training | **5,302** | 1,601 |
| Community Development | **726** | 1,759 |
| Arts and Culture | **429** | 1,162 |
| | **16,701** | 11,279 |

3 RESOURCES EXPENDED: UNRESTRICTED 2025 AND 2024 (CONTINUED)

Recipients of institutional grant(s):

| Institution | Funded Activity | No of grants | Total £000 |
|---|---|---|---|
| University Hospitals of North Midlands | Funding for a Surgical Robot to be used for spinal surgery and related additional functionality technology to allow for lung surgery and to fund the latest spinal and trauma navigation surgery, specialist beds including specialist mattresses and specialist patient chairs. | 2 | 6,416 |
| Stonyhurst College | To support the expansion of the curriculum in alignment with the Trust's educational objectives and associated charitable endeavours. | 1 | 3,750 |
| Douglas Macmillan Hospice | To support the fourth (final) year of integration of The Donna Louise Trust into the Douglas Macmillan Hospice and to cover the cost of medical care for eleven beds on Red Team and help to continue delivering the level of care to patients. | 2 | 1,304 |
| Stonyhurst Foundation | To support the Stonyhurst Foundation's bursary programme and associated education and welfare support at Stonyhurst College, which provides funding to young people that may not ordinarily be able to attend school due to the cost of attendance. | 1 | 1,100 |
| New Vic Theatre | Funding for the installation and upgrade of New Vic Theatre sound equipment and infrastructure, to support the Borderlines Service and to fund the New Vic Appetite programme 'A Christmas Gift for Middleport' in December 2024 and December 2025. | 3 | 602 |
| Cancer Research UK | To support a three-year project testing and trialling a new vaccine to prevent ovarian cancer. | 1 | 593 |
| The Royal Marsden Charity | Contribute towards a three-year lease of a 'Symani System' to facilitate a programme of clinical and translational studies into robotic reconstructive microsurgery for cancer. | 1 | 560 |
| | | | 14,325 |
| There were a further 14 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | 2,376 |
| | | | 16,701 |

3 RESOURCES EXPENDED: UNRESTRICTED 2025 AND 2024 (CONTINUED)

***Comparison to previous period (2024)***

Recipients of institutional grant(s):

| Institution | Funded Activity | No of grants | Total £000 |
|---|---|---|---|
| Chronic Disease Research Foundation | Fund the resource for Ageing Research 5 year project and support activities related to the study of the Microbiome and ageing. | **2** | **4,177** |
| Douglas Macmillan Hospice | To support the launch of a Specialist Out of Hours Rapid Response Service, expansion of Community Team for children and young adults, expansion of Dementia Services and the construction and fit out of a Wellbeing Room at the Children's Hospice. Also two other grants were to support the third year of integration of The Donna Louise Trust into the Douglas Macmillan Hospice and contribute towards the annual cost of a new wellbeing programme. | **3** | **2,533** |
| New Vic Theatre | Provide support towards the capital costs to refurbish three key areas backstage, to support the Borderlines Service and to fund the New Vic Appetite programme installation of two large illuminations to support "A Middleport Winter" event. | **3** | **1,299** |
| Stonyhurst Foundation | Support the Stonyhurst Foundation's funding to assist the development of its bursary programme and associated education and welfare support at Stonyhurst College, which provides funding to young people that may not ordinarily be able to attend school due to the cost of attendance. | **1** | **1,100** |
| The Land Trust | Continue support with Green Angels training courses at Hassall Green Nature Reserve site and develop more in-depth community engagement activities over a five year programme. | **1** | **698** |
| Midlands Air Ambulance Charity | Fund the remaining amount for the purchase of a new replacement air ambulance. | **1** | **500** |
| The Zoological Society of London | Provide funding to purchase essential equipment to support ZSL's wildlife health services programme. | **1** | **323** |
| | | | **10,630** |
| There were a further 7 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | **649** |
| | | | **11,279** |

3 RESOURCES EXPENDED: UNRESTRICTED 2025 AND 2024 (CONTINUED)

***Analysis of governance costs***

| ***Unrestricted funds*** | **Total 2025 £000** | Total 2024 £000 |
|---|---|---|
| Audit fees | **43** | 45 |
| Legal and professional | **44** | 16 |
| Insurance | **5** | 5 |
| | **92** | 66 |

4 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

| | **2025 £000** | 2024 £000 |
|---|---|---|
| Auditor's remuneration: | | |
| Audit services | **43** | 45 |
| Non audit services: | | |
| Taxation services | **5** | 8 |

5 STAFF NUMBERS, STAFF COSTS AND KEY MANAGEMENT PERSONNEL/TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the Trustees, who are also considered to be the key management personnel, received no remuneration or expenses during the period.

## 6 FIXED ASSET INVESTMENTS

| | Unlisted Securities £000 | Listed Securities £000 | Cash £000 | Other investments £000 | **Total £000** |
|---|---|---|---|---|---|
| *Market value* | | | | | |
| At beginning of period | 312,778 | 406,042 | 13,206 | 98,402 | **830,428** |
| Transfer from cash balances | - | - | 107,000 | - | **107,000** |
| Additions to investments at cost | 74,700 | 155,374 | (254,788) | 24,714 | - |
| Disposals at carrying value | (15,000) | (112,138) | 137,105 | (9,967) | - |
| Investment income | 6,273 | 3,478 | 506 | 2,704 | **12,961** |
| Realised and unrealised gains during the period | 2,739 | 3,536 | 11,478 | 9,472 | **27,225** |
| Expenses (see below *) | - | - | (2,072) | - | **(2,072)** |
| At end of period | 381,490 | 456,292 | 12,435 | 125,325 | **975,542** |

* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £0.5m (2024: £0.4m) is included in accruals to cover unpaid fees relating to 2025.

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

| | **2025 £000** | 2024 £000 |
|---|---|---|
| Unrealised gains on investments | **25,725** | 91,828 |
| Realised gains on investments | **1,500** | 45 |
| | **27,225** | 91,873 |

The main risk to the Foundation, from financial instruments, lies in the combination of uncertain investment markets and volatility in yield.

The Foundation manages investment risk by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

6 FIXED ASSET INVESTMENTS (CONTINUED)

| | **2025** | 2024 |
|---|---|---|
| | **£000** | £000 |
| **Level 1** | | |
| - Unlisted Securities | **381,490** | 312,778 |
| - Listed Securities | **456,292** | 406,042 |
| - Other Investments | **62,164** | 57,426 |
| **Level 2** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | - | - |
| **Level 3** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | **63,161** | 40,976 |
| | **963,107** | 817,222 |

Investments in unlisted trade investments are categorised as level 2 where the sale agreement for an identical or similar asset provides evidence of fair value or when it can be demonstrated that the last transaction price, subject to an appropriate but insignificant adjustment to reflect a change in economic circumstances or a lapse of time, is a good estimate of fair value.

Investments in unlisted private equity are categorised as level 3 where there is no active market for the financial instrument and, therefore, an estimate of fair value is derived by using a valuation technique. Valuations techniques used for the Foundation's Level 3 investments include Multiples and Industry Valuation Benchmarks, in accordance with the International Private Equity and Venture Capital guidelines.

As at 30 March 2025, a further £35.0m is committed to be invested in Level 3 unlisted private equity, over the next 5 years. This commitment will be funded from the available cash balances held within the investment portfolio.

7 DEBTORS: Amounts falling due within one year

| | **2025** | 2024 |
|---|---|---|
| | **£000** | £000 |
| Accrued income - interest | **133** | 89 |
| Funds due to Foundation | **-** | 53 |
| | **133** | 142 |

8 CREDITORS: Amounts falling due within one year

| | **2025** | 2024 |
|---|---|---|
| | **£000** | £000 |
| Accruals | **631** | 499 |
| Donation and grant commitments | **10,171** | 5,129 |
| | **10,802** | 5,628 |

9 CREDITORS: Amounts falling due after one year

| | **2025** | 2024 |
|---|---|---|
| | **£000** | £000 |
| Grant commitments | **1,747** | 4,956 |

Movement in recognised funding commitments during the period

| | Grant and donations commitments accrued | |
|---|---|---|
| | **2025** | 2024 |
| | **£000** | £000 |
| Donations and grant commitments recognised at start of the period | **10,085** | 5,234 |
| New donation and grant commitments charged to Statement of Financial Activities in period (see note 3) | **16,727** | 11,357 |
| Unutilised amounts reversed during the reporting period | **(1)** | - |
| Donations and grants paid during the period | **(14,893)** | (6,506) |
| Donation and grant commitments recognised at the end of the period | **11,918** | 10,085 |

Those grant commitments which have not been accrued due to the level of uncertainty are discussed in note 15.

## 10 FINANCIAL INSTRUMENTS

The carrying value of the Foundation's financial instruments at the period end were:

| | **2025** | 2024 |
|---|---|---|
| | **£000** | £000 |
| Financial assets: | | |
| Instruments measured at cost | **133** | 142 |
| Instruments measured at fair value | **975,542** | 830,428 |
| Financial Liabilities: | | |
| Measured at amortised cost | **12,549** | **10,584** |

Financial assets measured at cost include accrued income and investments.

Financial liabilities measured at amortised cost include grant commitments and accruals.

## 11 STATEMENT OF FUNDS

| **2025** | At 01 April 2024 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 30 March 2025 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 16,500 | 1,134 | (16,819) | - | 15,934 | **16,750** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 925,793 | 142,834 | (2,171) | 27,225 | (15,934) | **1,077,748** |
| TOTAL FUNDS | 942,293 | 143,968 | (18,990) | 27,225 | - | **1,094,498** |

| **2024** | At 26 March 2023 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 31 March 2024 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 16,250 | 1,106 | (11,370) | - | 10,514 | **16,500** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 713,913 | 132,191 | (1,670) | 91,873 | (10,514) | **925,793** |
| TOTAL FUNDS | 730,163 | 133,297 | (13,040) | 91,873 | - | **942,293** |

11 STATEMENT OF FUNDS (CONTINUED)

**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 corporate members of the bet365 Group, then by additional gifts in the subsequent financial periods. This has been increased during the period by further donations totalling £130.0m (2024: £120.0m). This brings the total donations from the corporate members of the bet365 Group to £981.7m (2024: £851.7m). The Trustees have the power to spend both the capital and the income.

**Transfer of Funds**
The board of Trustees at their discretion have decided to transfer an amount of £15.9m (2024: £10.5m) to make available further funds for grant payments.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| **2025** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 948,170 | 27,372 | **975,542** |
| Cash at bank and in hand | 130,000 | 1,372 | **131,372** |
| Creditors due within one year | (547) | (10,255) | **(10,802)** |
| Creditors due after one year | - | (1,747) | **(1,747)** |
| Debtors due within one year | 125 | 8 | **133** |
| Total net assets | 1,077,748 | 16,750 | **1,094,498** |

| **2024** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 806,158 | 24,270 | **830,428** |
| Cash at bank and in hand | 120,000 | 2,307 | **122,307** |
| Creditors due within one year | (448) | (5,180) | **(5,628)** |
| Creditors due after one year | - | (4,956) | **(4,956)** |
| Debtors due within one year | 83 | 59 | **142** |
| Total net assets | 925,793 | 16,500 | **942,293** |

## 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

| | **30 March 2025 £000** | 31 March 2024 £000 |
|---|---|---|
| Income after gains on investments | **152,203** | 212,130 |
| Gift of expendable endowment | **(130,000)** | (120,000) |
| Endowment conversion | **15,935** | 10,514 |
| Investment income | **(13,968)** | (13,297) |
| Investment manager costs | **2,171** | 1,670 |
| Increase in creditors | **1,866** | 4,846 |
| Decrease/(Increase) in debtors | **53** | (53) |
| Net (gains) on investments | **(27,225)** | (91,873) |
| Net cash provided by operating activities | **1,035** | 3,937 |

## 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services 2018) Limited, Hillside (Media Services) Limited and bet365 Group Limited are related parties of the Foundation by virtue of common directors and that their ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The Foundation received donations of £35.0m from bet365 Group Limited (2024: £35.0m) and £95.0m from Hillside (Media Services) Limited (2024: £85.0m) during the period. No balances were owed to or from related parties at the period end (2024: £nil).

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

## 15 CONTINGENT GRANT COMMITMENTS

As at 30 March 2025 ~ The Trustees intend to make the following grants.

A grant to provide five-year long-term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £2.8m. To date the institution has received £0.0m towards this project, however the remaining award of £2.8m is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to provide five-year long-term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £1.2m. To date the institution has received £0.7m towards this project, however the remaining award of £0.5m is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a four-year community outreach programme in Stoke-on-Trent and Staffordshire. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.5m. To date the institution has received £0.4m towards this project, however the remaining award of £0.1m, is contingent upon the project receiving National Portfolio Organisations funding from the Arts Council, and the trustees being content with the nature and extent of progress towards the intended deliverables.

*Previous period (2024) note for reference*

As at 31 March 2024 ~ The Trustees intend to make the following grants.

A grant to provide five-year long term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.8m. To-date the institution has received £0.6m towards this project, however the remaining award of £0.2m is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a four-year community outreach programme in Stoke-on-Trent and Staffordshire. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.5m To-date the institution has received £0.2m towards this project, however the remaining award of £0.3m, is contingent upon the project receiving National Portfolio Organisations funding from the Arts Council, and the trustees being content with the nature and extent of progress towards the intended deliverables.

**DENISE COATES FOUNDATION**

England & Wales - Charity number 1149110

# Accounts

# Denise Coates Foundation

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 March 2024

MONDAY

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COMPANIES HOUSE

Company Registration No. 08191619

Registered Charity No. 1149110

# Denise Coates Foundation
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# Denise Coates Foundation
REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---|---|
| Charity Number: | 1149110 |
| Company Number: | 08191619 |
| Trustees/Company Directors: | D Coates CBE<br>JF Coates<br>P Coates<br>SH Galletley<br>JE White<br>OR Adams |
| Auditor: | RSM UK Audit LLP<br>Festival Way<br>Festival Park<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5BB |
| Investment Manager: | Stonehage Fleming<br>6 St James's Square<br>London<br>SW1Y 4JU<br>United Kingdom |
| Registered/Principal Office: | bet365 House<br>Media Way<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5SZ |
| Status: | Denise Coates 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 and 4 February 2016. |

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 31 March 2024. This report also contains a directors' report and strategic report as required by company law.

## 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

Denise Coates 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 and 4 February 2016. 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. However, the Foundation receives administrative support through a related party, for which there is no charge.

### Appointment of Trustees

The skill set of the Board of Trustees is frequently 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 by an open recruitment process to fill any gaps. The Trustees are satisfied with the current skill set of the board.

### Trustee induction and training

All new Trustees attend an induction meeting with one of the existing Trustees, observing how the Foundation's objectives are achieved. Trustees are briefed on their legal obligations under charity and company law, along with the processes and procedures of the Foundation. Training for the Trustees is regularly under review and identifies any development that needs to be addressed. Each year, the appropriate training is supplied to keep the Board apprised of relevant changes in regulation. Should any additional specialised training be required for the existing, or any newly appointed Trustees, then appropriate training arrangements will be put in place.

### Related parties

The Foundation received donations from bet365 Group Limited and Hillside (Media Services) Limited during the period. The Foundation also received administrative support, primarily accountancy support, from Hillside (Shared Services 2018) Limited. Two of the Foundation's Trustees are Directors of Hillside (Media Services) Limited and Hillside (Shared Services 2018) Limited and three of the Trustees are Directors of the ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore, these entities are deemed to be related parties.

**Trustees' indemnity insurance**

The Foundation holds trustee indemnity insurance, the cost of this was £5,443 (2023: £5,184).

**Risk management**

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

OBJECTIVES AND ACTIVITIES

**The objectives of the Foundation and policies employed to achieve the objectives**

The overall aims and objectives of the Denise Coates Foundation as set out in the governing document is to promote charitable purposes anywhere in the world, for the public benefit, as are exclusively charitable purposes according to the laws of England and Wales, and 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.

The trustees review the aims, objectives and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the Charity's aims, objectives and activities remained focused on its stated purposes.

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

**Grant Making Policy**

The Foundation identifies charities locally, nationally or internationally (registered through UK charities) that it wishes to support and also welcomes applications. Contact is made with these charities proactively, to discuss any projects/programmes that they are looking to undertake that the Foundation may be in a position to support. These charities are then invited to present to the Foundation's Trustees with a proposal detailing how a grant would be of use to the charity and the benefits that it would deliver. Given that the Foundation's objectives are broad, the Trustees will consider most grants that have a charitable purpose but particular consideration is given in areas of health and welfare, community development, medical research and development, education and training, arts and culture and disaster recovery. The Trustees assess how each proposal aligns to the Foundation's objectives in order to determine whether the grant is to be suitably awarded and considers if/what conditions should be attached to the grants, in particular but not exclusively to multi-year grants. During the Financial Period £11.3m (2023: £11.0m) was expended/committed to charitable giving.

Financial due diligence assessments of the potential recipients are undertaken, evaluating Key Performance Indicators from the latest filed Statutory Accounts, to verify the financial position of the charity. Once a grant has been approved, a formal Grant Making Agreement is signed by both parties documenting the amount due, any conditions attached to the grant, and the purpose the funds must be used for.

Procedures are in place to monitor bank accounts and reconcile all transactions back to Trustee approved charitable grants and donations. This includes a review system to monitor grants and conditional grants are only continued if set milestones and set review conditions are met. These are monitored in accordance with the conditions set out in the grant agreements, which include reviewing progress reports and the financial position of the project.

**Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the 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.

**Future Plans**

The Foundation plans to continue to approach charities and review potential proposal applications for funding and will continue to provide grants and donations that meet the Foundation's charitable objectives.

STRATEGIC REPORT

**Achievements and performance**

During the Financial Period the Foundation committed to provide £11.3m (2023: £11.0m) of grants and donations to support charitable activities locally, nationally and internationally through UK registered charities in line with the Foundation's stated principle purpose.

Examples of how the Foundation's charitable giving has/will be used are provided below.

*Medical Research and Development*

The Foundation maintained its commitment to the Chronic Disease Research Foundation, an independent medical research charity. Two grants of £4.1m and £0.1m were made to fund a 5-year Ageing Research project and to fund pilot projects, offering fellowships to appropriate candidates whilst supporting PhD students and related project grants.

The Foundation also continued its support of a local medical research charity. The donation helped the Institute to fund research projects.

*Health and Welfare*

The Foundation continued to support the Douglas Macmillan Hospice, a Hospice providing services free of charge to adults, young adults and children living with a life-limiting illness in Stoke-on-Trent, North Staffordshire and surrounding villages. Two grants of £1.3m and £0.3m were made to support the continued integration of the Hospice with another local entity, the Donna Louise Trust. The grants also funded the annual cost of a new Wellbeing Programme aimed at supporting palliative care residents to find peace, comfort and fulfilment.

An additional grant of £1.0m was given to the Douglas Macmillan Hospice to support the launch of a Specialist Out of Hours Hospice Rapid Response Service. The grant will also support the expansion of a Community Team for children and young adults covering Staffordshire and South Cheshire 7 days a week; the expansion of Dementia Services to service more users; and the fitout of a Wellbeing Room providing a restful space in the gardens of the children's hospice.

A grant of £0.1m was provided to The Children's Hospital Charity, a charity that supports Sheffield Children's Hospital, to fund specialist provisions that the NHS does not currently offer. The grant will cover the costs of a bespoke garden for children and young people at the Hospital. The project aims to completely transform a currently unusable area into a space that will capture patients' needs, providing a calm and relaxing retreat.

*Education and Training*

The Foundation continued its funding for bursary and scholarship schemes at three universities. Keele University, Staffordshire University and the University of Sheffield each received £0.2m to fund bursary schemes for undergraduates from disadvantaged backgrounds.

Hand in Hand, a UK registered charity raising funds to educate, mentor, train and empower orphaned and vulnerable young people from East Africa received a grant to support capital costs to fund a computer lab by replacing the current library/science laboratory.

*Community Development*

Following on from previous commitments, £0.7m was granted to The Land Trust. The Land Trust is a charity that manages green open spaces on behalf of, and in partnership with, local communities. The grant was awarded as part of continued support for an on-going project at the Hassall Green Nature Reserve. The programme this year has focused on continuing Green Angels training courses and developing more in-depth community engagement activities.

The Midlands Air Ambulance Charity received a grant of £0.5m to fund the remaining amount required to purchase a replacement air ambulance. The new air ambulance will ensure that The Midlands Air Ambulance Charity can maintain its helicopter-led service and continue saving lives throughout Staffordshire and the wider Midlands region. The Midlands Air Ambulance Charity funds and operates three air ambulances and critical response cars in the Midlands region.

A grant of £0.3m was given to The Zoological Society of London ("ZSL"), an international conservation charity working to restore wildlife, to provide funding for essential equipment to support ZSL's Wildlife Health Services programme. The grant helped ZSL to purchase essential items to enable them to continue delivering their world-leading work.

As in previous years, the New Vic Theatre, a producing theatre working in the community of Stoke-on-Trent and North Staffordshire, received £0.1m towards its award-winning Borderlines initiative. The scheme uses theatre to help people find new and positive ways to understand themselves, their communities and their responsibilities. It challenges destructive and anti-social behaviour, builds self-awareness and self-worth and develops positive attitudes.

The Foundation provided a grant of £0.1m to FareShare Midlands, an independent charity that sources and redistributes good quality, in-date, surplus food which would otherwise go to waste to support families and individuals. The grant covered capital costs for the purchase of 8 vans from Tesco's surplus van pool to increase its current 'owned' fleet of vans.

Edmund Rice Development, a charity that proactively supports projects that tackle the root causes of structural power imbalances that have historically disadvantaged women, received a grant towards a three-year project. The project aims to contribute to the socioeconomic empowerment of 100 Vulnerable Women, Youth and Out-of-School Adolescent Girls by providing them with life skills through vocational skills training at the Senan Kerrigan Vocational Centre.

New Vic Appetite, a Creative People and Places programme working with a range of local and national artists and communities to deliver an expanding menu of artistic projects to develop the appetite for the arts in Stoke-on-Trent, received a grant to support its 'A Magical Middleport Winter' by funding the acquisition of two large scale illumination installations.

*Arts and Culture*

A grant of £1.2m was given to New Vic Theatre to provide support towards the capital costs of targeted environmental improvements, refurbishment of backstage dressing rooms and facilities and the upgrade and replacement of theatre lighting and sound technology.

**Prior period project updates**

**Financial period 2019/20**

Leonard Cheshire Disability received a grant of £0.6m from the Foundation to support a three year implementation of Assistive Technologies at the Hill House service in Sandbach. The project was recently extended. It currently has an estimated project completion date of 31 December 2024. Leonard Cheshire has successfully integrated its internally developed Assistive Technology clinical pathways, assessment, and delivery processes, as well as tiered support and training programmes for both users and staff, into Hill House. The sensory room has been updated and now has a much more age and ability appropriate range of equipment and has been very well received by the users and has been in daily use since 2023. In total, 8 sites and 94 residents are now supported by the Hill House Assistive Technology hub.

**Financial period 2021/22**

Funds were provided to Opera Ventures to support its production of Ainadamar, which told the story of playwright and poet, Federico Garcia Lorca and his friend and muse, Catalan actress Margarita Xirgu. Opera Ventures informed the Foundation that the audience reach was 6,527, exceeding the proposed target by 912 people, thus delivering on its aim of increasing engagement with the arts.

St John Ambulance received a grant of £0.1m to fund the purchase of two new first aid vehicles. The new vehicles are based at the charity's Rugeley hub, which provides support and first aid training to the residents of Staffordshire, Shropshire and Wolverhampton. A Community Support Unit and Electric Support Car were purchased in September 2022. In the year to September 2023, both vehicles had covered over 17,000 miles, helping to deploy 1,614 of the 14,000 first aiders from those areas, and their equipment, to and from events.

**Financial period 2022/23**

mothers2mothers ("m2m") was awarded a grant of £1.5m to fund a 3-year programme to support the implementation of its "Mentor Mother" model which helps to support women, adolescent girls and children's health and wellbeing in Lilongwe District, Malawi. During m2m's 10-month reporting period, the project achieved a total reach of 73,470 clients (91% of the annual target of 80,131). During the implementation period, 26 Mentor Mothers and 20 Adolescent Peer Mentors were trained and deployed in five health facilities.

A grant of £0.4m was provided to Prevent Breast Cancer to cover the cost of the refurbishment of a Training Suite at the Nightingale Centre at Wythenshawe Hospital, and Prevent Breast Cancer Research Unit. The new training suite was completed in January 2024. Between 300 – 500 trainees and staff from around the UK will benefit from the facility every year, with a medical focus on breast cancer prevention, diagnosis and treatment.

Tate received a grant of £0.3m to fund the Yiadom-Boakye exhibition at Tate Britain. The aim was to ensure that a new generation of children and young people were exposed to the artist's work, encouraging conversations in the galleries around identity, race, community and creativity. As of January 2024, Tate Britain reached 26,034 visitors.

**Financial review**

A Statement of the Financial Activities of the Foundation is given on page 15. The total incoming resources for the period were derived from interest and investment returns of £13.3m (2023: £7.9m) and charitable donations of £120.0m (2023: £100.0m) resulting in total incoming resources of £133.3m (2023: £107.9m).

During the Financial Period £11.3m (2023: £11.0m) was expended/committed to charitable giving. After allowing for governance costs of £0.1m (2023: £0.1m), investment management costs of £1.7m (2023: £1.4m) and taking into account investment gain of £91.9m (2023: losses of £33.3m), this resulted in net income for the period of £212.1m (2023: £62.2m) which when added to the funds brought forward gave rise to £942.3m (2023: £730.2m) of funds carried forward to the following Financial Period for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Period there were £10.1m (2023: 5.2m) of outstanding unconditional commitments in relation to nine donations/grants committed but not made as at the Statement of Financial Position date. In the view of the Trustees, the funds held at 31 March 2024 were available and adequate to fulfil its existing obligations.

In respect of non-financial key performance indicators, the Trustees monitor the level of grants issued each year against previous years, this is detailed in note 3.

During the year 20 (2023: 22) donations and grants were made to 15 (2023: 17) institutions.

**Donation**

On 26 March 2024 the Foundation received two donations totalling £120.0m 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 will be distributed to support charities/charitable activities that align to the objectives of the Foundation.

As at the balance sheet date the £120.0m of donations received were held in an interest bearing 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.

**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 anticipated funds 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 portfolio's return within the constraints of the mandate granted by the Trustees.

When identifying third party fund managers, Stonehage Fleming ("SFIM") place importance upon environmental, social and governance factors ("ESG") as part of an extensive due diligence process. The managers selected exhibit good stewardship practices and show awareness of ESG factors consistent with their investment approach. SFIM's commitment to rewarding good practice is recognised in them being a signatory to the UK Stewardship Code and their affiliation with the UN Principles of Responsible Investment.

ESG issues form a key assessment of the quality and culture of the business' management. Companies not actively addressing their ESG risks are less likely to generate future sustainable growth. There are also certain sectors that are categorically excluded, namely, tobacco, arms manufacturers and coal miners, not only due to the harm caused but also due to unsustainable prospects.

**Investment performance**

As at 31 March 2024 the total investment portfolio stood at £830.0m net of accrued investment management charges (2023: £633.8m), £196.2m higher than at the end of the previous Financial Period. In the period a total of £98.0m was transferred from cash at bank to the Endowment Fund part of the portfolio, and £4.5m was withdrawn from the Unrestricted Funds part of the portfolio to fund grant/donation distribution.

Taking in-year transfers to/from the investment portfolio into account, over the Financial Period, the investment portfolio has delivered an investment gain of £102.7m, 14.4% (2023: Loss of £26.8m, -4.0%).

During the same period;

- FTSE 100 index increased 7.4%
- FTSE 250 index increased 7.5%
- S&P 500 index increased 32.3%

As at 31 March 2024 the value of the Endowment Fund element of the investment portfolio was £805.7m (2023: £613.9m) net of accrued investment management charges. Over the course of the Financial Period the Endowment Fund element of the investment portfolio delivered a gain of £101.7m, 14.6% (2023: Loss of £27.1m, -4.2%). The UK annual inflation rate, RPI, was 4.3% for March 2024.

**Reserves policy**

The policy of the Trustees is to maintain the real value of the Endowment (including inflation), being the donations received to date of £851.7m (2023: £731.7m) plus inflation, but otherwise to distribute all of the Foundation's realised income and gains within the short/medium term, considered to be 1-5 years. 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 Denise Coates Foundation to achieve its objectives. As at 31 March 2024, the actual reserves were £942.3m (2023: £730.2m).

During the Period the Trustees, at their discretion, decided to transfer a total of £10.5m (2023: £11.0m) from expendable Endowment Funds to Unrestricted Funds to further the Foundation's ability to provide donations that meet its charitable objectives.

The level of Unrestricted Funds at 31 March 2024 was £16.5m (2023: £16.3m) and these funds are retained at this level to allow the Trustees, at their discretion, to award an appropriate level of grants in line with the agreed budgets set for the following financial period.

The level of Endowment Funds at 31 March 2024 was £925.8m (2023: £713.9m).

As at 31 March 2024 the level of Free Reserves, as defined by the Charity Commission, are its Unrestricted Funds and amounted to £16.5m (2023: £16.3m). The policy of the Trustees is to hold a level of Free Reserves that allows them to set appropriate budgets for the following financial period for grant making of £16.3m (2023: £16.0m) and governance costs. The Trustees are satisfied with this level of Free Reserves and it is their intention to distribute all Free Reserves through charitable giving.

**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 are provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the investment 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 charitable company's 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

RSM 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 RSM 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

**Denise Coates CBE**
Trustee and Director

20 DECEMBER 2024

# Denise Coates Foundation
## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Denise Coates Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees including the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of 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 accounting 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, and
- 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 maintaining proper accounting records which 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 DENISE COATES FOUNDATION

**Opinion**
We have audited the financial statements of Denise Coates Foundation (the 'charitable company') for the period ended 31 March 2024 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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 requirements of the Companies Act 2006.

**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 charitable company 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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:

- adequate accounting records have not been kept, 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.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees' and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 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.

*Anna Spencer-Gray*

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Festival Park
Stoke-on-Trent
Staffordshire
ST1 5BB

# Denise Coates Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the 53 weeks ended 31 March 2024

| | Note | Endowment Fund | Unrestricted Funds | **Total Funds 53 week Period ended 31 March 2024** | Total Funds 52 week Period ended 26 March 2023 |
|---|---|---|---|---|---|
| INCOME AND ENDOWMENTS: | | £000 | £000 | **£000** | £000 |
| Donations; | | | | | |
| Gift of expendable endowment | 1 | 120,000 | - | **120,000** | 100,000 |
| Investment income | 2 | 12,191 | 1,106 | **13,297** | 7,917 |
| TOTAL INCOME | | 132,191 | 1,106 | **133,297** | 107,917 |
| EXPENDITURE | | | | | |
| Raising funds; | | | | | |
| Investment management costs | | 1,670 | - | **1,670** | 1,369 |
| Charitable activities | 3 | - | 11,370 | **11,370** | 11,074 |
| TOTAL EXPENDITURE | | (1,670) | (11,370) | **(13,040)** | (12,443) |
| NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS | | 130,521 | (10,264) | **120,257** | 95,474 |
| Net gains/(losses) on investment assets | | 91,873 | - | **91,873** | (33,270) |
| NET INCOME/(EXPENDITURE) | | 222,394 | (10,264) | **212,130** | 62,204 |
| TRANSFERS | | | | | |
| Gross transfers between funds | 11 | (10,514) | 10,514 | - | - |
| NET MOVEMENTS IN FUNDS | | 211,880 | 250 | **212,130** | 62,204 |
| *Reconciliation of funds* | | | | | |
| Total funds brought forward | | 713,913 | 16,250 | **730,163** | 667,959 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 925,793 | 16,500 | **942,293** | 730,163 |

All income and expenditure derive from continuing activities.

# Denise Coates Foundation

## STATEMENT OF FINANCIAL POSITION

At 31 March 2024

| | Note | 2024 | | 2023 | |
|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 |
| FIXED ASSETS | | | | | |
| Investments | 6 | | **830,428** | | 634,115 |
| CURRENT ASSETS | | | | | |
| Debtors: Amounts falling due within one year | 7 | **142** | | 40 | |
| Cash at bank and in hand | | **122,307** | | 101,649 | |
| TOTAL CURRENT ASSETS | | **122,449** | | 101,689 | |
| CREDITORS: Amounts falling due within one year | 8 | **(5,628)** | | (2,356) | |
| NET CURRENT ASSETS | | | **116,821** | | 99,333 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | **947,249** | | 733,448 |
| CREDITORS: Amounts falling due after one year | 9 | | **(4,956)** | | (3,285) |
| TOTAL NET ASSETS | | | **942,293** | | 730,163 |
| THE FUNDS OF THE FOUNDATION | | | | | |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 12 | | **16,500** | | 16,250 |
| ENDOWMENT FUND | 12 | | **925,793** | | 713,913 |
| TOTAL FOUNDATION FUNDS | 12 | | **942,293** | | 730,163 |

The financial statements on pages 15 to 32 were approved by the board and authorised for issue on 20 DECEMBER 2024 and were signed on its behalf by:

Denise Coates

**Denise Coates CBE**
Trustee and Director

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation

STATEMENT OF CASH FLOWS
for the 53 weeks ended 31 March 2024

| | Note | 31 March 2024 | | 26 March 2023 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | 13 | | **3,937** | | (1,935) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expendable endowment invested | | **(98,000)** | | (95,000) | |
| Transfer from investment | | **4,500** | | 8,000 | |
| Interest received | | **735** | | 41 | |
| Net cash used in investing activities | | | **(92,765)** | | (86,959) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Gift of expendable endowment | | | **120,000** | | 100,000 |
| Endowment conversion | | | **(10,514)** | | (10,998) |
| Net cash provided by financing activities | | | **109,486** | | 89,002 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD | | | **20,658** | | 108 |
| Cash and cash equivalents at the beginning of the period | | | **101,649** | | 101,541 |
| Total cash and cash equivalents at the end of the period | | | **122,307** | | 101,649 |

In 2024 cash held on the balance sheet included £120.0m (2023: £100.0m) related to cash held prior to being transferred to the endowment investments.

# Denise Coates Foundation
## ACCOUNTING POLICIES

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

### LEGAL STATUS OF THE FOUNDATION

The Foundation is a private company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation. The Foundation's address is bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ.

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Foundation.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

### GOING CONCERN

To ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received to date 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 at least 12 months from the date of signing. 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.

### INCOME RECOGNITION

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and the donation has been received.

Interest on funds held on deposits is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Notional interest representing the current returns on bank deposits is allocated to the unrestricted funds, representing the unrestricted element of investments held in the investment fund.

EXPENDITURE RECOGNITION
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

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.

All costs are allocated between the expenditure categories of the statement of financial activities (SoFA) 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 Foundation 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant has been satisfied.

DONATIONS
Donations are payments made in the period 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 institutions by the Trustees where the Foundation considers it is in furtherance of the Foundation's objectives.

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 certain corporate members of the bet365 Group. 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.

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, however the Trustees may, at their discretion, transfer an amount higher or lower than the returns on the expendable endowment, if they feel it is appropriate. This policy is maintained to secure the long-term capital base of the expendable endowment fund and to support grant giving.

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.

# Denise Coates Foundation
## ACCOUNTING POLICIES

INVESTMENTS
Investments which form a basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date as follows:

Unlisted securities comprise bonds, pooled investment vehicles and managed funds that are not traded but have published prices. These have been valued using the closing published price.

Listed securities comprise equities, bonds, pooled investment vehicles, and managed funds that are traded. These have been valued using the closing bid market price.

Other investments comprise other funds and alternative strategy investments. These have been valued using either closing bid market prices, published prices where they exist, or a valuation technique.

Investments have been split into three categories;
- Level 1 ~ unlisted and listed securities, and other investments where the fair value is based on quoted prices in an active market.
- Level 2 ~ unlisted private equity investments, where the fair value is based on observable inputs from comparable market data.
- Level 3 ~ unlisted private equity investments, where the fair value is based on other valuation techniques, in the absence of quoted prices or observable inputs from market data.

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.

The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities.

FINANCIAL INSTRUMENTS
The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Cash at bank and in hand*
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

*Creditors and provisions*
Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

CONTINGENT GRANT COMMITMENTS
A contingent commitment is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Critical areas of judgement*

The Trustees deem the key area of judgement in the financial statements to be the recognition of grant commitments. For each grant awarded by the Trustees, which has not been paid in the period, the Trustees consider the status of the award of the grant, the conditions attaching to the grant and whether there is reasonable certainty the grant will be paid. Once evaluated the grant will be accrued or disclosed as required to meet the requirements of Financial Reporting Standards and the Charities SORP.

## 1 INCOMING RESOURCES

*Expendable endowment donations*

The Foundation received donations during the period from bet365 Group Limited of £35.0m and Hillside (Media Services) Limited of £85.0m totalling £120.0m (2023: £100.0m) allocated to expendable endowment funds.

## 2 INVESTMENT INCOME

| **2024** | Endowment fund £000 | Unrestricted fund £000 | **Total 2024 £000** |
|---|---|---|---|
| Managed investments: | | | |
| Dividends and interest – listed | 4,735 | 417 | **5,152** |
| Dividends and interest – unlisted | 4,991 | 440 | **5,431** |
| Interest on cash | 1,774 | 156 | **1,930** |
| Bank interest on cash deposits | 691 | 93 | **784** |
| | 12,191 | 1,106 | **13,297** |

| **2023** | Endowment fund £000 | Unrestricted fund £000 | **Total 2023 £000** |
|---|---|---|---|
| Managed investments: | | | |
| Dividends and interest – listed | 3,526 | 144 | 3,670 |
| Dividends and interest – unlisted | 3,650 | 149 | 3,799 |
| Interest on cash | 366 | 15 | 381 |
| Bank interest on cash deposits | 49 | 18 | 67 |
| | 7,591 | 326 | 7,917 |

## 3 RESOURCES EXPENDED: UNRESTRICTED 2024 AND 2023

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

| | Grant funding £000 | Support costs £000 | **Total Period ended 31 March 2024 £000** | Total Period ended 26 March 2023 £000 |
|---|---|---|---|---|
| Charitable activity – donations | 25 | - | **25** | 275 |
| – grants | 11,279 | - | **11,279** | 10,719 |
| – governance costs | - | 66 | **66** | 80 |
| | 11,304 | 66 | **11,370** | 11,074 |

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

| | **Total Period ended 31 March 2024 £000** | Total Period ended 26 March 2023 £000 |
|---|---|---|
| Medical Research and Development | **25** | 25 |
| Disaster Recovery | **-** | 250 |
| | **25** | 275 |

Grants made during the period between institutions are as follows:

| | **Total Period ended 31 March 2024 £000** | Total Period ended 26 March 2023 £000 |
|---|---|---|
| Medical Research and Development | **4,177** | 580 |
| Health and Welfare | **2,580** | 3,856 |
| Community Development | **1,759** | 331 |
| Education and Training | **1,601** | 3,191 |
| Arts and Culture | **1,162** | 2,761 |
| | **11,279** | 10,719 |

3 RESOURCES EXPENDED: UNRESTRICTED 2024 AND 2023 (CONTINUED)

Recipients of institutional grant(s):

| Institution | Funded Activity | No of grants | Total £000 |
|---|---|---|---|
| Chronic Disease Research Foundation | Fund the resource for Ageing Research 5 year project and support activities related to the study of the Microbiome and ageing. | 2 | 4,177 |
| Douglas Macmillan Hospice | To support the launch of a Specialist Out of Hours Rapid Response Service, expansion of Community Team for children and young adults, expansion of Dementia Services and the construction and fit out of a Wellbeing Room at the Children's Hospice. Also two other grants were to support the third year of integration of The Donna Louise Trust into the Douglas Macmillan Hospice and contribute towards the annual cost of a new wellbeing programme. | 3 | 2,533 |
| New Vic Theatre | Provide support towards the capital costs to refurbish three key areas backstage, to support the Borderlines Service and to fund the New Vic Appetite programme installation of two large illuminations to support "A Middleport Winter" event. | 3 | 1,299 |
| Stonyhurst Foundation | Support the Stonyhurst Foundation's funding to assist the development of its bursary programme and associated education and welfare support at Stonyhurst College, which provides funding to young people that may not ordinarily be able to attend school due to the cost of attendance. | 1 | 1,100 |
| The Land Trust | Continue support with Green Angels training courses at Hassall Green Nature Reserve site and develop more in-depth community engagement activities over a five year programme. | 1 | 698 |
| Midlands Air Ambulance Charity | Fund the remaining amount for the purchase of a new replacement air ambulance. | 1 | 500 |
| The Zoological Society of London | Provide funding to purchase essential equipment to support ZSL's wildlife health services programme. | 1 | 323 |
| | | | 10,630 |
| There were a further 7 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | 649 |
| | | | 11,279 |

3 RESOURCES EXPENDED: UNRESTRICTED 2024 AND 2023 (CONTINUED)

***Comparison to previous year***

During the Financial Year 26 March 2023, the Foundation committed to provide £11.0m of grants to 15 institutions supporting 22 causes to support charitable activities locally, nationally and internationally through UK registered charities. Further details of prior year grant making activity can be found in prior year accounts.

***Analysis of governance costs***

| ***Unrestricted funds*** | **Total 2024 £000** | Total 2023 £000 |
|---|---|---|
| Audit fees | **45** | 33 |
| Legal and professional | **16** | 42 |
| Insurance | **5** | 5 |
| | **66** | 80 |

4 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

| | **2024 £000** | 2023 3£000 |
|---|---|---|
| Auditor's remuneration: | | |
| Audit services | **45** | 33 |
| Non audit services: | | |
| Taxation services | **8** | 6 |

5 STAFF NUMBERS, STAFF COSTS AND KEY MANAGEMENT PERSONNEL/TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the Trustees, who are also considered to be the key management personnel, received no remuneration or expenses during the period.

## 6 FIXED ASSET INVESTMENTS

| | Unlisted Securities £000 | Listed Securities £000 | Cash £000 | Other investments £000 | **Total £000** |
|---|---|---|---|---|---|
| *Market value* | | | | | |
| At beginning of period | 296,479 | 248,385 | 11,609 | 77,642 | **634,115** |
| Transfer from cash balances | - | - | 93,500 | - | **93,500** |
| Additions to investments at cost | 23,950 | 180,249 | (242,099) | 37,900 | - |
| Disposals at carrying value | (37,528) | (79,472) | 139,819 | (22,819) | - |
| Investment income | 5,152 | 3,508 | 1,591 | 2,263 | **12,514** |
| Realised and unrealised gains during the period | 24,725 | 53,372 | 10,359 | 3,417 | **91,873** |
| Expenses (see below *) | - | - | (1,574) | - | **(1,574)** |
| At end of period | 312,778 | 406,042 | 13,205 | 98,403 | **830,428** |

* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £0.4m (2023: £0.4m) is included in accruals to cover unpaid fees relating to 2024.

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

| | **2024 £000** | 2023 £000 |
|---|---|---|
| Unrealised gains/(losses) on investments | **91,828** | (25,827) |
| Realised gains/(losses) on investments | **45** | (7,486) |
| Realised gains on currency and money markets | **-** | 43 |
| | **91,873** | (33,270) |

The main risk to the Foundation, from financial instruments, lies in the combination of uncertain investment markets and volatility in yield.

The Foundation manages investment risk by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

6 FIXED ASSET INVESTMENTS (CONTINUED)

| | 2024 £000 | 2023 £000 |
|---|---|---|
| **Level 1** | | |
| - Unlisted Securities | **312,778** | 296,478 |
| - Listed Securities | **406,042** | 248,385 |
| - Other Investments | **57,426** | 53,843 |
| **Level 2** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | - | - |
| **Level 3** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | **40,976** | 23,800 |
| | **817,222** | 622,506 |

Investments in unlisted trade investments are categorised as level 2 where the sale agreement for an identical or similar asset provides evidence of fair value or when it can be demonstrated that the last transaction price, subject to an appropriate but insignificant adjustment to reflect a change in economic circumstances or a lapse of time, is a good estimate of fair value.

Investments in unlisted private equity are categorised as level 3 where there is no active market for the financial instrument and, therefore, an estimate of fair value is derived by using a valuation technique. Valuations techniques used for the Foundation's Level 3 investments include Multiples and Industry Valuation Benchmarks, in accordance with the International Private Equity and Venture Capital guidelines.

As at 31 March 2024, a further £25.7m is committed to be invested in Level 3 unlisted trade investments, over the next 5 years. This commitment will be funded from the available cash balances held within the investment portfolio.

7 DEBTORS: Amounts falling due within one year

| | 2024 | 2023 |
|---|---|---|
| | £000 | £000 |
| Accrued income - interest | 89 | 40 |
| Funds due to Foundation | 53 | - |
| | 142 | 40 |

8 CREDITORS: Amounts falling due within one year

| | 2024 | 2023 |
|---|---|---|
| | £000 | £000 |
| Accruals | 499 | 407 |
| Donation and grant commitments | 5,129 | 1,949 |
| | 5,628 | 2,356 |

9 CREDITORS: Amounts falling due after one year

| | 2024 | 2023 |
|---|---|---|
| | £000 | £000 |
| Grant commitments | 4,956 | 3,285 |

Movement in recognised funding commitments during the period

| | Grant and donations commitments accrued | |
|---|---|---|
| | 2024 | 2023 |
| | £000 | £000 |
| Donations and grant commitments recognised at start of the period | 5,234 | 7,111 |
| New donation and grant commitments charged to SoFA in period (see note 3) | 11,357 | 11,341 |
| Unutilised amounts reversed during the reporting period | - | (347) |
| Donations and grants paid during the period | (6,506) | (12,871) |
| Donation and grant commitments recognised at the end of the period | 10,085 | 5,234 |

Those grant commitments which have not been accrued due to the level of uncertainty are discussed in note 15.

## 10 FINANCIAL INSTRUMENTS

The carrying value of the Foundation's financial instruments at the period end were:

| | **2024** | 2023 |
|---|---|---|
| | **£000** | £000 |
| Financial assets: | | |
| Instruments measured at cost | **142** | 40 |
| Instruments measured at fair value | **830,428** | 634,115 |
| Financial Liabilities: | | |
| Measured at amortised cost | **10,584** | 5,641 |

Financial assets measured at cost include accrued income and investments.

Financial liabilities measured at amortised cost include grant commitments and accruals.

## 11 STATEMENT OF FUNDS

| **2024** | At 26 March 2023 £000 | Income £000 | Expenditure £000 | Losses on revaluation of investments £000 | Transfer of Funds £000 | **At 31 March 2024 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 16,250 | 1,106 | (11,370) | - | 10,514 | **16,500** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 713,913 | 132,191 | (1,670) | 91,873 | (10,514) | **925,793** |
| TOTAL FUNDS | 730,163 | 133,297 | (13,040) | 91,873 | - | **942,293** |

| **2023** | At 27 March 2022 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 26 March 2023 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 16,000 | 326 | (11,074) | - | 10,998 | **16,250** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 651,959 | 107,917 | (1,369) | (33,270) | (10,998) | **713,913** |
| TOTAL FUNDS | 667,959 | 107,917 | (12,443) | (33,270) | - | **730,163** |

11 STATEMENT OF FUNDS (CONTINUED)

**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 corporate members of the bet365 Group, then by additional gifts in the subsequent financial years. This has been increased during the period by further donations totalling £120.0m (2023: £100.0m). This brings the total donations from the corporate members of the bet365 Group to £851.7m (2023: £731.7m). The Trustees have the power to spend both the capital and the income.

**Transfer of Funds**
The board of Trustees at their discretion have decided to transfer an amount of £10.5m (2023: £11.0m) to make available further funds for grant payments.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| **2024** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 806,158 | 24,270 | **830,428** |
| Cash at bank and in hand | 120,000 | 2,307 | **122,307** |
| Creditors due within one year | (448) | (5,180) | **(5,628)** |
| Creditors due after one year | - | (4,956) | **(4,956)** |
| Debtors due within one year | 83 | 59 | **142** |
| Total net assets | 925,793 | 16,500 | **942,293** |

| **2023** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 614,227 | 19,888 | **634,115** |
| Cash at bank and in hand | 100,000 | 1,649 | **101,649** |
| Creditors due within one year | (351) | (2,005) | **(2,356)** |
| Creditors due after one year | - | (3,285) | **(3,285)** |
| Debtors due within one year | 37 | 3 | **40** |
| Total net assets | 713,913 | 16,250 | **730,163** |

## 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

| | **31 March 2024 £000** | 26 March 2023 £000 |
|---|---|---|
| Income after gains and losses on investments | **212,130** | 62,205 |
| Gift of expendable endowment | **(120,000)** | (100,000) |
| Endowment conversion | **10,514** | 10,998 |
| Investment income | **(13,297)** | (7,918) |
| Investment manager costs | **1,670** | 1,369 |
| Decrease/(Increase) in creditors | **4,846** | (1,859) |
| (Increase)/Decrease in debtors | **(53)** | - |
| Net (gains)/losses on investments | **(91,873)** | 33,270 |
| Net cash provided by/(used in) operating activities | **3,937** | (1,935) |

## 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services 2018) Limited, Hillside (Media Services) Limited and bet365 Group Limited are related parties of the Foundation by virtue of common directors and that their ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The Foundation received donations of £35.0m from bet365 Group Limited (2023: £20.0m) and £85.0m from Hillside (Media Services) Limited (2023: £80.0m) during the period. No balances were owed to or from related parties at the period end (2023: £nil).

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

## 15 CONTINGENT GRANT COMMITMENTS

The Trustees intend to make the following grants.

A grant to provide five-year long term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.8m. To-date the institution has received £0.6m towards this project, however the remaining award of £0.2m is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a four-year community outreach programme in Stoke-on-Trent and Staffordshire. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.5m To-date the institution has received £0.2m towards this project, however the remaining award of £0.3m, is contingent upon the project receiving National Portfolio Organisations funding from the Arts Council, and the trustees being content with the nature and extent of progress towards the intended deliverables.

**DENISE COATES FOUNDATION**

England & Wales - Charity number 1149110

# Accounts

# Denise Coates Foundation

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

26 March 2023

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation
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## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Charity Number: | 1149110 |
| Company Number: | 08191619 |
| Trustees/Company Directors: | D Coates CBE<br>JF Coates<br>P Coates<br>SH Galletley<br>JE White<br>OR Adams |
| Auditor: | RSM UK Audit LLP<br>Festival Park<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5BB |
| Banker: | Barclays Bank<br>Pall Mall Corporate Banking Centre<br>Pall Mall Corporate Group<br>50 Pall Mall<br>London |
| Investment Manager: | Stonehage Fleming<br>6 St James's Square<br>London<br>SW1Y 4JU<br>United Kingdom |
| Registered Office: | bet365 House<br>Media Way<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5SZ |
| Status: | Denise Coates 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 and 4 February 2016. |

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 26 March 2023. This report also contains a directors' report as required by company law.

## 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

Denise Coates 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 and 4 February 2016. 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. However, the Foundation receives administrative support through a related party, for which there is no charge.

### Appointment of Trustees

The skill set of the Board of Trustees is frequently 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 by an open recruitment process to fill any gaps. The Trustees are satisfied with the current skill set of the board.

### 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. Trustees are briefed on their legal obligations under charity and company law, along with the processes and procedures of the Foundation. Training for the Trustees is regularly under review and identifies any development that needs to be addressed. Each year, the appropriate training is supplied to keep the Board apprised of relevant changes in regulation. Should any additional specialised training be required for the existing, or any newly appointed Trustees, then appropriate training arrangements will be put in place.

## OBJECTIVES AND ACTIVITIES

### The objectives of the Foundation and policies employed to achieve the objectives

The Foundation's aim is to promote charitable purposes anywhere in the world, for the public benefit, as are exclusively charitable purposes according to the laws of England and Wales, and 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**

The Foundation identifies charities locally, nationally or internationally (registered through UK charities) that it wishes to support and also welcomes applications. Contact is made with these charities proactively, to discuss any projects/programmes that they are looking to undertake that the Foundation may be in a position to support. These charities are then invited to present to the Foundation's Trustees with a proposal detailing how a grant would be of use to the charity and the benefits that it would deliver. Given that the Foundation's objectives are broad, the Trustees will consider most grants that have a charitable purpose but particular consideration is given in areas of health and welfare, community development, medical research and development, education and training, arts and culture and disaster recovery. The Trustees assess how each proposal aligns to the Foundation's objectives in order to determine whether the grant is to be suitably awarded and considers if/what conditions should be attached to the grants, in particular but not exclusively to multi-year grants.

Financial due diligence assessments of the potential recipients are undertaken, evaluating Key Performance Indicators from the latest filed Statutory Accounts, to verify the financial position of the charity. Once a grant has been approved, a formal Grant Making Agreement is signed by both parties documenting the amount due, any conditions attached to the grant, and the purpose the funds must be used for.

Procedures are in place to monitor bank accounts and reconcile all transactions back to Trustee approved charitable grants and donations. This includes a review system to monitor grants and conditional grants are only continued if set milestones and set review conditions are met. These are monitored in accordance with the conditions set out in the grant agreements, which include reviewing progress reports and the financial position of the project.

**Public Benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the 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 donations from bet365 Group Limited and Hillside (Media Services) Limited during the period. The Foundation also received administrative support from Hillside (Shared Services 2018) Limited. Two of the Foundation's Trustees are Directors of Hillside (Technology) Limited, Hillside (Media Services) Limited and Hillside (Shared Services 2018) Limited and three of the Trustees are Directors of the ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore, these entities are deemed to be related parties.

**Risk management**

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

**Trustees' indemnity insurance**

The Foundation holds trustee indemnity insurance, the cost of this was £5,184 (2022: £4,713).

FUTURE PLANS

The Foundation plans to continue to approach charities and review potential proposal applications for funding and will continue to provide grants and donations that meet the Foundation's charitable objectives.

STRATEGIC REPORT

**Achievements and performance**

During the Financial Year the Foundation committed to provide £11.0m (2022: £18.9m) of grants and donations to support charitable activities locally, nationally and internationally through UK registered charities.

In addition, the Trustees have conditionally agreed to provide an additional £4.1m of funding in future financial periods to support a long-term medical research programme, further details can be found in Note 15 ~ Contingent Grant Commitments.

Examples of how the Foundation's charitable giving has/will be used are provided below.

*Health and Welfare*

Further support was provided to the Douglas Macmillan Hospice, with two grants of £1.7m and £0.3m to help support the second year of integration with the Donna Louise Trust and to provide 12 months of holistic 'wrap around' care including counselling and Emotional Support Services.

mothers2mothers, a UK charity, had a grant commitment approved totalling £1.5m to assist with a three year project to fully support the implementation of a mentoring programme in the Lilongwe District of Malawi. The project aims to reach 215,000 women, children and their families by offering a comprehensive set of services to improve sexual, reproductive, maternal, and child health.

A grant of £0.4m was provided to Prevent Breast Cancer to cover the cost of the refurbishment of a Training Suite at the Nightingale Centre and Prevent Breast Cancer Research Unit. The refurbished space will house a large multifunctional seminar room, accommodating 100 people.

*Education and Training*

A grant of £1.6m was given to the Liberty Academy Trust (Formally known as NAS Academies Trust) to support a school expansion/building extension project at Church Lawton School. The project will allow the school to support the development of life skills through a new bespoke Quality of Life curriculum which aims to improve both current and future life opportunities for its students.

The Foundation continued its funding for bursary and scholarship schemes at three universities. Keele University, Staffordshire University and The University of Sheffield each received £0.2m to fund bursary schemes for undergraduates from disadvantaged backgrounds.

*Arts and Culture*

A grant commitment of £2.5m was approved to support the New Vic Theatre over a five year period to build on its current strengths and successes enabling it to be a local theatre with a national reputation. Funding from the Foundation will help the New Vic Theatre to grow its capacity for artistic innovation, delivery and to grow its audience.

Tate received a grant of £0.3m to fund the Yiadom-Boakye exhibition at Tate Britain. Tate wants to ensure that a new generation of children and young people are exposed to the artist's work, encouraging conversations in the galleries around identity, race, community and creativity.

*Medical Research and Development*

The Foundation maintained its commitment to the Chronic Disease Research Foundation with the support of two grants. A grant of £0.6m to fund the first year of a five-year Ageing Research project, the funding for the remainder of the years is contingent on set targets being achieved. A further grant of £0.1m will be used on pilot projects, offering fellowships to appropriate candidates whilst supporting PhD students and related project grants.

Alzheimer's Research UK received a grant to fund a study at The University of Sheffield to develop new methods of understanding how different toxic protein types affect nerve cells in frontotemporal dementia.

*Community Development*

Following on from previous years' grants, a further £0.1m was given to The Land Trust as part of continued support for an on-going project at the Hassall Green Nature Reserve. The programme has focused on creating new wildlife habitats, meadow management and maintenance, and a volunteer scheme called Green Angels.

As in previous years the New Vic Theatre received another £0.1m towards its award-winning Borderlines initiative, as part of continued support for the project. The scheme uses theatre to help people find new and positive ways to understand themselves, their communities and their responsibilities. It challenges destructive anti-social behaviour, aims to build self-awareness/self-worth and positive attitudes.

A grant of £0.1m was also given to the New Vic Theatre to fund the New Vic Appetite programme, to support a local Christmas event in an area of Stoke-on-Trent. The programme is designed to plan and deliver activities to enable people who don't usually access events to do so.

*Disaster Recovery/Emergency Relief*

The Foundation continued its support of the Catholic Agency for Overseas Development (CAFOD) during the year with a £0.2m donation towards CAFOD's emergency relief programme in Pakistan following the flood disaster and a £0.1m donation towards CAFOD's emergency relief programme in Syria and Turkey following the earthquakes.

**Financial review**

A Statement of the Financial Activities of the Foundation is given on page 14. The total incoming resources for the period were derived from interest and investment returns of £7.9m (2022: £5.1m) and charitable donations of £100.0m (2022: £100.0m) resulting in total incoming resources of £107.9m (2022: £105.1m).

During the Financial Period £11.0m (2022: £18.9m) was expended/committed to charitable giving. After allowing for governance costs of £0.1m (2022: £0.1m), investment management costs of £1.4m (2022: £1.3m) and taking into account investment losses of £33.3m (2022: Gains of £14.8m), this resulted in net income for the period of £62.2m (2022: £99.6m) which when added to the funds brought forward gave rise to £730.2m (2022: £668.0m) of funds carried forward to the following Financial Period for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Year there was £5.2m (2022: £7.1m) of outstanding unconditional commitments in relation to nine donations/grants committed but not made as at the Balance Sheet date. In the view of the Trustees, the funds held at 26 March 2023 were available and adequate to fulfil its existing obligations.

In respect of non-financial key performance indicators, the Trustees monitor the level of grants issued each year against previous years, this is detailed in note 3.

During the year 22 (2022: 20) donations and grants were made to 17 (2022: 18) institutions.

**Donation**

On 23 March 2023 the Foundation received two donations totalling £100.0m 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 will be distributed to support charities/charitable activities that align to the objectives of the Foundation.

As at the balance sheet date the £100.0m of donations received were held in an interest bearing 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.

**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 anticipated funds 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 portfolio's return within the constraints of the mandate granted by the Trustees.

When identifying third party fund managers, Stonehage Fleming ("SFIM") place importance upon environmental, social and governance factors ("ESG") as part of an extensive due diligence process. The managers selected exhibit good stewardship practices and show awareness of ESG factors consistent with their investment approach. SFIM's commitment to rewarding good practice is recognised in them being a signatory to the UK Stewardship Code and their affiliation with the UN Principles of Responsible Investment.

ESG issues form a key assessment of the quality and culture of the business' management. Companies not actively addressing their ESG risks are less likely to generate future sustainable growth. There are also certain sectors that are categorically excluded, namely, tobacco, arms manufacturers and coal miners, not only due to the harm caused but also due to unsustainable prospects.

**Investment performance**

As at 26 March 2023 the total investment portfolio stood at £633.8m net of accrued investment management charges (2022: £573.6m), £60.2m higher than at the end of the previous Financial Period. In the period a total of £95.0m was transferred from cash at bank to the Endowment Fund part of the portfolio, and £8.0m was withdrawn from the Unrestricted Funds part of the portfolio to fund grant/donation distribution.

Taking in-year transfers to/from the investment portfolio into account, over the Financial Period, the investment portfolio has delivered an investment loss of £26.8m, -4.0% (2022: Gain of £18.6m, 3.3%).

During the same period;

- FTSE 100 index decreased 1.0%
- FTSE 250 index decreased 11.7%
- S&P 500 index decreased 12.6%

As at 26 March 2023 the value of the Endowment Fund element of the investment portfolio was £613.9m (2022: £552.0m) net of accrued investment management charges. Over the course of the Financial Period the Endowment Fund delivered an investment loss of £27.1m, -4.2% (2022: Gain of £18.5m, 3.4%). The UK annual inflation rate, RPI, was 13.5% for March 2023.

In the months following the reporting date, the investment portfolio has delivered a positive return, therefore the Trustees are satisfied that the losses reported are due to underlying fluctuations in investment markets.

**Reserves policy**

The policy of the Trustees is to maintain the real value of the Endowment (including inflation), being the donations received to date of £731.7m (2022: £631.7m) plus inflation, but otherwise to distribute all of the Foundation's realised income and gains within the short/medium term, considered to be 1-5 years. 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 Denise Coates Foundation to achieve its objectives. As at 26 March 2023, the actual reserves were £730.2m (2022: £668.0m).

During the year the Trustees, at their discretion, decided to transfer a total of £11.0m (2022: £14.7m) from expendable Endowment Funds to Unrestricted Funds to further the Foundation's ability to provide donations that meet its charitable objectives.

The level of Unrestricted Funds at 26 March 2023 was £16.3m (2022: £16.0m) and these funds are retained at this level to allow the Trustees, at their discretion, to award an appropriate level of grants in line with the agreed budgets set for the following financial period.

The level of Endowment Funds at 26 March 2023 was £713.9m (2022: £652.0m).

As at 26 March 2023 the level of Free Reserves, as defined by the Charity Commission, are its Unrestricted Funds and amounted to £16.3m (2022: £16.0m). The policy of the Trustees is to hold a level of Free Reserves that allows them to set appropriate budgets for the following financial period for grant making of £16.0m (2022: £15.8m) and governance costs. The Trustees are satisfied with this level of Free Reserves and it is their intention to distribute all Free Reserves through charitable giving.

**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 are provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the investment 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 charitable company's 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

RSM 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 RSM 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**
Trustee and Director

15 December 2023

# Denise Coates Foundation
## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Denise Coates Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees including the Strategic Report and Directors' 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;
- 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 DENISE COATES FOUNDATION

**Opinion**

We have audited the financial statements of Denise Coates Foundation (the 'charitable company') for the period ended 26 March 2023 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 26 March 2023 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 requirements of the Companies Act 2006.

**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 charitable company 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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:

- adequate accounting records have not been kept, 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.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees' responsibilities set out on page 10, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees' and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 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.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Date: 18 December 2023

# Denise Coates Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the 52 weeks ended 26 March 2023

| | Note | Endowment Fund | Unrestricted Funds | **Total Funds 52 week Period ended 26 March 2023** | Total Funds 52 week Period ended 27 March 2022 |
|---|---|---|---|---|---|
| INCOME AND ENDOWMENTS: | | £000 | £000 | **£000** | £000 |
| Donations; | | | | | |
| Gift of expendable endowment | 1 | 100,000 | - | **100,000** | 100,000 |
| Investment income | 2 | 7,591 | 326 | **7,917** | 5,116 |
| TOTAL INCOME | | 107,591 | 326 | **107,917** | 105,116 |
| EXPENDITURE | | | | | |
| Raising funds; | | | | | |
| Investment management costs | | 1,369 | - | **1,369** | 1,348 |
| Charitable activities | 3 | - | 11,074 | **11,074** | 18,946 |
| TOTAL EXPENDITURE | | (1,369) | (11,074) | **(12,443)** | (20,294) |
| NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS | | 106,222 | (10,748) | **95,474** | 84,821 |
| Net (losses)/gains on investment assets | | (33,270) | - | **(33,270)** | 14,796 |
| NET INCOME/(EXPENDITURE) | | 72,952 | (10,748) | **62,204** | 99,617 |
| TRANSFERS | | | | | |
| Gross transfers between funds | 11 | (10,998) | 10,998 | - | - |
| NET MOVEMENTS IN FUNDS | | 61,954 | 250 | **62,204** | 99,617 |
| *Reconciliation of funds* | | | | | |
| Total funds brought forward | | 651,959 | 16,000 | **667,959** | 568,342 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 713,913 | 16,250 | **730,163** | 667,959 |

All income and expenditure derive from continuing activities.

# Denise Coates Foundation

## STATEMENT OF FINANCIAL POSITION

At 26 March 2023

| | Note | 2023 | | 2022 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| FIXED ASSETS | | | | | |
| Investments | 6 | | **634,115** | | 573,886 |
| CURRENT ASSETS | | | | | |
| Debtors: Amounts falling due within one year | 7 | **40** | | 14 | |
| Cash at bank and in hand | | **101,649** | | 101,541 | |
| TOTAL CURRENT ASSETS | | **101,689** | | 101,555 | |
| CREDITORS: Amounts falling due within one year | 8 | **(2,356)** | | (7,104) | |
| NET CURRENT ASSETS | | | **97,834** | | 94,451 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | **731,949** | | 668,337 |
| CREDITORS: Amounts falling due after one year | 9 | | **(3,285)** | | (378) |
| TOTAL NET ASSETS | | | **730,163** | | 667,959 |
| THE FUNDS OF THE FOUNDATION | | | | | |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 12 | | **16,250** | | 16,000 |
| ENDOWMENT FUND | 12 | | **713,913** | | 651,959 |
| TOTAL FOUNDATION FUNDS | 12 | | **730,163** | | 667,959 |

The financial statements on pages 14 to 30 were approved by the board and authorised for issue on 15 December 2023 and were signed on its behalf by:

Denise Coates

**Denise Coates CBE**
Trustee and Director

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation

STATEMENT OF CASH FLOWS
for the 52 weeks ended 26 March 2023

| | Note | **26 March 2023** | | 27 March 2022 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES | 13 | | **(1,935)** | | (1,441) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expendable endowment invested | | **(95,000)** | | (99,000) | |
| Transfer from investment | | **8,000** | | 16,000 | |
| Interest received | | **41** | | 1 | |
| Net cash used in investing activities | | | **(86,959)** | | (82,999) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Gift of expendable endowment | | | **100,000** | | 100,000 |
| Endowment conversion | | | **(10,998)** | | (14,674) |
| Net cash provided by financing activities | | | **89,002** | | 85,326 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD | | | **108** | | 886 |
| Cash and cash equivalents at the beginning of the period | | | **101,541** | | 100,655 |
| Total cash and cash equivalents at the end of the period | | | **101,649** | | 101,541 |

In 2023 cash held on the balance sheet included £100.0m (2022: £100.0m) related to cash held prior to being transferred to the endowment investments.

# Denise Coates Foundation
## ACCOUNTING POLICIES

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

### LEGAL STATUS OF THE FOUNDATION
The Foundation is a private company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation. The Foundation's address is bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ.

### BASIS OF PREPARATION
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

### FUNCTIONAL AND PRESENTATIONAL CURRENCIES
The financial statements are presented in sterling which is also the functional currency of the Foundation.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

### GOING CONCERN
To ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received to date 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.

### INCOME RECOGNITION
All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and the donation has been received.

Interest on funds held on deposits is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Notional interest representing the current returns on bank deposits is allocated to the unrestricted funds, representing the unrestricted element of investments held in the investment fund.

EXPENDITURE RECOGNITION
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

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.

All costs are allocated between the expenditure categories of the statement of financial activities (SoFA) 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 Foundation 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant has been satisfied.

DONATIONS
Donations are payments made in the period 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 institutions by the Trustees where the Foundation considers it is in furtherance of the Foundation's objectives.

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 certain corporate members of the bet365 Group. 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.

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, however the Trustees may, at their discretion, transfer an amount higher or lower than the returns on the expendable endowment, if they feel it is appropriate. This policy is maintained to secure the long-term capital base of the expendable endowment fund and to support grant giving.

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 which form a basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date as follows:

Unlisted securities comprise bonds, pooled investment vehicles and managed funds that are not traded but have published prices. These have been valued using the closing published price.

Listed securities comprise equities, bonds, pooled investment vehicles, and managed funds that are traded. These have been valued using the closing bid market price.

Other investments comprise other funds and alternative strategy investments. These have been valued using either closing bid market prices, published prices where they exist, or a valuation technique.

Investments have been split into three categories;
- Level 1 ~ unlisted and listed securities, and other investments where the fair value is based on quoted prices in an active market.
- Level 2 ~ unlisted private equity investments, where the fair value is based on observable inputs from comparable market data.
- Level 3 ~ unlisted private equity investments, where the fair value is based on other valuation techniques, in the absence of quoted prices or observable inputs from market data.

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.

The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities.

FINANCIAL INSTRUMENTS
The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Cash at bank and in hand*
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

*Creditors and provisions*
Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

CONTINGENT GRANT COMMITMENTS
A contingent commitment is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Critical areas of judgement*

The Trustees deem the key area of judgement in the financial statements to be the recognition of grant commitments. For each grant awarded by the Trustees, which has not been paid in the period, the Trustees consider the status of the award of the grant, the conditions attaching to the grant and whether there is reasonable certainty the grant will be paid. Once evaluated the grant will be accrued or disclosed as required to meet the requirements of Financial Reporting Standards and the Charities SORP.

## 1 INCOMING RESOURCES

*Expendable endowment donations*

The Foundation received donations during the period from bet365 Group Limited of £20.0m and Hillside (Media Services) Limited of £80.0m totalling £100.0m (2022: £100.0m) allocated to expendable endowment funds.

## 2 INVESTMENT INCOME

| | 2023 | | | |
|---|---|---|---|---|
| | Endowment fund £000 | Unrestricted fund £000 | **Total 2023 £000** | Total 2022 £000 |
| Managed investments: | | | | |
| Dividends and interest – listed | 3,526 | 144 | **3,670** | 1,885 |
| Dividends and interest – unlisted | 3,650 | 149 | **3,799** | 3,219 |
| Interest on cash | 366 | 15 | **381** | 5 |
| Bank interest on cash deposits | 49 | 18 | **67** | 7 |
| | 7,591 | 326 | **7,917** | 5,116 |

In 2022 all income except a notional allocation from each investment source amounting to £23k was allocated to the endowment fund.

## 3 RESOURCES EXPENDED: UNRESTRICTED 2023 AND 2022

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

| | Grant funding £000 | Support costs £000 | **Total Period ended 26 March 2023 £000** | Total Period ended 27 March 2022 £000 |
|---|---|---|---|---|
| Charitable activity – donations | 275 | - | **275** | 1,195 |
| – grants | 10,719 | - | **10,719** | 17,648 |
| – governance costs | - | 80 | **80** | 103 |
| | 10,994 | 80 | **11,074** | 18,946 |

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

| | **Total Period ended 26 March 2023 £000** | Total Period ended 27 March 2022 £000 |
|---|---|---|
| Disaster Recovery | **250** | 1,150 |
| Medical Research and Development | **25** | 25 |
| Community Development | **-** | 20 |
| | **275** | 1,195 |

Grants made during the period between institutions are as follows:

| | **Total Period ended 26 March 2023 £000** | Total Period ended 27 March 2022 £000 |
|---|---|---|
| Health and Welfare | **3,856** | 3,189 |
| Education and Training | **3,191** | 2,011 |
| Arts and Culture | **2,761** | 993 |
| Medical Research and Development | **580** | 10,006 |
| Community Development | **331** | 1,449 |
| | **10,719** | 17,648 |

3 RESOURCES EXPENDED: UNRESTRICTED 2023 AND 2022 (continued)

Recipients of institutional grant(s):

| Institution | Funded Activity | No of grants | Total £000 |
|---|---|---|---|
| New Vic Theatre | Support the New Vic over 5 years to build on its current strengths and successes enabling it to gain a national reputation, fund the New Vic Appetite programme to support a "Middleport Christmas Event" and support the Borderlines Service. | **3** | **2,682** |
| Douglas Macmillan Hospice (Donna Louise Trust takeover) | Support the second year of integration of The Donna Louise Trust into the Douglas Macmillan Hospice and provide funding for 12 months of holistic 'wrap around' care including Counselling and Emotional Support services. | **2** | **1,944** |
| Liberty Academy Trust (Formally known as NAS Academies Trust) | Support a school expansion/building extension project at Church Lawton School. | **1** | **1,599** |
| mothers2mothers | Fund a 3-year programme to fully support women, adolescent girls and children's health and wellbeing through the Mentor Mother model in Lilongwe District, Malawai. | **1** | **1,500** |
| Stonyhurst Foundation | Support the Stonyhurst Foundation's funding to assist the development of its bursary programme and associated education and welfare support at Stonyhurst College, which provides funding to young people that may not ordinarily be able to attend the school due to the cost of attendance. | **1** | **1,100** |
| Chronic Disease Research Foundation | Fund the Ageing Research 5 year project and support activities related to the study of the Microbiome and ageing. | **2** | **758** |
| Prevent Breast Cancer | Cover cost of the refurbishment of a Training Suite at the Nightingale Centre and Prevent Breast Cancer Research Unit. | **1** | **411** |
| Tate | Fund the upcoming Lynette Yiadom-Boakye exhibition at Tate Britain. | **1** | **261** |
| | | | **10,255** |
| There were a further 7 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | **464** |
| | | | **10,719** |

3 RESOURCES EXPENDED: UNRESTRICTED 2023 AND 2022 (continued)

*Analysis of governance costs*

| *Unrestricted funds* | **Total 2023 £000** | Total 2022 £000 |
|---|---|---|
| Legal and professional | **42** | 74 |
| Audit fees | **33** | 23 |
| Insurance | **5** | 5 |
| Bank charges | **-** | - |
| | **80** | 102 |

4 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

| | **2023 £000** | 2022 £000 |
|---|---|---|
| Auditor's remuneration: | | |
| Audit services | **33** | 23 |
| Non audit services: | | |
| Taxation services | **6** | 5 |

5 STAFF NUMBERS, STAFF COSTS AND KEY MANAGEMENT PERSONNEL/TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the Trustees, who are also considered to be the key management personnel, received no remuneration or expenses during the period.

## 6 FIXED ASSET INVESTMENTS

| | Unlisted Securities £000 | Listed Securities £000 | Cash £000 | Other investments £000 | **Total £000** |
|---|---|---|---|---|---|
| *Market value* | | | | | |
| At beginning of period | 316,705 | 184,638 | 14,804 | 57,739 | **573,886** |
| Transfer from cash balances | - | - | 87,000 | - | **87,000** |
| Additions to investments at cost | 90,442 | 93,429 | (203,953) | 20,082 | - |
| Disposals at carrying value | (89,376) | (18,008) | 107,384 | - | - |
| Investment income | 3,799 | 2,316 | 380 | 1,355 | **7,850** |
| Realised and unrealised gains/(losses) during the period | (25,092) | (13,990) | 7,345 | (1,533) | **(33,270)** |
| Expenses (see below *) | - | - | (1,351) | - | **(1,351)** |
| At end of period | 296,478 | 248,385 | 11,609 | 77,643 | **634,115** |

* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £0.4m (2022: £0.3m) is included in accruals to cover unpaid fees relating to 2023.

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

| | **2023 £000** | 2022 £000 |
|---|---|---|
| Unrealised (losses)/gains on investments | **(25,827)** | 14,709 |
| Realised (losses)/gains on investments | **(7,486)** | 87 |
| Realised Gains on currency and money markets | **43** | - |
| | **(33,270)** | 14,796 |

The main risk to the Foundation, from financial instruments, lies in the combination of uncertain investment markets and volatility in yield.

The Foundation manages investment risk by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

6 FIXED ASSET INVESTMENTS (continued)

| | 2023 £000 | 2022 £000 |
|---|---|---|
| **Level 1** | | |
| - Unlisted Securities | **296,478** | 316,704 |
| - Listed Securities | **248,385** | 184,638 |
| - Other Investments | **53,843** | 44,104 |
| **Level 2** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | - | - |
| **Level 3** | | |
| - Unlisted Securities | - | - |
| - Listed Securities | - | - |
| - Other Investments | **23,800** | 13,636 |
| | **622,506** | 559,082 |

Investments in unlisted trade investments are categorised as level 2 where the sale agreement for an identical or similar asset provides evidence of fair value or when it can be demonstrated that the last transaction price, subject to an appropriate but insignificant adjustment to reflect a change in economic circumstances or a lapse of time, is a good estimate of fair value.

Investments in unlisted private equity are categorised as level 3 where there is no active market for the financial instrument and, therefore, an estimate of fair value is derived by using a valuation technique.

As at 26 March 2023, a further £21.6m is committed to be invested in Level 3 unlisted trade investments, over the next 5 years. This commitment will be funded from the available cash balances held within the investment portfolio.

7 DEBTORS: Amounts falling due within one year

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Accrued income - interest | **40** | 14 |

8 CREDITORS: Amounts falling due within one year

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Accruals | **407** | 371 |
| Donation and grant commitments | **1,949** | 6,733 |
| | **2,356** | 7,104 |

9 CREDITORS: Amounts falling due after one year

| | **2023** | 2022 |
|---|---|---|
| | **£000** | £000 |
| Grant commitments | **3,285** | 378 |

Movement in recognised funding commitments during the period

| | Grant and donations commitments accrued | |
|---|---|---|
| | **2023** | 2022 |
| | **£000** | £000 |
| Donations and grant commitments recognised at start of the period | **7,111** | 4,276 |
| New donation and grant commitments charged to SoFA in period (see note 3) | **11,341** | 18,947 |
| Unutilised amounts reversed during the reporting period | **(347)** | (103) |
| Donations and grants paid during the period | **(12,871)** | (16,009) |
| Donation and grant commitments recognised at the end of the period | **5,234** | 7,111 |

Those grant commitments which have not been accrued due to the level of uncertainty are discussed in note 15.

## 10 FINANCIAL INSTRUMENTS

The carrying value of the Foundation's financial instruments at the period end were:

| | **2023 £000** | 2022 £000 |
|---|---|---|
| Financial assets: | | |
| Instruments measured at cost | **40** | 14 |
| Instruments measured at fair value | **634,115** | 573,886 |
| Financial Liabilities: | | |
| Measured at amortised cost | **5,641** | 7,482 |

Financial assets measured at cost include accrued income and investments.

Financial liabilities measured at amortised cost include grant commitments and accruals.

## 11 STATEMENT OF FUNDS

| 2023 | At 27 March 2022 £000 | Income £000 | Expenditure £000 | Losses on revaluation of investments £000 | Transfer of Funds £000 | **At 26 March 2023 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 16,000 | 326 | (11,074) | - | 10,998 | **16,250** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 651,959 | 107,591 | (1,369) | (33,270) | (10,998) | **713,913** |
| TOTAL FUNDS | 667,959 | 107,917 | (12,443) | (33,270) | - | **730,163** |

| 2022 | At 28 March 2021 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 27 March 2022 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 20,249 | 23 | (18,946) | - | 14,674 | **16,000** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 548,093 | 105,093 | (1,348) | 14,796 | (14,674) | **651,959** |
| TOTAL FUNDS | 568,342 | 105,116 | (20,294) | 14,796 | - | **667,959** |

11 STATEMENT OF FUNDS (continued)

**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 corporate members of the bet365 Group, then by additional gifts in the subsequent financial years. This has been increased during the period by further donations totalling £100.0m (2022: £100.0m). This brings the total donations from the corporate members of the bet365 Group to £731.7m. The Trustees have the power to spend both the capital and the income.

**Transfer of Funds**
The board of Trustees at their discretion have decided to transfer an amount of £11.0m (2021: £14.7m) to make available further funds for grant payments.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| **2023** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 614,227 | 19,888 | **634,115** |
| Cash at bank and in hand | 100,000 | 1,649 | **101,649** |
| Creditors due within one year | (351) | (2,005) | **(2,356)** |
| Creditors due after one year | - | (3,285) | **(3,285)** |
| Debtors due within one year | 37 | 3 | **40** |
| Total net assets | 713,913 | 16,250 | **730,163** |

| **2022** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 552,285 | 21,601 | **573,886** |
| Cash at bank and in hand | 100,000 | 1,541 | **101,541** |
| Creditors due within one year | (333) | (6,771) | **(7,104)** |
| Creditors due after one year | - | (378) | **(378)** |
| Debtors due within one year | 7 | 7 | **14** |
| Total net assets | 651,959 | 16,000 | **667,959** |

## 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

| | **26 March 2023 £000** | 27 March 2022 £000 |
|---|---|---|
| Income after gains and losses on investments | **62,205** | 99,617 |
| Gift of expendable endowment | **(100,000)** | (100,000) |
| Endowment conversion | **10,998** | 14,674 |
| Investment income | **(7,918)** | (5,116) |
| Investment manager costs | **1,369** | 1,348 |
| (Increase)/Decrease in creditors | **(1,859)** | 2,832 |
| Net losses/(gains) on investments | **33,270** | (14,796) |
| Net cash used in by operating activities | **(1,935)** | (1,441) |

## 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services 2018) Limited, Hillside (Technology) Limited, Hillside (Media Services) Limited and bet365 Group Limited are related parties of the Foundation by virtue of common directors and that their ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The Foundation received donations of £20.0m from bet365 Group Limited (2022: £nil) and £80.0m from Hillside (Media Services) Limited (2022: £60.0m) during the period. No donations were received from Hillside (Technology) Limited during the period (2022: £40.0m). No balances were owed to or from Hillside (Technology) Limited, Hillside (Media Services) Limited or bet365 Group Limited at the period end (2022: £nil).

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

## 15 CONTINGENT GRANT COMMITMENTS

The Trustees intend to make the following grants.

A grant to provide five-year long term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.8m. To-date the institution has received £0.5m towards this project, however the remaining award of £0.3m is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a four-year community outreach programme in Stoke-on-Trent and Staffordshire. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.5m To-date the institution has received £0.1m towards this project, however the remaining award of £0.4m, is contingent upon the project receiving National Portfolio Organisations funding from the Arts Council, and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to provide five-year long term funding of medical research. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £4.7m. To-date the institution has received £0.6m towards this project, however the remaining award of £4.1m is contingent upon the trustees being content with the nature and extent of progress towards the intended deliverables.

**DENISE COATES FOUNDATION**

England & Wales - Charity number 1149110

# Accounts

# Denise Coates Foundation

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

27 March 2022

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation
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# Denise Coates Foundation
REPORT OF THE TRUSTEES INCLUDING STRATEGIC REPORT

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Charity Number: | 1149110 |
| Company Number: | 08191619 |
| Trustees/Company Directors: | D Coates CBE<br>JF Coates<br>P Coates<br>SH Galletley<br>JE White<br>OR Adams |
| Auditor: | RSM UK Audit LLP<br>Festival Park<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5BB |
| Banker: | Barclays Bank<br>Pall Mall Corporate Banking Centre<br>Pall Mall Corporate Group<br>50 Pall Mall<br>London |
| Investment Manager: | Stonehage Fleming<br>15 Suffolk Street<br>London<br>SW1Y 4HG<br>United Kingdom |
| Registered Office: | bet365 House<br>Media Way<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5SZ |
| Status: | Denise Coates 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 and 4 February 2016. |

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 27 March 2022. This report also contains a directors' report as required by company law.

## 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

Denise Coates 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 and 4 February 2016. 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. However, the Foundation receives administrative support through a related party, for which there is no charge.

### Appointment of Trustees

The skill set of the Board of Trustees is frequently 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 by an open recruitment process to fill any gaps. The Trustees are satisfied with the current skill set of the board.

### 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. Trustees are briefed on their legal obligations under charity and company law, along with the processes and procedures of the Foundation. Training for the Trustees is constantly under review and identifies any development that needs to be addressed. Each year, the appropriate training is supplied to keep the Board apprised of relevant changes in regulation. Should any additional specialised training be required for the existing, or any newly appointed Trustees, then appropriate training arrangements will be put in place.

## OBJECTIVES AND ACTIVITIES

### The objectives of the Foundation and policies employed to achieve the objective

The Foundation's aim is to promote charitable purposes anywhere in the world, for the public benefit, as are exclusively charitable purposes according to the laws of England and Wales, and 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**

The Foundation identifies charities locally, nationally or internationally (registered through UK charities) that it wishes to support and also welcomes applications. Contact is made with these charities proactively, to discuss any projects/programmes that they are looking to undertake that the Foundation may be in a position to support. These charities are then invited to present to the Foundation's Trustees with a proposal detailing how a grant would be of use to the charity and the benefits that it would deliver. Given that the Foundation's objectives are broad, the Trustees will consider most grants that have a charitable purpose but particular consideration is given in areas of health and welfare, community development, medical research and development, education and training, arts and culture and disaster recovery. The Trustees assess how each proposal aligns to the Foundation's objectives in order to determine whether the grant is to be suitably awarded and considers if/what conditions should be attached to the grants, in particular but not exclusively to multi-year grants.

Financial due diligence assessments of the potential recipients are undertaken, evaluating Key Performance Indicators from the latest filed Statutory Accounts, to verify the financial position of the charity. Once a grant has been approved, a formal Grant Making Agreement is signed by both parties documenting the amount due, any conditions attached to the grant, and the purpose the funds must be used for.

Procedures are in place to monitor bank accounts and reconcile all transactions back to Trustee approved charitable grants and donations. This includes a review system to monitor grants and conditional grants are only continued if set milestones and set review conditions are met. These are monitored in accordance with the conditions set out in the grant agreements, which include reviewing progress reports and the financial position of the project.

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 the 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 donations from Hillside (Technology) Limited and Hillside (Media Services) Limited during the period. The Foundation also received administrative support from Hillside (Shared Services 2018) Limited. Two of the Foundation's Trustees are Directors of Hillside (Technology) Limited, Hillside (Media Services) Limited and Hillside (Shared Services 2018) Limited and three of the Trustees are Directors of the ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore, these entities are deemed to be related parties.

**Risk management**

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

**Trustees' indemnity insurance**

The Foundation holds trustee indemnity insurance, the cost of this was £4,713 (2021: £3,927).

FUTURE PLANS

The Foundation plans to continue to approach charities and review potential proposal applications for funding and will continue to provide donations that meet the Foundations charitable objectives.

STRATEGIC REPORT

**Achievements and performance**

During the Financial Year the Foundation committed to provide £18.9m (2021: £6.2m) of grants and donations 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.

Grant giving levels in the prior year were constrained by the restricted activities being undertaken by the Foundation's charity partners as a result of the impact of the pandemic. In the current year, grant making activity has now resumed to an expected level.

*Medical Research and Development*

The University Hospitals North Midlands (UHNM) received a grant of £8.4m to help purchase a range of the latest technology for cancer patients, including a robotic ecosystem with a dual console for training and an orbital camera system. The funds will also be used to improve the facilities and the environment in the hospital, including sky ceilings and living windows for cancer patients, a one-stop gynaecology oncology service and free entertainment such as TVs and newspapers.

The Royal Marsden Cancer Charity received a grant of £1.3m to help fund the construction of a new Oak Cancer Centre. The building will bring over 400 researchers, 350 clinical staff, and thousands of patients under one roof. By facilitating collaboration, the hospital hopes that the Centre will help accelerate the translation of new treatments from one cancer type to another.

The Foundation maintained its commitment to the Chronic Disease Research Foundation with a grant of £0.3m. The funds will be used on more pilot projects, to offer fellowships to appropriate candidates and to help PhD students and related project grants.

*Health and Welfare*

The Thrive at Five project is creating its first pathfinder area in Stoke-on-Trent. A three year project to support children from low-income backgrounds received a grant of £1.0m. Two areas have been selected with the aim of achieving sustainable improvement in early years' outcomes for local families with young children.

Further support was provided to the Douglas Macmillan Hospice, with grants of £2.2m to help support a merger with Donna Louise Trust and to provide direct palliative care for over 250 patients.

*Education and Training*

The Foundation continued its support to providing funding for bursary and scholarship schemes at three universities. Keele University, Staffordshire University and The University of Sheffield each received £0.2m to fund bursary schemes for undergraduates from disadvantaged backgrounds.

*Community Development*

Midlands Air Ambulance Charity received £1.1m to help finish the construction of a new airbase and charity headquarters. The new base will create a strategically located operational hub, which will give benefit across all six counties with extended operating hours, as well as providing a fully equipped training and simulation suite.

The Foundation continued its support of The Land Trust with a further £0.2m as part of an on-going project. The programme has focused on creating new wildlife habitats, meadow management and maintenance, and a volunteer scheme called Green Angels which provides free environmental focused courses to give people the chance to learn new skills, change future prospects and make a difference in the community.

St John Ambulance received a grant of £0.1m to fund two new first aid vehicles. The new vehicles will be based at the charity's Rugeley hub, which provides support and first aid training to the residents of Staffordshire, Shropshire and Wolverhampton.

As in previous years the New Vic Theatre received another £0.1m towards its award-winning Borderlines initiative, as part of continued support for the project. The scheme uses theatre to help people find new and positive ways to understand themselves, their communities and their responsibilities. It challenges destructive and anti-social behaviour, builds self-awareness and self-worth and develops positive attitudes.

Elizabeth's Group received funds to help build a bronze statue of Elizabeth Wolstenholme Elmy. The piece has been erected in Congleton town centre, where Elizabeth lived from 1867 until her death in 1918. Elizabeth was an activist who fought for equality throughout her life, working for girls' education, women's right to own property and for their right to vote.

*Disaster Recovery/Emergency Relief*

The Disasters Emergency Committee received a donation of £1.0m to help the humanitarian relief in Ukraine.

The Foundation continued its support of the Catholic Agency for Overseas Development (CAFOD) during the year, specifically with a £0.2m grant towards helping distribute hygiene and prevention materials to Mozambique in the wake of the Covid-19 pandemic. The charity will also provide awareness and training to improve sanitation and health care.

*Arts and Culture*

A grant of £1.0m was given to the New Vic Theatre to help rebuild the Artistic Development Reserve back to its pre-pandemic position and allow the theatre to deliver the preferred programme of shows in 2021/22 and work to develop shows for early 2022. It will also support a trainee scheme for future theatre workers to address the lack of opportunities for young people entering the arts over the past year due to Covid-19.

Funds were provided to Opera Ventures to support its production of Ainadamar, which tells the story of playwright and poet, Federico García Lorca and his friend and muse, Catalan actress Margarita Xirgu. Told in reverse, Ainadamar is a series of flashbacks and involves Lorca's opposition to the extreme nationalist political group the Falange. Lorca was hounded and persecuted throughout his life, culminating in his shocking execution for his beliefs.

**Financial review**

A Statement of the Financial Activities of the Foundation is given on page 14. The total incoming resources for the period were derived from interest and investment returns of £5.1m (2021: £3.8m) and charitable donations of £100.0m (2021: £100.0m) resulting in total incoming resources of £105.1m (2021: £103.8m).

During the Financial Period £18.9m (2021: £6.2m) was expended/committed to charitable giving. After allowing for governance costs of £0.1m (2021: £0.1m), investment management costs of £1.3m (2021: £1.0m) and taking into account investment gains of £14.8m (2021: Gains of £86.5m), this resulted in net income for the period of £99.6m (2021: £183.0m) which when added to the funds brought forward gave rise to £668.0m (2021: £568.3m) of funds carried forward to the following Financial Period for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Year there was £7.1m (2021: £4.3m) of outstanding unconditional commitments in relation to 10 donations/grants committed but not made as at the Balance Sheet date. This increase is due to the level of grants in the period being significantly higher than the previous period. In the view of the Trustees, the funds held at 27 March 2022 were available and adequate to fulfil its existing obligations.

In respect of non-financial key performance indicators, the Trustees monitor the level of grants issued each year against previous years, this is detailed in note 3.

During the year 20 (2021: 17) donations and grants were made to 18 (2021: 12) institutions.

**Donation**

On 24 March 2022 the Foundation received two donations totalling £100.0m 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 will be distributed to support charities/charitable activities that align to the objectives of the Foundation.

As at the balance sheet date the £100.0m donations received were held in an interest bearing 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.

**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 anticipated funds 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 portfolio's return within the constraints of the mandate granted by the Trustees.

When identifying third party fund managers, Stonehage Fleming ("SFIM") place importance upon environmental, social and governance factors ("ESG") as part of an extensive due diligence process. The managers selected exhibit good stewardship practices and show awareness of ESG factors consistent with their investment approach. SFIM's commitment to rewarding good practice is recognised in them being a signatory to the UK Stewardship Code and their affiliation with the UN Principles of Responsible Investment.

ESG issues form a key assessment of the quality and culture of the business' management. Companies not actively addressing their ESG risks are less likely to generate future sustainable growth. There are also certain sectors that are categorically excluded, namely, tobacco, arms manufacturers and coal miners, not only due to the harm caused but also due to unsustainable prospects.

**Investment performance**

As at 27 March 2022 the total investment portfolio stood at £573.6m net of accrued investment management charges (2021: £472.0m), £101.6m higher than at the end of the previous Financial Period. In the period a total of £99.0m was transferred to the Endowment Fund part of the portfolio, and £16.0m was withdrawn from the Unrestricted Funds part of the portfolio to fund grant/donation distribution.

Taking in-year transfers to/from the investment portfolio into account, over the Financial Period, the investment portfolio has delivered an investment gain of £18.6m, 3.3% (2021: Gain of £89.3m, 23.3%). The FTSE 100 index increased 11.0% over the same period.

As at 27 March 2022 the value of the Endowment Fund element of the investment portfolio was £552.0m (2021: £449.1m) net of accrued investment management charges. Over the course of the Financial Period the Endowment Fund delivered an investment gain of £18.5m, 3.4% (2021: Gain of £89.3m, 24.1%). The UK annual inflation rate, RPI, was 9.0% for March 2022 therefore the Investment Portfolio delivered a reduction 5.6pp below annual inflation.

**Reserves policy**

The policy of the Trustees is to maintain the real value of the Endowment (including inflation), being the donations received to date of £631.7m (2021: £531.7m) plus inflation, but otherwise to distribute all of the Foundation's realised income and gains within the short/medium term, considered to be 1-5 years. 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 Denise Coates Foundation to achieve its objectives. As at 27 March 2022, the actual reserves were £668.0m (2021: £568.3m).

During the year the Trustees, at their discretion, decided to transfer a total of £14.7m (2021: £15.5m) from expendable Endowment Funds to Unrestricted Funds to further the Foundation's ability to provide donations that meet its charitable objectives.

The level of Unrestricted Funds at 27 March 2022 was £16.0m (2021: £20.2m) and these funds are retained at this level to allow the Trustees, at their discretion, to award an appropriate level of grants in line with the agreed budgets set for the following financial period.

The level of Endowment Funds at 27 March 2022 was £652.0m (2021: £548.1m).

As at 27 March 2022 the level of Free Reserves, as defined by the Charity Commission, are its Unrestricted Funds and amounted to £16.0m (2021: £20.2m). The policy of the Trustees is to hold a level of Free Reserves that allows them to set appropriate budgets for the following financial period for grant making (£15.8m (2021: £20.0m)) and governance costs. The Trustees are satisfied with this level of Free Reserves and it is their intention to distribute all Free Reserves through charitable giving.

**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 are provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the investment 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

RSM 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 RSM 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

**Denise Coates CBE**
Trustee and Director

19 DECEMBER 2022

# Denise Coates Foundation
## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Denise Coates 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;
- 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 DENISE COATES FOUNDATION

**Opinion**
We have audited the financial statements of Denise Coates Foundation (the 'charitable company') for the period ended 27 March 2022 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 27 March 2022 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 requirements of the Companies Act 2006.

**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 charitable company 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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:

- adequate accounting records have not been kept, 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.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees' responsibilities set out on page 10, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees' and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 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.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Date: 20/12/22

# Denise Coates Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the 52 weeks ended 27 March 2022

| | Note | Endowment Fund | Unrestricted Funds | **Total Funds 52 week Period ended 27 March 2022** | Total Funds 52 week Period ended 28 March 2021 |
|---|---|---|---|---|---|
| INCOME AND ENDOWMENTS: | | £000 | £000 | **£000** | £000 |
| Donations; | | | | | |
| Gift of expendable endowment | 1 | 100,000 | - | **100,000** | 100,000 |
| Investment income | 2 | 5,093 | 23 | **5,116** | 3,813 |
| TOTAL INCOME | | 105,093 | 23 | **105,116** | 103,813 |
| EXPENDITURE | | | | | |
| Raising funds; | | | | | |
| Investment management costs | | 1,348 | - | **1,348** | 1,044 |
| Charitable activities | 3 | - | 18,946 | **18,946** | 6,263 |
| TOTAL EXPENDITURE | | (1,348) | (18,946) | **(20,294)** | (7,307) |
| NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS | | 103,745 | (18,923) | **84,821** | 96,506 |
| Net gains/(losses) on investment assets | | 14,796 | - | **14,796** | 86,516 |
| NET INCOME/(EXPENDITURE) | | 118,540 | (18,923) | **99,617** | 183,022 |
| TRANSFERS | | | | | |
| Gross transfers between funds | 11 | (14,674) | 14,674 | - | - |
| NET MOVEMENTS IN FUNDS | | 103,866 | (4,249) | **99,617** | 183,022 |
| *Reconciliation of funds* | | | | | |
| Total funds brought forward | | 548,093 | 20,249 | **568,342** | 385,320 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 651,959 | 16,000 | **667,959** | 568,342 |

All income and expenditure derive from continuing activities.

# Denise Coates Foundation

## STATEMENT OF FINANCIAL POSITION

At 27 March 2022

| | Note | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| FIXED ASSETS | | | | | |
| Investments | 6 | | **573,886** | | 472,261 |
| CURRENT ASSETS | | | | | |
| Debtors: Amounts falling due within one year | 7 | **14** | | 9 | |
| Cash at bank and in hand | | **101,541** | | 100,654 | |
| TOTAL CURRENT ASSETS | | **101,555** | | 100,663 | |
| CREDITORS: Amounts falling due within one year | 8 | **(7,104)** | | (4,419) | |
| NET CURRENT ASSETS | | | **94,451** | | 96,244 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | **668,337** | | 568,505 |
| CREDITORS: Amounts falling due after one year | 9 | | **(378)** | | (163) |
| TOTAL NET ASSETS | | | **667,959** | | 568,342 |
| THE FUNDS OF THE FOUNDATION | | | | | |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 12 | | **16,000** | | 20,249 |
| ENDOWMENT FUND | 12 | | **651,959** | | 548,093 |
| TOTAL FOUNDATION FUNDS | 12 | | **667,959** | | 568,342 |

The financial statements on pages 14 to 29 were approved by the board and authorised for issue on 19 DECEMBER 2022 and were signed on its behalf by:

Denise Coates

**Denise Coates CBE**
Trustee and Director

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation

STATEMENT OF CASH FLOWS
for the 52 weeks ended 27 March 2022

| | Note | **27 March 2022** | | 28 March 2021 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| NET CASH (USED IN)/ PROVIDED BY OPERATING ACTIVITIES | 13 | | **(1,441)** | | 7,682 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expendable endowment invested | | **(99,000)** | | (84,000) | |
| Transfer from investment | | **16,000** | | 6,500 | |
| Interest received | | **1** | | - | |
| Net cash used in investing activities | | | **(82,999)** | | (77,500) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Gift of expendable endowment | | | **100,000** | | 100,000 |
| Endowment conversion | | | **(14,674)** | | (15,500) |
| Net cash provided by financing activities | | | **85,326** | | 84,500 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD | | | **887** | | 14,682 |
| Cash and cash equivalents at the beginning of the period | | | **100,654** | | 85,972 |
| Total cash and cash equivalents at the end of the period | | | **101,541** | | 100,654 |

In 2022 cash held on the balance sheet included £100.0m (2021: £100.0m) relating to cash held prior to investment in the endowment investments.

# Denise Coates Foundation
## ACCOUNTING POLICIES

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

LEGAL STATUS OF THE FOUNDATION
The Foundation is a private company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation. The Foundation's address is bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ.

BASIS OF PREPARATION
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Denise Coates Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES
The financial statements are presented in sterling which is also the functional currency of the Foundation.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

GOING CONCERN
To ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received to date 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.

INCOME RECOGNITION
All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and the donation has been received.

Interest on funds held on deposits is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Notional interest representing the current returns on bank deposits is allocated to the unrestricted funds, representing the unrestricted element of investments held in the investment fund.

EXPENDITURE RECOGNITION
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

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.

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 Foundation 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant has been satisfied.

DONATIONS
Donations are payments made in the period 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 institutions by the Trustees where the Foundation considers it is in furtherance of the Foundation's objectives.

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 certain corporate members of bet365 Group 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.

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, however the Trustees may, at their discretion, transfer an amount higher or lower than the returns on the expendable endowment, if they feel it is appropriate. This policy is maintained to secure the long-term capital base of the expendable endowment fund and to support grant giving.

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.

# Denise Coates Foundation
## ACCOUNTING POLICIES

INVESTMENTS
Investments which form a basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date as follows:

Unlisted securities comprise bonds, pooled investment vehicles and managed funds that are not traded but have published prices. These have been valued using the closing published price.

Listed securities comprise equities, bonds, pooled investment vehicles and managed funds that are traded. These have been valued using the closing bid market price.

Other investments comprise other funds and alternative strategy investments. These have been valued using either closing bid market prices or published prices.

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.

The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities.

FINANCIAL INSTRUMENTS
The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Cash at bank and in hand*
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

*Creditors and provisions*
Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

CONTINGENT GRANT COMMITMENTS
A contingent commitment is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Critical areas of judgement*

The Trustees deem the key area of judgement in the financial statements to be the recognition of grant commitments. For each grant awarded by the Trustees, which has not been paid in the period, the Trustees consider the status of the award of the grant, the conditions attaching to the grant and whether there is reasonable certainty the grant will be paid. Once evaluated the grant will be accrued or disclosed as required to meet the requirements of Financial Reporting Standards and the Charities SORP.

## 1 INCOMING RESOURCES

*Expendable endowment donations*

The Foundation received donations during the period from Hillside (Technology) Limited of £40.0m and Hillside (Media Services) Limited of £60.0m totalling £100.0m (2021: £100.0m) allocated to expendable endowment funds.

## 2 INVESTMENT INCOME

| | 2022 | | | |
|---|---|---|---|---|
| | Endowment fund £000 | Unrestricted fund £000 | **Total 2022 £000** | Total 2021 £000 |
| Managed investments: | | | | |
| Dividends and interest – listed | 1,876 | 9 | **1,885** | 571 |
| Dividends and interest – unlisted | 3,205 | 14 | **3,219** | 3,190 |
| Interest on cash | 5 | - | **5** | 50 |
| Bank interest on cash deposits | 7 | - | **7** | 2 |
| | 5,093 | 23 | **5,116** | 3,813 |

In 2021 all income except a notional allocation from each investment source amounting to £12k was allocated to the endowment fund.

## 3 RESOURCES EXPENDED: UNRESTRICTED 2022 AND 2021

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

| | Grant funding £000 | Support costs £000 | **Total Period ended 27 March 2022 £000** | Total Period ended 28 March 2021 £000 |
|---|---|---|---|---|
| Charitable activity – donations | 1,195 | - | **1,195** | 150 |
| – grants | 17,648 | - | **17,648** | 6,026 |
| – governance costs | - | 102 | **102** | 87 |
| | 18,843 | 102 | **18,946** | 6,263 |

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

| | **Total Period ended 27 March 2022 £000** | Total Period ended 28 March 2021 £000 |
|---|---|---|
| Disaster Recovery | **1,150** | 150 |
| Medical Research and Development | **25** | - |
| Community Development | **20** | - |
| | **1,195** | 150 |

Grants made during the period between institutions are as follows:

| | **Total Period ended 27 March 2022 £000** | Total Period ended 28 March 2021 £000 |
|---|---|---|
| Medical Research and Development | **10,006** | 1,332 |
| Health and Welfare | **3,189** | 2,274 |
| Education and Training | **2,011** | 1,831 |
| Community Development | **1,449** | 589 |
| Arts and Culture | **993** | - |
| | **17,648** | 6,026 |

3 RESOURCES EXPENDED: UNRESTRICTED 2022 AND 2021 (continued)

Recipients of institutional grant(s):

| Institution | Funded Activity | No of donations | Total £000 |
|---|---|---|---|
| University Hospitals of North Midlands Charity | Support with the purchase of a range of the latest equipment and technology to improve the facilities and environment of the Oncology Department at Royal Stoke University Hospital in Stoke-on-Trent. | 1 | 8,362 |
| Douglas Macmillan Hospice | Support towards the merger between Douglas Macmillan Hospice and The Donna Louise Trust, and to provide care for patients. | 2 | 2,189 |
| Stonyhurst Foundation | A school bursary scheme for students from disadvantaged backgrounds. | 1 | 1,600 |
| The Royal Marsden Cancer Charity | Funding towards the construction of a new Oak Cancer Centre. | 1 | 1,314 |
| New Vic Theatre | Support the Theatre to deliver its preferred programme of shows after the impact of the Covid-19 pandemic, and the continuation of its Borderlines service. | 2 | 1,105 |
| Midlands Air Ambulance Charity | Funding towards the construction of a new airbase and charity headquarters. | 1 | 1,091 |
| Thrive at Five | Funding for a three year project to support children from low-income backgrounds. | 1 | 1,000 |
| | | | 16,661 |
| There were a further 8 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | 987 |
| | | | 17,648 |

3 RESOURCES EXPENDED: UNRESTRICTED 2022 AND 2021 (continued)

***Analysis of governance costs***

| ***Unrestricted funds*** | **Total 2022 £000** | Total 2021 £000 |
|---|---|---|
| Legal and professional | **74** | 66 |
| Audit fees | **23** | 17 |
| Insurance | **5** | 4 |
| Bank charges | **-** | - |
| | **102** | 87 |

4 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

| | **2022 £000** | 2021 £000 |
|---|---|---|
| Auditor's remuneration: | | |
| Audit services | **23** | 17 |
| Non audit services: | | |
| Accounts preparation | **-** | - |
| Taxation services | **5** | 3 |

5 STAFF NUMBERS, STAFF COSTS AND KEY MANAGEMENT PERSONNEL/TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the Trustees, who are also considered to be the key management personnel, received no remuneration or expenses during the period.

## 6 FIXED ASSET INVESTMENTS

| | Unlisted Securities £000 | Listed Securities £000 | Cash £000 | Other investments £000 | **Total £000** |
|---|---|---|---|---|---|
| *Market value* | | | | | |
| At beginning of period | 249,926 | 145,187 | 56,566 | 20,582 | **472,261** |
| Transfer from cash balances | - | - | 83,000 | - | **83,000** |
| Additions to investments at cost | 91,366 | 33,931 | (156,060) | 30,763 | **-** |
| Disposals at carrying value | (16,231) | (11,153) | 27,384 | - | **-** |
| Investment income | 3,218 | 1,187 | 5 | 698 | **5,109** |
| Realised and unrealised gains/(losses) during the period | (11,575) | 15,486 | 5,189 | 5,696 | **14,796** |
| Expenses (see below *) | - | - | (1,280) | - | **(1,280)** |
| At end of period | 316,704 | 184,638 | 14,804 | 57,739 | **573,886** |

* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £333k (2021: £264k) is included in accruals to cover unpaid fees relating to 2022.

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

| | **2022 £000** | 2021 £000 |
|---|---|---|
| Unrealised gains/(losses) on investments | **14,709** | 77,550 |
| Realised gains/(losses) on investments | **87** | 8,948 |
| Realised losses on currency and money markets | **-** | 17 |
| | **14,796** | 86,515 |

The main risk to the Foundation, from financial instruments, lies in the combination of uncertain investment markets and volatility in yield.

The Foundation manages investment risk by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

7 DEBTORS: Amounts falling due within one year

| | **2022** | 2021 |
|---|---|---|
| | **£000** | £000 |
| Accrued income - interest | **14** | 9 |

8 CREDITORS: Amounts falling due within one year

| | **2022** | 2021 |
|---|---|---|
| | **£000** | £000 |
| Accruals | **371** | 306 |
| Donation and grant commitments | **6,733** | 4,113 |
| | **7,104** | 4,419 |

9 CREDITORS: Amounts falling due after one year

| | **2022** | 2021 |
|---|---|---|
| | **£000** | £000 |
| Grant commitments | **378** | 163 |

Movement in recognised funding commitments during the period

| | Grant and donations commitments accrued | |
|---|---|---|
| | **2022** | 2021 |
| | **£000** | £000 |
| Donations and grant commitments recognised at start of the period | **4,276** | 5,826 |
| New donation and grant commitments charged to SoFA in period (see note 3) | **18,947** | 6,193 |
| Unutilised amounts reversed during the reporting period | **(103)** | (17) |
| Donations and grants paid during the period | **(16,009)** | (7,726) |
| Donation and grant commitments recognised at the end of the period | **7,111** | 4,276 |

Those grant commitments which have not been accrued due to the level of uncertainty are discussed in note 15.

## 10 FINANCIAL INSTRUMENTS

The carrying value of the Foundation's financial instruments at the period end were:

| | **2022 £000** | 2021 £000 |
|---|---|---|
| Financial assets: | | |
| Instruments measured at cost | **14** | 9 |
| Instruments measured at fair value | **573,886** | 472,261 |
| Financial Liabilities: | | |
| Measured at amortised cost | **7,482** | 4,582 |

Financial assets measured at cost include accrued income and investments.

Financial liabilities measured at amortised cost include grant commitments and accruals.

## 11 STATEMENT OF FUNDS

| 2022 | At 28 March 2021 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 27 March 2022 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 20,249 | 23 | (18,946) | - | 14,674 | **16,000** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 548,093 | 105,093 | (1,348) | 14,796 | (14,674) | **651,959** |
| TOTAL FUNDS | 568,342 | 105,116 | (20,294) | 14,796 | - | 667,959 |

| 2021 | At 29 March 2020 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 28 March 2021 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 11,000 | 12 | (6,263) | - | 15,500 | **20,249** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 374,320 | 103,801 | (1,044) | 86,516 | (15,500) | **548,093** |
| TOTAL FUNDS | 385,320 | 103,813 | (7,307) | 86,516 | - | **568,342** |

11 STATEMENT OF FUNDS (continued)

**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 corporate members of the bet365 Group, then by additional gifts in the subsequent financial years. This has been increased during the period by further donations totalling £100.0m (2021: £100.0m). This brings the total donations from the corporate members of the bet365 Group to £631.7m. The Trustees have the power to spend both the capital and the income.

**Transfer of Funds**
The board of Trustees at their discretion have decided to transfer an amount of £14.7m to make available further funds for grant payments.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| **2022** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 552,285 | 21,601 | **573,886** |
| Cash at bank and in hand | 100,000 | 1,541 | **101,541** |
| Creditors due within one year | (333) | (6,771) | **(7,104)** |
| Creditors due after one year | - | (378) | **(378)** |
| Debtors due within one year | 7 | 7 | **14** |
| Total net assets | 651,959 | 16,000 | **667,959** |

| **2021** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 449,357 | 22,904 | **472,261** |
| Cash at bank and in hand | 99,000 | 1,654 | **100,654** |
| Creditors due within one year | (264) | (4,155) | **(4,419)** |
| Creditors due after one year | - | (163) | **(163)** |
| Debtors due within one year | - | 9 | **9** |
| Total net assets | 548,093 | 20,249 | **568,342** |

## 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

| | **27 March 2022 £000** | 28 March 2021 £000 |
|---|---|---|
| Income after gains and losses on investments | **99,617** | 183,021 |
| Gift of expendable endowment | **(100,000)** | (100,000) |
| Endowment conversion | **14,674** | 15,500 |
| Investment income | **(5,116)** | (3,813) |
| Investment manager costs | **1,348** | 1,044 |
| Increase/(Decrease) in creditors | **2,831** | (1,554) |
| Net (gains)/losses on investments | **(14,796)** | (86,516) |
| Net cash (used in)/provided by operating activities | **(1,441)** | 7,682 |

## 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services 2018) Limited, Hillside (Technology) Limited and Hillside (Media Services) Limited are related parties of the Foundation by virtue of common directors and that their ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The Foundation received donations of £40.0m from Hillside (Technology) Limited (2021: £40m) and £60.0m from Hillside (Media Services) Limited (2021: £60.0m) during the period. No balances were owed to or from Hillside (Technology) Limited or Hillside (Media Services) Limited at the period end (2021: £nil).

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

## 15 CONTINGENT GRANT COMMITMENTS

The Trustees intend to make the following grants.

A grant to provide long-term funding of medical research including pilot projects, fellowships, and PhD students. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £1.3m, however the award is contingent upon the current Medical Director still being in position and the trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a five-year programme to develop the Hassall Green Nature Reserve. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.1m. To-date the institution has received £0.6m towards this project, however the remaining award, consisting of one tranche in the next financial year, is contingent upon the project reaching certain milestones, and the Trustees being content with the nature and extent of progress towards the intended deliverables.

**DENISE COATES FOUNDATION**

England & Wales - Charity number 1149110

# Accounts

# Denise Coates Foundation

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

28 March 2021

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation
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## LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Charity Number: | 1149110 |
| Company Number: | 08191619 |
| Trustees/Company Directors: | D Coates CBE<br>JF Coates<br>P Coates<br>SH Galletley<br>JE White<br>OR Adams |
| Auditor: | RSM UK Audit LLP<br>Festival Park<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5BB |
| Banker: | Barclays Bank<br>Pall Mall Corporate Banking Centre<br>Pall Mall Corporate Group<br>50 Pall Mall<br>London |
| Investment Manager | Stonehage Fleming<br>15 Suffolk Street<br>London<br>SW1Y 4HG<br>United Kingdom |
| Registered Office: | bet365 House<br>Media Way<br>Stoke-on-Trent<br>Staffordshire<br>ST1 5SZ |
| Status: | Denise Coates 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 and 4 February 2016. |

The Trustees are pleased to present their report together with the financial statements of the charitable company ("the Foundation") for the period ended 28 March 2021. This report also contains a directors' report as required by company law.

## 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

Denise Coates 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 and 4 February 2016. 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 grants and donations.

### Appointment of Trustees

The skill set of the Board of Trustees is frequently 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 by an open recruitment process to fill any gaps. The Trustees are satisfied with the current skill set of the board.

### 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. Trustees are briefed on their legal obligations under charity and company law, along with the processes and procedures of the Foundation. Should any additional specialised training be required for the existing, or any newly appointed Trustees, then appropriate training arrangements will be put in place.

## OBJECTIVES AND ACTIVITIES

### The objectives of the Foundation and strategies employed to achieve the objective

The Foundation's aim is to promote charitable purposes anywhere in the world, for the public benefit, as are exclusively charitable purposes according to the laws of England and Wales, and 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**

The Foundation identifies charities that it wishes to support, these charities are then invited to present proposals to the Foundation's Trustees detailing how a grant 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 award a grant.

Financial due diligence assessments are undertaken of the potential recipients, evaluating Key Performance Indicators from the latest filed Statutory Accounts, to verify the financial position of the charity. Once a grant has been approved, a formal Grant Making Agreement is signed by both parties documenting the amount due, any conditions attached to the grant, and the purpose the funds must be used for.

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 the 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 donations from Hillside (Technology) Limited and Hillside (Media Services) Limited during the period. The Foundation also received an element of administrative support from Hillside (Shared Services 2018) Limited. Two of the Foundation's Trustees are Directors of Hillside (Technology) Limited, Hillside (Media Services) Limited and Hillside (Shared Services 2018) Limited and three of the Trustees are Directors of the ultimate holding company, bet365 Group Limited, which is under the control of Denise Coates CBE. Therefore these entities are deemed to be related parties.

**Risk management**

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

**Trustees' indemnity insurance**

The Foundation holds trustee indemnity insurance, the cost of this was £3,927 (2020: £3,020).

FUTURE PLANS

The Foundation continues to review applications for funding and will continue to provide donations and grants that meet its charitable objectives. With regards to the Covid-19 pandemic, the Trustees continue to monitor the on-going situation and the impact on the wider charitable sector, but are comfortable that the Foundation's ability to provide donations and grants will remain unaffected.

STRATEGIC REPORT

**Achievements and performance**

During the Financial Year the Foundation committed to provide £6.2m of grants and donations to support charitable activities locally, nationally and internationally through UK registered charities. Grant giving levels within the year have been constrained by the restricted activities being undertaken by the Foundation's charity partners, the Foundation does not foresee any long-term impact on its grant giving, and fully expects grant making to bounce back in the short-term. Examples of how the Foundation's charitable giving has/will be used are provided below.

*Health and Welfare*

The University Hospitals North Midlands (UHNM) received £1.9m during the year. Funds were used for multiple schemes aimed at providing support for staff and patients during the Covid-19 pandemic; a Vocera Communication and Software Platform – a device that provides a more efficient and effective method of communication between key clinical staff, IT equipment and fever detectors, anaesthetic training equipment, dedicated rest facilities for staff and a patient messaging service. The Foundation has continued to provide significant financial support in 2021/22.

Further support was provided to the Douglas Macmillan Hospice, with a grant of £0.3m, to help provide care to 137 patients. The funds were used for End of Life care of patients, from their first introduction to the hospice where they receive care in the inpatient unit. The grant supported the cost of all services offered and home care, until the end of their journey with the hospice. The Trustees are looking forward to building on this relationship in the future as Douglas Macmillan Hospice integrates the Donna Louise Trust following the merger of the two entities. To-date the Foundation has provided a total of over £7.8m to the two hospices prior to their merger.

The Foundation continued its support of the Catholic Agency for Overseas Development (CAFOD) during the year, specifically with a £0.2m grant towards its Covid-19 appeal, building a recovery programme for those left destitute, with specific focus on survival, protecting and rebuilding livelihoods as well as influencing the immediate, medium and longer-term nature of this crisis. Furthermore, a final payment of £0.1m was given to CAFOD as part of the funding for a three-year programme to deliver water supply systems to 10 villages in the Eritrean regions of Anseba and Debub. The project supplied drinking and agricultural water systems as well as a hygiene education scheme.

*Community Development*

Kick4Life received a grant of £0.3m to help support its Stadium of Life development. The project, based in Lesotho, will develop an 11-a-side grass pitch and surrounding area into the world's first stadium, purpose built for social change. The Stadium of Life will be utilised for sport, nature, art and social change.

Following on from the 2019 donation, a further £0.2m of funding to The Land Trust was approved. This will support its on-going project at the Hassall Green Nature Reserve. The programme will see activities held at the site, such as; home school classes, forest schools, wildlife identification/surveying and volunteer groups.

As in previous years the New Vic Theatre received another £0.1m towards its award-winning Borderlines initiative, as part of continued support for the project. The scheme uses theatre to help people find new and positive ways to understand themselves, their communities and their responsibilities. It challenges destructive and anti-social behaviour, builds self-awareness and self-worth and develops positive attitudes. In 2019/20, the Borderlines programme reached over 10,000 people, 1,600 more than expected, including 7,900 children and young people through 269 workshops and performances, again significantly more than was originally anticipated.

A £0.1m grant will fund the acquisition of Furniture, Fixtures and Equipment for the YMCA North Staffordshire's Transitional Housing project. The scheme will develop 46 units within a new housing model, designed specifically for young people with low support needs. The affordable rent units will allow young people to move from supported housing schemes into independent living, often for the first time in their lives.

The Stoke Gingerbread Centre received a grant to help build an outdoor community and play area. The Centre provides support and accommodation for homeless families in Stoke-on-Trent and aims to keep families together and prevent children going into foster care. The funds will be used to develop a new outdoor community play area as Gingerbread believes every child has the right to play regardless of their circumstances.

*Medical Research and Development*

A grant of £0.5m to the Chronic Disease Research Foundation (CDRF) helped fund a Covid-19 research project. The study, held at Kings College London, set-up a Covid-19 biobank to collect biological samples from people with long-Covid. With over 5,000 individuals set to participate, the College can carry out more detailed testing of the key role of gut microbes and diet on an individual's response to the virus.

A £0.5m grant was used by CDRF to help immediate research into Covid-19. It is anticipated the study will provide an outstanding resource for research into pandemic impacts on psychological health, along with rapid information on host genomic, immunological and microbiome-related factors influencing infection risk, controlled for environmental factors through the unique twin study design. The grant was also used to produce a free app made available to 16,000 NHS staff and other national research projects such as UK biobank and The Harvard Nurses' health study in the United States of America.

As in 2020 a further £0.3m was given to CDRF as part of a continued long term funding commitment. This will help with the continued funding of more pilot projects, offer fellowships to appropriate candidates and to fund PHD students and related project grants.

Following on from the 2020 funding towards a major three-year project looking at the role of 'zombie cells', Alzheimer's Research UK received a further grant to fund a nine-month pilot project at the University of Sheffield. The study will develop new methods to understand Occludin, a protein and enzyme that is known to be a key molecule in blood vessels in the brain, and its effects on nerve cells in the brain of Alzheimer patients.

*Education and Training*

Over a number of years, the Foundation has built a relationship with three UK Universities, providing over £3.0m of bursary/scholarship funding since 2013. During 2020/21, due to the uncertainty of the Covid-19 pandemic, bursary schemes were not finalised, however the Foundation has continued its financial support of the schemes in 2021/22.

**Financial review**

A Statement of the Financial Activities of the Foundation is given on page 13. The total incoming resources for the period were derived from interest and investment returns of £3.8m (2020: £3.7m) and charitable donations of £100.0m (2020: £85.0m) resulting in total incoming resources of £103.8m (2020: £88.7m).

During the Financial Period £6.2m (2020: £9.0m) was expended/committed to charitable giving. After allowing for governance costs of £0.1m (2020: £0.1m), investment management costs of £1.0m (2020: £0.8m) and taking into account investment gains of £86.5m (2020: losses of £31.3m), this resulted in net income for the period of £183.0m (2020: £47.5m) which when added to the funds brought forward gave rise to £568.3m (2020: £385.3m) of funds carried forward to the following Financial Period for application in pursuance of the charitable objectives of the Foundation.

At the end of the Financial Year there was £4.3m (2020: £5.8m) of outstanding unconditional commitments in relation to 12 donations/grants committed but not made as at the Balance Sheet date. In the view of the Trustees, the funds held at 28 March 2021 were available and adequate to fulfil its existing obligations.

In respect of non-financial key performance indicators, the Trustees monitor the level of grants issued each year against previous years, this is detailed in note 3.

During the year 17 (2020: 23) donations and grants were made to 12 (2020: 19) institutions.

**Donation**

On 24 March 2021 the Foundation received two donations totalling £100.0m 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 will be distributed to support charities/charitable activities that align to the objectives of the Foundation.

As at the balance sheet date the £100.0m donations received were held in an interest bearing 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.

**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 excess funds 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 portfolio's return within the constraints of the mandate granted by the Trustees.

**Investment performance**

As at 28 March 2021 the total investment portfolio stood at £472.0m net of accrued investment management charges (2020: £305.2m), £166.8m higher than at the end of the previous Financial Period. In the period a total of £84.0m was transferred to the Endowment Fund part of the portfolio, and £6.5m was withdrawn from the Unrestricted Funds part of the portfolio to fund grant/donation distribution.

Taking in-year transfers to/from the investment portfolio into account, over the Financial Period, the investment portfolio has delivered an investment gain of £89.3m, 23.3% (2020: loss of £28.5m, 8.7%). The FTSE 100 index increased 22.3% over the same period.

As at 28 March 2021 the value of the Endowment Fund element of the investment portfolio was £449.1m net of accrued investment management charges. Over the course of the Financial Period the Endowment Fund delivered an investment gain of £89.3m, 24.1% (2020: loss of £28.6m, 9.1%). The UK annual inflation rate, RPI, was 1.5% for March 2021 therefore the Investment Portfolio delivered a gain 22.6pp above annual inflation.

The short-term volatility of the stock market, caused by the Covid-19 outbreak, led to a significant loss in the Investment Portfolio as at 29 March 2020. Subsequently, in the period ending 28 March 2021, the Trustees note that the Foundation's fair value gains on investments saw a substantial year-on-year increase as the Equity Markets rebounded from the prior year crash, resulting from the Covid-19 pandemic.

**Reserves policy**

The policy of the Trustees is to maintain the real value of the Endowment, being the donations received to date of £531.7m (2020: £431.7m), but otherwise to distribute all of the Foundation's realised income and gains within the short/medium term, considered to be 1-5 years. 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 Denise Coates Foundation to achieve its objectives. As at 28 March 2021, the actual reserves were £568.3m (2020: £385.3m).

During the year the Trustees, at their discretion, decided to transfer a total of £15.5m (2020: £9.3m) to Unrestricted Funds to further the Foundation's ability to provide donations that meet its charitable objectives.

The level of unrestricted funds at 28 March 2021 was £20.2m (2020: £11.0m) and these funds are retained at this level to allow the Trustees, at their discretion, to award an appropriate level of grants in line with the agreed budgets set for the following financial period.

The level of endowment funds at 28 March 2021 was £548.1m (2020: £374.3m).

As at 28 March 2021 the level of free reserves, as defined by the Charity Commission, are its unrestricted funds and amounted to £20.2m (2020: £11.0m). The policy of the Trustees is to hold a level of free reserves which allows them to set appropriate budgets for the following financial period for grant making (£20.0m (2021: £10.8m)) and governance costs. The Trustees are satisfied with this level of free reserves and it is their intention to distribute all free reserves through charitable giving and governance costs.

**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, and will be able to manage the impact to the Foundation's investment resulting from the Covid-19 pandemic. In addition, the Trustees are provided with sufficient financial data to enable them to assess the ongoing performance of the investment. The Trustees keep the investment 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

RSM 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 RSM 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

**Denise Coates CBE**
Director and Trustee

21 DECEMBER 2021

# Denise Coates Foundation

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Denise Coates 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;
- 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 DENISE COATES FOUNDATION

**Opinion**
We have audited the financial statements of Denise Coates Foundation (the 'charitable company') for the period ended 28 March 2021 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Statement of Financial Position, the Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the charitable company's affairs as at 28 March 2021 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 requirements of the Companies Act 2006.

**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 charitable company 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Report of the Trustees.

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:

- adequate accounting records have not been kept, 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.

**Responsibilities of Trustees**
As explained more fully in the Statement of Trustees' responsibilities set out on page 9, 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, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud .

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees', remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at http://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 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.

Anna Spencer-Gray

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

21 December 2021

# Denise Coates Foundation

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
for the 52 weeks ended 28 March 2021

| | Note | Endowment Fund | Unrestricted Funds | **Total Funds Period ended 28 March 2021** | Total Funds Period ended 29 March 2020 |
|---|---|---|---|---|---|
| INCOME AND ENDOWMENTS: | | £000 | £000 | **£000** | £000 |
| *Donations;* | | | | | |
| Gift of expendable endowment | 1 | 100,000 | - | **100,000** | 85,000 |
| Investment income | 2 | 3,801 | 12 | **3,813** | 3,707 |
| TOTAL INCOME | | 103,801 | 12 | **103,813** | 88,707 |
| EXPENDITURE | | | | | |
| *Raising funds;* | | | | | |
| Investment management costs | | 1,044 | - | **1,044** | 823 |
| Charitable activities | 3 | - | 6,263 | **6,263** | 9,087 |
| TOTAL EXPENDITURE | | (1,044) | (6,263) | **(7,307)** | (9,910) |
| NET INCOME/(EXPENDITURE) BEFORE GAINS ON INVESTMENTS | | 102,757 | (6,251) | **96,506** | 78,797 |
| Net gains/(losses) on investment assets | | 86,516 | - | **86,516** | (31,284) |
| NET INCOME/(EXPENDITURE) | | 189,273 | (6,251) | **183,022** | 47,513 |
| TRANSFERS | | | | | |
| Gross transfers between funds | 11 | (15,500) | 15,500 | - | - |
| NET MOVEMENTS IN FUNDS | | 173,773 | 9,249 | **183,022** | 47,513 |
| *Reconciliation of funds* | | | | | |
| Total funds brought forward | | 374,320 | 11,000 | **385,320** | 337,807 |
| TOTAL FUNDS CARRIED FORWARD | 11 | 548,093 | 20,249 | **568,342** | 385,320 |

All income and expenditure derive from continuing activities.

# Denise Coates Foundation

STATEMENT OF FINANCIAL POSITION
At 28 March 2021

| | Note | 2021 | | 2020 | |
|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 |
| FIXED ASSETS | | | | | |
| Investments | 6 | | **472,261** | | 305,420 |
| CURRENT ASSETS | | | | | |
| Debtors: Amounts falling due within one year | 7 | **9** | | 8 | |
| Cash at bank and in hand | | **100,654** | | 85,972 | |
| TOTAL CURRENT ASSETS | | **100,663** | | 85,980 | |
| CREDITORS: Amounts falling due within one year | 8 | **(4,419)** | | (2,809) | |
| NET CURRENT ASSETS | | | **96,244** | | 83,171 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | **568,505** | | 388,591 |
| CREDITORS: Amounts falling due after one year | 9 | | **(163)** | | (3,271) |
| TOTAL NET ASSETS | | | **568,342** | | 385,320 |
| THE FUNDS OF THE FOUNDATION | | | | | |
| UNRESTRICTED FUNDS | | | | | |
| General funds | 12 | | **20,249** | | 11,000 |
| ENDOWMENT FUND | 12 | | **548,093** | | 374,320 |
| TOTAL FOUNDATION FUNDS | 12 | | **568,342** | | 385,320 |

The financial statements on pages 13 to 29 were approved by the board and authorised for issue on 21 December 2021 and were signed on its behalf by:

Denise Coates

**Denise Coates CBE**
Director and Trustee

Company Registration No. 08191619
Registered Charity No. 1149110

# Denise Coates Foundation

STATEMENT OF CASH FLOWS
for the 52 weeks ended 28 March 2021

| | Note | **28 March 2021** | | 29 March 2020 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES | 13 | | **7,682** | | (1,102) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Expendable endowment invested | | **(84,000)** | | (82,500) | |
| Transfer from investment | | **6,500** | | 8,000 | |
| Interest received | | **-** | | 106 | |
| Net cash used in investing activities | | | **(77,500)** | | (74,394) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Gift of expendable endowment | | | **100,000** | | 85,000 |
| Endowment conversion | | | **(15,500)** | | (9,227) |
| Net cash provided by financing activities | | | **84,500** | | 75,773 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD | | | **14,682** | | 277 |
| Cash and cash equivalents at the beginning of the period | | | **85,972** | | 85,695 |
| Total cash and cash equivalents at the end of the period | | | **100,654** | | 85,972 |

In 2021 cash held on the balance sheet included £100.0m (2020: £85.0m) relating to cash held prior to investment in the endowment investments.

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

LEGAL STATUS OF THE FOUNDATION

The Foundation is a company limited by guarantee, registered in England and Wales, and has no share capital. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £10 per member of the Foundation. The Foundation's address is bet365 House, Media Way, Stoke-on-Trent, ST1 5SZ.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Denise Coates Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Foundation.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

GOING CONCERN

To ensure the Foundation can operate on an enduring basis the Trustees have a policy to maintain the real value of the Endowment received to date 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.

INCOME RECOGNITION

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date and the donation has been received.

Interest on funds held on deposits is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Notional interest representing the current returns on bank deposits is allocated to the unrestricted funds, representing the unrestricted element of investments held in the investment fund.

EXPENDITURE RECOGNITION
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Foundation to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

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.

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 Foundation 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. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant has been satisfied.

DONATIONS
Donations are payments made in the period 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 Foundation considers it is in furtherance of the Foundation's objectives.

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 certain corporate members of bet365 Group 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.

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, however the Trustees may, at their discretion, transfer an amount higher or lower than the returns on the expendable endowment, if they feel it is appropriate. This policy is maintained to secure the long term capital base of the expendable endowment fund and to support grant giving.

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 which form a basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing bid market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period.

The fair value of the hedge fund investments is based on published market prices for the fund units using the current bid price.

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.

The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities.

FINANCIAL INSTRUMENTS
The Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

*Cash at bank and in hand*
Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

*Creditors and provisions*
Creditors and provisions are recognised where the Foundation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

CONTINGENT GRANT COMMITMENTS
A contingent commitment is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Critical areas of judgement*

The Trustees deem the key area of judgement in the financial statements to be the recognition of grant commitments. For each grant awarded by the Trustees, which has not been paid in the period, the Trustees consider the status of the award of the grant, the conditions attaching to the grant and whether there is reasonable certainty the grant will be paid. Once evaluated the grant will be accrued or disclosed as required to meet the requirements of Financial Reporting Standards and the Charities SORP.

## 1 INCOMING RESOURCES

*Expendable endowment donations*

The Foundation received donations during the period from Hillside (Technology) Limited of £40.0m and Hillside (Media Services) Limited of £60.0m totalling £100.0m (2020: £85.0m) allocated to expendable endowment funds.

## 2 INVESTMENT INCOME

| | 2021 | | | |
|---|---|---|---|---|
| | Endowment fund £000 | Unrestricted fund £000 | **Total 2021 £000** | Total 2020 £000 |
| Managed investments: | | | | |
| Fixed interest – listed | - | - | - | - |
| Dividends – listed | 569 | 2 | **571** | 370 |
| Dividends – unlisted | 3,180 | 10 | **3,190** | 2,984 |
| Interest on cash | 50 | - | **50** | 256 |
| Bank interest on cash deposits | 2 | - | **2** | 96 |
| | 3,801 | 12 | **3,813** | 3,706 |

In 2020 all income except a notional allocation from each investment source amounting to £87k was allocated to the endowment fund.

## 3 RESOURCES EXPENDED: UNRESTRICTED 2021 AND 2020

The Foundation 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 £000 | Support costs £000 | **Total Period ended 28 March 2021 £000** | Total Period ended 29 March 2020 £000 |
|---|---|---|---|---|
| Charitable activity – donations | 150 | - | **150** | 30 |
| – grants | 6,026 | - | **6,026** | 9,000 |
| – governance costs | - | 87 | **87** | 57 |
| | 6,176 | 87 | **6,263** | 9,087 |

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

| | **Total Period ended 28 March 2021 £000** | Total Period ended 29 March 2020 £000 |
|---|---|---|
| Disaster Recovery | **150** | - |
| Medical Research and Development | - | 25 |
| Community Development | - | 5 |
| Health and Welfare | - | - |
| | **150** | 30 |

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

| | **Period ended 28 March 2021** | | Period ended 29 March 2020 | |
|---|---|---|---|---|
| | **Grants to institutions £000** | **Grants to individuals £000** | Grants to institutions £000 | Grants to individuals £000 |
| Health and Welfare | **2,274** | - | 2,213 | - |
| Education and Training | **1,831** | - | 2,101 | - |
| Medical Research and Development | **1,332** | - | 1,649 | - |
| Community Development | **589** | - | 2,614 | - |
| Arts and Culture | - | - | 423 | - |
| | **6,026** | - | 9,000 | - |

3 RESOURCES EXPENDED: UNRESTRICTED 2021 AND 2020 (continued)

Recipients of institutional grant(s):

| Institution | Funded Activity | No of donations | Total £000 |
|---|---|---|---|
| University Hospitals of North Midlands Charity | Support of the hospital's response to the Covid-19 pandemic, including improved information Management and Technology capability, Vocera Communication and Software Platform, new staff rest facilities and training equipment along with various other initiatives. | 3 | 1,901 |
| Stonyhurst Foundation | A school bursary scheme for students from disadvantaged backgrounds. | 1 | 1,600 |
| Chronic Disease Research Foundation | A project researching how the Microbiome and Metabolome can affect Covid-19, along with long-term funding towards pilot projects, fellowships and PHD students. | 3 | 1,285 |
| Douglas Macmillan Hospice | The typical cost of 137 patients' End of Life care. From the first introduction to the hospice, receiving care in the inpatient unit, along with the cost of all services offered and home care, until the end of their journey with the Hospice. | 1 | 322 |
| Kick4Life | The Stadium of Life development in Lesotho, designed to be an infusion of sport, nature, art and social change. | 1 | 250 |
| Newcastle-under-Lyme School | Additional funding for the design/construction of the new Sports Facility at the school. | 1 | 231 |
| The Land Trust | Further support of the programme to develop the Hassall Green Nature Reserve. | 1 | 155 |
| New Vic Theatre | Further support of the charity's award-winning Borderlines initiative. | 1 | 100 |
| | | | 5,844 |
| There were a further 4 institutions who benefitted from grants to aid their charitable activities and which are aligned to the Foundation's charitable objectives. | | | 182 |
| | | | 6,026 |

3 RESOURCES EXPENDED: UNRESTRICTED 2021 AND 2020 (continued)

***Analysis of governance costs***

| ***Unrestricted funds*** | **Total 2021 £000** | Total 2020 £000 |
|---|---|---|
| Legal and professional | **66** | 38 |
| Audit fees | **17** | 16 |
| Insurance | **4** | 3 |
| Bank charges | **-** | - |
| | **87** | 57 |

4 NET INCOMING RESOURCES FOR THE PERIOD

Net incoming resources are arrived at after charging the following:

| | **2021 £000** | 2020 £000 |
|---|---|---|
| Auditor's remuneration: | | |
| Audit services | **17** | 16 |
| Non audit services: | | |
| Accounts preparation | **-** | 1 |
| Taxation services | **3** | 4 |

5 STAFF NUMBERS, STAFF COSTS AND KEY MANAGEMENT PERSONNEL/TRUSTEES' EXPENSES AND REMUNERATION

The Foundation did not have any staff in situ and the Trustees, who are also considered to be the key management personnel, received no remuneration or expenses during the period.

## 6 FIXED ASSET INVESTMENTS

| | Unlisted Securities £000 | Listed Securities £000 | Cash £000 | Other investments £000 | **Total £000** |
|---|---|---|---|---|---|
| *Market value* | | | | | |
| At beginning of period | 184,284 | 86,467 | 34,669 | - | **305,420** |
| Transfer from cash balances | - | - | 77,500 | - | **77,500** |
| Additions to investments at cost | 49,110 | 85,625 | (158,342) | 23,607 | - |
| Disposals at carrying value | (28,867) | (71,272) | 100,139 | - | - |
| Investment income | 3,190 | 571 | 50 | - | **3,811** |
| Realised and unrealised gains and losses during the period | 42,209 | 43,796 | 3,535 | (3,025) | **86,515** |
| Expenses (see below *) | - | - | (986) | - | **(986)** |
| At end of period | 249,926 | 145,187 | 56,566 | 20,582 | **472,261** |

* Any expenses incurred in the administration or protection of endowment investments are charged to capital. An amount of £264k (2020: £207k) is included in accruals to cover unpaid fees relating to 2021.

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

| | **2021 £000** | 2020 £000 |
|---|---|---|
| Unrealised gains/(losses) on investments | **77,550** | (30,394) |
| Realised gains/(losses) on investments | **8,948** | (890) |
| Realised losses on currency and money markets | **17** | - |
| | **86,515** | (31,284) |

The main risk to the Foundation, from financial instruments, lies in the combination of uncertain investment markets and volatility in yield.

The Foundation manages investment risk by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes.

7 DEBTORS: Amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Accrued income - interest | 9 | 8 |

8 CREDITORS: Amounts falling due within one year

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Accruals | 306 | 253 |
| Donation and grant commitments | 4,113 | 2,556 |
| | 4,419 | 2,809 |

9 CREDITORS: Amounts falling due after one year

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Grant commitments | 163 | 3,271 |

Movement in recognised funding commitments during the period

| | Grant and donations commitments accrued 2021 £000 | 2020 £000 |
|---|---|---|
| Donations and grant commitments recognised at start of the period | 5,826 | 7,079 |
| New donation and grant commitments charged to SoFA in period (see note 3) | 6,176 | 9,030 |
| Donations and grants paid during the period | (7,726) | (10,282) |
| Donation and grant commitments recognised at the end of the period | 4,276 | 5,827 |

Those grant commitments which have not been accrued due to the level of uncertainty are discussed in note 15.

## 10 FINANCIAL INSTRUMENTS

The carrying value of the Foundation's financial instruments at the period end were:

| | **2021 £000** | 2020 £000 |
|---|---|---|
| Financial assets: | | |
| Instruments measured at cost | **9** | 7 |
| Instruments measured at fair value | **472,261** | 305,420 |
| Financial Liabilities: | | |
| Measured at amortised cost | **4,582** | 6,080 |

Financial assets measured at cost include accrued income and investments.

Financial liabilities measured at amortised cost include grant commitments and accruals.

## 11 STATEMENT OF FUNDS

| 2021 | At 29 March 2020 £000 | Income £000 | Expenditure £000 | Gains on revaluation of investments £000 | Transfer of Funds £000 | **At 28 March 2021 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 11,000 | 12 | (6,263) | - | 15,500 | **20,249** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 374,320 | 103,801 | (1,044) | 86,516 | (15,500) | **548,093** |
| TOTAL FUNDS | 385,320 | 103,813 | (7,307) | 86,516 | - | **568,342** |

| 2020 | At 31 March 2019 £000 | Income £000 | Expenditure £000 | Losses on revaluation of investments £000 | Transfer of Funds £000 | **At 29 March 2020 £000** |
|---|---|---|---|---|---|---|
| UNRESTRICTED FUNDS | | | | | | |
| General fund | 10,772 | 87 | (9,087) | - | 9,227 | **11,000** |
| ENDOWMENT FUND | | | | | | |
| Expendable | 327,035 | 88,619 | (823) | (31,284) | (9,227) | **374,320** |
| TOTAL FUNDS | 337,807 | 88,706 | (9,910) | (31,284) | - | **385,320** |

11 STATEMENT OF FUNDS (continued)

**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 corporate members of the bet365 Group, then by additional gifts in the subsequent financial years. This has been increased during the period by further donations totalling £100.0m (2020: £85.0m). This brings the total donations from the corporate members of the bet365 Group to £531.7m. The Trustees have the power to spend both the capital and the income.

**Transfer of Funds**
The board of Trustees at their discretion have decided to transfer an amount of £15.5m to make available further funds for grant payments.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| **2021** | Endowment fund £000 | Unrestricted General funds £000 | **Total funds £000** |
|---|---|---|---|
| Investments | 449,357 | 22,904 | **472,261** |
| Cash at bank and in hand | 99,000 | 1,654 | **100,654** |
| Creditors due within one year | (264) | (4,155) | **(4,419)** |
| Creditors due after one year | - | (163) | **(163)** |
| Debtors due within one year | - | 9 | **9** |
| Total net assets | 548,093 | 20,249 | **568,342** |

| **2020** | Endowment fund £000 | Unrestricted General funds £000 | **Total Funds £000** |
|---|---|---|---|
| Investments | 290,520 | 14,900 | **305,420** |
| Cash at bank and in hand | 84,000 | 1,972 | **85,972** |
| Creditors due within one year | (207) | (2,602) | **(2,809)** |
| Creditors due after one year | - | (3,271) | **(3,271)** |
| Debtors due within one year | 6 | 1 | 7 |
| Total net assets | 374,320 | 11,000 | **385,320** |

## 13 RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

| | **28 March 2021 £000** | 29 March 2020 £000 |
|---|---|---|
| Income after gains and losses on investments | **183,021** | 47,513 |
| Gift of expendable endowment | **(100,000)** | (85,000) |
| Endowment conversion | **15,500** | 9,227 |
| Investment income | **(3,813)** | (3,707) |
| Investment manager costs | **1,044** | 823 |
| Decrease in creditors | **(1,554)** | (1,242) |
| Net (gains)/losses on investments | **(86,516)** | 31,284 |
| Net cash provided by/(used in) operating activities | **7,682** | (1,102) |

## 14 RELATED PARTY TRANSACTIONS

The Trustees consider that Hillside (Shared Services 2018) Limited, Hillside (Technology) Limited and Hillside (Media Services) Limited are related parties of the Foundation by virtue of common directors and that their ultimate holding company, bet365 Group Limited, is under the control of Denise Coates CBE.

The Foundation received donations of £40.0m from Hillside (Technology) Limited (2020: £35.0m) and £60.0m from Hillside (Media Services) Limited (2020: £50.0m) during the period. No balances were owed to or from Hillside (Technology) Limited or Hillside (Media Services) Limited at the period end (2020: £nil).

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

## 15 CONTINGENT GRANT COMMITMENTS

The Trustees intend to make the following grants.

A grant to support a community outreach programme in Stoke-on-Trent and Staffordshire. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.1m. To-date the institution has received £0.4m towards this project, however the remaining award is contingent upon the project receiving National Portfolio Organisations funding from the Arts Council, and the Trustees being content with the nature and extent of progress towards the intended deliverables.

A grant to support a five-year programme to develop the Hassall Green Nature Reserve. The institution overseeing this project has been informed of the Foundation's intention to fund an award of £0.3m. To-date the institution has received £0.4m towards this project, however the remaining awards, consisting of two tranches over the next two years, are contingent upon the project reaching certain milestones, and the Trustees being content with the nature and extent of progress towards the intended deliverables.