Bertarelli UK Foundation

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the period ended

31 December 2011
BERTARELLI UK FOUNDATION
LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES and DIRECTORS
Ernesto Bertarelli
Donata Bertarelli
Maria Iris Bertarelli
Kirsty Bertarelli

COMPANY SECRETARY
Jeremy Arnold

REGISTERED OFFICE
10 Stanhope Gate
London
W1K 1AL

OPERATION ADDRESS
10 Stanhope Gate
London
W1K 1AL

CHARITY NUMBER
1140189

COMPANY NUMBER
7420041

PROFESSIONAL ADVISORS
The charity's principal professional advisors include the following

Bankers
C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Independent Auditor
Ernst and Young LLP
1 More London Place
London
SE1 2AF

Lawyer
Withers LLP
16 Old Bailey
London
EC4M 7EG
The Trustees present their annual report and financial statements of the charity for the period ended 31 December 2011. The financial statements have been prepared in accordance with the accounting policies set out on page 7 and comply with the charity’s Articles of Association, the Charities Act 1993 (as amended by the 2006 Act), the Statement of Recommended Practice Accounting and Reporting by Charities published in 2005, and the Companies Act 2006.

Structure, governance and management

The Bertarelli UK Foundation is a registered charity, number 1140189, and is constituted as a company limited by guarantee, number 7420041. The company was incorporated on 27 October 2010.

The subscribers to the Memorandum and Articles of Association (being the first Members) are also the first Trustees. Subsequent Trustees are appointed by the Trustees in such manner as they shall determine.

All decisions are taken by the Trustees.

Risk Management

The Trustees have considered the major risks to which the charity is exposed, and have reviewed those risks and established systems and procedures to manage those risks.

Objectives and activities for the public benefit

The objectives of the charity are at the absolute discretion of the Trustees.

The first project that the charity has become involved with is the protection of the world’s largest marine reserve, in the Chagos archipelago located in the Indian Ocean. The archipelago is home to over 220 types of coral, 1,000 species of fish, and over 33 different sea birds. It is understood that there are at least 60 endangered species in the area.

The Bertarelli UK Foundation has agreed to transfer ten instalments of £350,000 to the Blue Marine Foundation, in order to finance a scientific and patrolling vessel operation to ensure the observation of a no fishing policy within the marine reserve. Payments are intended to be made twice annually.

This is the only project that the Bertarelli UK Foundation has been involved with during the accounting period.

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity. The Board of Trustees’ Report section on Objectives and activities for the public benefit sets out how the charity addresses the public benefit requirement.

Financial review

During the period, two payments of £350,000 have been made to the Blue Marine Foundation.

The necessary incoming resources have been received from Kedge Capital Services Limited. The ultimate controlling party of Kedge Capital Services Limited is the Bertarelli family.

Plans for the future

The Bertarelli UK Foundation will continue to fund the work of the Blue Marine Foundation in relation to protection and preservation of the marine environment surrounding the Chagos Islands.
BERTARELLI UK FOUNDATION
BOARD OF TRUSTEES' REPORT

Going concern

The Trustees consider the charity to be a going concern, on the basis that funding will be available from the Bertarelli family or a company under its ultimate control if necessary. There is a matching strategy in place whereby enough cash is received from a company under the ultimate control of the Bertarelli family to meet all expenditure so that the charity should never have a negative cash balance.

Trustees' Responsibilities

The Trustees are responsible for preparing the Board of Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities and companies in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 of the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993 (as amended by the 2006 Act), the Charity (Accounts and Reports) Regulations 2008, the Companies Act 2006 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

Each of the persons who are Trustees at the time when the Board of Trustees' Report is approved has confirmed that

- there is no relevant audit information of which the company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to take this office and a resolution to reappoint them will be proposed at the Trustees' meeting.

Approved by the Board of Trustees and signed on its behalf by

[Signature]

Trustee

Date 24 July 2012
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BERTARELLI UK FOUNDATION

We have audited the financial statements of Bertarelli UK Foundation for the period ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor
As explained more fully in the Trustees' Responsibilities set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the [describe the annual report] to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

▸ give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Board of Trustees' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

▸ adequate accounting records have not been kept, or
▸ the financial statements are not in agreement with the accounting records, 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.

Ernst & Young LLP
Geraint Davies (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Jersey, Channel Islands
26 July 2012
BERTARELLI UK FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure Account)
for the period ended 31 December 2011

<table>
<thead>
<tr>
<th>Note</th>
<th>Income from generated funds</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income from generated funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Voluntary income</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Bank interest</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>TOTAL INCOMING RESOURCES</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>RESOURCES EXPENDED</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Charitable donations</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Audit fee</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Bank charges</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>TOTAL RESOURCES EXPENDED</td>
<td></td>
</tr>
</tbody>
</table>

INCOME FOR THE PERIOD

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities

The net movement in funds for the period arise from the charity’s continuing operations

The Notes on pages 7 to 9 form an integral part of the financial statements
<table>
<thead>
<tr>
<th><strong>CURRENT ASSETS</strong></th>
<th>Note</th>
<th>2011 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>6</td>
<td>350,996</td>
</tr>
<tr>
<td>Debtors falling due within one year</td>
<td>8</td>
<td>(706,000)</td>
</tr>
</tbody>
</table>

**CREDITORS**

| Amounts falling due within one year | 8    | (706,000) |

**NET CURRENT LIABILITIES**

<table>
<thead>
<tr>
<th>DEBTORS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due after one year</td>
<td>9</td>
<td>2,100,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CREDITORS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due after one year</td>
<td>10</td>
<td>(2,100,000)</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS LESS LIABILITIES**

<table>
<thead>
<tr>
<th>FUNDS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>11</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL FUNDS**

These financial statements on pages 5 to 8 were approved and authorised by the Board of Trustees on 24 July 2012 and were signed on its behalf by

Trustee (ERNESTO BERTARELLI)

The Notes on pages 7 to 9 form an integral part of the financial statements
BERTARELLI UK FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2011

1 ACCOUNTING POLICIES

a) Accounting Convention

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention

b) Basis of preparation

The financial statements reflect the requirements of the Statement of Recommended Practice ‘Accounting and Reporting by Charities’ (SORP) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 1993 (as amended by the 2006 Act) and the Companies Act 2006. The principal accounting policies are adopted as follows.

c) Incoming resources

Donations and gifts are recognised in the Statement of Financial Activities as soon as they are receivable. The charity has received a commitment that where the charity is unable to raise funds in time to make any charitable donations or to meet any governance and administration costs, Ernesto Bertarelli will donate funds to meet such costs. This commitment has been recognised as an asset matching the charitable commitments entered into by the charity and any unfunded governance and administration costs existing at the balance sheet date.

Investment income is included in the Statement of Financial Activities when receivable.

d) Resources expended

Resources expended are recognised on an accruals basis as a liability is incurred. Due to the commitment to make payments to the Blue Marine Foundation over a period of five years, this liability has been fully recognised in the current period statement of financial activities, and will unwind over the five year period of the commitment.

Governance costs are the costs associated with the constitutional and statutory arrangements of the charity as opposed to those costs associated with income generation or charitable activity. Included within this category are costs associated with the strategic rather than day to day management of the charity’s activities.

e) Foreign currency policy

Transactions in foreign currency are recorded at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rates prevailing at the balance sheet date. Any gains or losses are included in the Statement of Financial Activities.

f) Cash flow statement

In accordance with Financial Reporting Standard No 1 ‘Cash flow statements’, the charity is exempt from preparing a cash flow statement on the grounds of size.

2 VOLUNTARY INCOME

<table>
<thead>
<tr>
<th>2011</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>3,506,004</td>
</tr>
</tbody>
</table>

3 INVESTMENT INCOME

<table>
<thead>
<tr>
<th>2011</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>16</td>
</tr>
</tbody>
</table>
4 CHARITABLE DONATIONS

Blue Marine Foundation

2011

£

3,500,000

During the period £700,000 was paid to the Blue Marine Foundation, with an outstanding commitment for further bi-annual payments of £350,000 until a total of £3,500,000 is provided.

5 GOVERNANCE COSTS

Audit fee

2011

£

6,000

For the period under review administrative services have been provided without charge by Kedge Capital Services Limited.

6 DEBTORS Amounts falling due within one year

Ernesto Bertarelli

2011

£

355,004

7 TAXATION

The Bertarelli UK Foundation is a registered charity and as such its income and gains falling within section 505 Income and Corporation Taxes Act 1988 or Section 256 of Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

8 CREDITORS Amounts falling due within one year

Blue Marine Foundation

2011

£

700,000

Audit fee

6,000

9 DEBTORS Amounts falling due after one year

Ernesto Bertarelli

2011

£

2,100,000

10 CREDITORS Amounts falling after one year

Blue Marine Foundation

2011

£

2,100,000
11 UNRESTRICTED FUNDS

Balance at 31 December 2011

Unrestricted funds

Unrestricted fund – this relates to unrestricted and undesignated funds which are available for expending in line with the charity’s objects