



THE SUNDAY TIMES

The Sunday Times July 23, 2023

BUSINESS

I lost Betfred to my brother on a coin toss, but I'm still a winner

Peter Done walked away from the gambling empire he built with Fred to turn around an ailing HR business. He's now raking in £100m a year

INTERVIEW RICHARD TYLER



The flip of a coin sent the billionaire Done brothers in different directions. It was 1989, a few years after the Betfred founders Peter and Fred Done had decided to invest in a new business selling employment law and HR advice to small companies.

They knew the idea was sound because they had used the service to deal with a dispute at their chain of betting shops. But the HR business was failing and their £450,000 investment was at risk. The coin toss in Fred's back garden decided which brother left the gambling business to sort out the mess. Peter lost.

Or did he? This year, Peninsula, the business he has led ever since that moment, has broken through £100 million in profits for the first time, and Peter will mark its 40th anniversary in October with its 3,500 employees, working in five countries. In contrast, Betfred, which employs more than 9,000 people, made pre-tax profits of £38 million in the year to September 2022.

"It's not really a fair comparison," says Peter, 76, rather enjoying the comparison. "Fred has developed and diversified into America, and invested a lot online, and he is absolutely brilliant at his job." What is true, he says, is that the coin toss changed his life for the better.

The Done brothers have been in business together for 56 years and have amassed a £1.87 billion fortune, according to the 2023 Sunday Times Rich List.

The seemingly inexorable rise of their commercial empire springs from the most modest of beginnings. They grew up in post-war Ordsall, Greater Manchester, in a slum long gone from Salford's now-bustling cityscape. Their father managed a betting business in town. Fred left school first, aged 15, to act as a runner for him, taking bets from local punters. A couple of years later, Peter followed.

Then, in 1966, they got their first helping of good fortune: they bet £200 on England winning the World Cup, and raked in so much that they were able to set up their own betting shop. Trading was brisk, and soon they were making an appointment with Barclays to seek a £25,000 loan to start another shop. The manager refused, sniffing that the lads were getting ideas above their station.

Fortunately, their accountant vouched for them and a manager at NatWest offered £75,000. Peter says they have stayed loyal to the bank ever since.

"We have never let them down," he says. Even when the brothers' property loans business, Goldentree, got in trouble in the mid-2000s, he adds, they paid £25 million to settle its debts rather than walk away.

At Betfred, Peter ran sales and marketing, while Fred was the chief executive. Fred has said they were cautious for decades. "[New shops] had to be within 20 miles of Manchester" and it took them 30 years to build up 100 shops. By then, they knew what worked, and in another eight

years, they had 500. At the peak, they were opening 80 shops a year.

Punters flocked through the doors, drawn by a bonus scheme on multiple bets that rivals such as Coral or Ladbrokes didn't match. "We kept the flavour of the business as though you were betting with one man rather than a corporation," Fred has said. They were close to a £600 million London Stock Exchange float in 2007, but with the financial crisis looming and markets volatile, they pulled it at the last minute.

Retaining control of their own destiny was important to the brothers. Peter recalls a recurring fear in his twenties of the publicly owned Tote taking control of all off-course horse betting, robbing independent bookies such as theirs of any trade. In 2011, the Tote was privatised by then-culture secretary Jeremy Hunt and they bought it for £265 million, outwitting rival bidders. The deal came with 514 Tote betting shops, which were rebranded as Betfred and took their estate to more than 1,300.

The gambling side of the business is colourful – Fred has even told how of how he was once stabbed five times by an angry punter over a £50 bet – and controversial, with record numbers of people seeking help for gambling addiction. Last week, Betfred agreed to pay a £3.25 million settlement after a Gambling Commission investigation found failings in its anti-money laundering and safer gambling procedures. Peter wants to talk about the less colourful Peninsula, which he has grown from 12 people and 50 small business customers to one with more than 120,000 customers, all on subscriptions that are worth on average £10,000 over five years. They can pick up the phone 24 hours a day to speak to qualified lawyers and HR experts employed by Peninsula; several hundred

business owners, sitting at home worrying about a problem they haven't been able to fix, call each evening. They are insured if they follow the advice and lose an employment tribunal case. "We let them get a good night's sleep," says Peter.

His first six months at Peninsula were largely spent on the road, selling its services. "It was a totally different world to running betting shops – I had no idea about HR," he admits. "I was a good man-

“ Fred called up saying, ‘Pete, have we got a business?’ And I said, ‘Fred, we don’t have a business – we have a fantastic business’ ”

Peter Done and his brother set up their first shop after a £200 bet on England winning the 1966 World Cup paid off



ager, though. I realised pretty quickly that we had a good back office: six or seven people giving advice – they were brilliant. But we couldn't sell." So he set about fixing that by hiring an assistant to secure meetings with potential customers, freeing up sales staff to focus all their attention on signing them up. "I remember Fred calling up after five or six weeks and saying, 'Pete, have we got a business?' And I said, 'Fred, we don't have a business – we have a fantastic business.'" In 12 months, Peninsula had paid the £450,000 emergency loan back into the family coffers.

Ironically, while he has an entrepreneur's loathing of red tape, Peter's business has thrived from the increasing complexity of employment law. It has grown by challenging more traditional advice providers, often lawyers, who find it hard to sell to the public.

Peter is a born salesman. Dressed in a tailored suit and tie, his Salford accent is still clear but his voice is now softer with age. His office in Manchester is right next to the sales team; on the day we meet, he has been celebrating a new recruit's first deal, a glint in his eye, all smiles, cracking jokes. Most of his senior managers started out in junior roles, often in sales.

On a typical morning, the office is full because that's how Peter likes it. He saw productivity dip amid the enforced remote working during the pandemic, despite an explosion in demand for the firm's health and safety advice. "You cannot build a team over video," he says.

Done is still fit and healthy, both in mind and body. That's due, he explains, to a busy work life and a disciplined gym routine. But the passage of time has taken an emotional toll of late: both he and his brother recently lost their wives.

Still, as if to prove you can teach an old dog new tricks, Peter has turned his attention to artificial intelligence. A free Peninsula service called BrAlnbox, launched last year, answers straightforward employment law questions – removing 11 per cent of its inbound calls and freeing up its advice teams to handle more complex "red flag" issues.

"It's a game changer," he says. "We'd love small businesses to use it to keep themselves out of trouble with disciplinary and employment tribunals."

Employment rules are always evolving, and not always for the better. A new regime that came into law last week means staff can demand flexible working terms from day 1. Done describes it as "crazy". "It will just create more red tape," he says.

A former Tory donor, he is also not enamoured with Rishi Sunak's decision to raise corporation tax from 19 per cent to 25 per cent. "It's bad policy," he says. "We are [two of] the highest taxpayers in the country, Fred and myself. We do that because we owe a lot to this country."

Peter was listed with his brother as



Peter Done says of his rival Denise Coates: "I think she's brilliant"

paying £136.8 million in tax in The Sunday Times Tax List 2023, the fifth-highest in the country. "But that [tax] could have been reinvested in the business."

Peter has a poster of Manchester United's Duncan Edwards on his wall. Edwards was one of eight players who lost their lives in the Munich air disaster in 1958, and the image is of him signing an autograph book held up by a young fan. There are also photographs of George Best and one of Pele, which is signed. The former United manager Sir Alex Ferguson has become a personal friend over the past 15 years, the pair sharing holidays together in the south of France and meeting on trips to Australia. "He's a genius ... the greatest manager of all time ... and has no ego whatsoever," says Peter.

Asked what he thinks of Denise Coates, the co-founder and chief executive of Betfred rival Bet365, he responds. "I think she's brilliant. She gets bad press but she keeps a low profile and has given millions and millions to charity. Imagine where Stoke would be without Bet365. They employ thousands of people."

He is less keen on the CBI, the business lobbying group that has run into trouble. "It's a waste of time," he says. But he "loves" his business and its people – "I'm sounding like Saint Peter, now," he acknowledges with a chuckle – and sees no reason to slow down. There is always tomorrow's challenge to look forward to. "If you are not fire-fighting, you are dead," he says.

Asked for his mentor, he cites his older brother, who is 80 and still serving as Betfred's chairman. They talk daily, whether on the phone or in the stands at their beloved Manchester United, discussing any big decisions that either makes in their respective businesses. "We have had rows over the years, but we have never done anything [in business] without the other one agreeing to it. It's 100 per cent trust," says Peter.

Fred adds. "He has so much enthusiasm for Peninsula, which is very important – but even more important, he's still my brother," he says.

THE LIFE OF PETER DONE

Born: February 6, 1947
Status: widowed; two children, Danny and Deborah, plus grandchildren
Education: Trafford Road School, Salford; Winton Senior School, Eccles
First job: bet collector
Pay: not disclosed, though the Dones have a £1.87 billion fortune, according to The Sunday Times Rich List
Home: Ladyhill, Manchester, plus houses in the Lake District and near Nice in France
Car: Lamborghini SUV, plus a chauffeur-driven Mercedes
Favourite book: *The Power of Now* by Eckhart Tolle. "I read it 20 years ago and I keep going back to it"
Film: *One Flew Over the Cuckoo's Nest*
Music: *In My Life*, a song by the Beatles
Drink: tea
Gadget: Kindle
Charity: Royal Manchester Children's Hospital
Last holiday: San Francisco

WORKING DAY

Peter Done wakes at 5am for a cup of tea, reads for an hour on his Kindle, where he has books and all his newspapers, and then goes to his gym at 6am for a 45-minute swim or workout. "I am there five or six days a week." He arrives at the office at about 9.30, four days a week, meeting Arun McIntosh, his sales director at Peninsula, before conference calls and meetings with his chief operating officer Alan Price and chief



Top picks: *One Flew Over the Cuckoo's Nest*, starring Jack Nicholson, and a Lamborghini



financial officer Jordan Foster. He usually returns home around 5pm.

DOWNTIME

"I like to drive – the Lamborghini is lovely. And I just read – I read all the time. It could be about anything from stoicism to business, as well as newspapers." On a stand in his office is a book about the life of Jimmy Murphy, the longstanding assistant to Manchester United manager Sir Matt Busby. Alongside it sits a copy of Craig Brown's *One Two Three Four: The Beatles in Time*.

"Apart from football, I rarely watch TV," says Done. "We would never leave home without two or three books in our suitcase. Sometimes it's fiction, sometimes business, history and so on. Without any university education, I think it's the thing that has improved my life."