



## **HEART RESEARCH UK**

Charity Registration No. 1044821 Company Registration No. 3026813

## **TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 December 2020

[www.heartresearch.org.uk](http://www.heartresearch.org.uk)

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## LEGAL AND ADMINISTRATIVE INFORMATION

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**Vice Presidents** Cllr Brian Cleasby  
Mr Fabian Hamilton MP  
Prof Shervanthi Homer-Vanniasinkam  
IBSc, MBBS, FRCSE, FRCS

**Patrons** Mr John Bill  
Mrs Anne Bill  
Christopher Kane  
Tammy Kane  
Mark Bonnar  
Paul Insect (from 2020)  
Robert Smith (from 2020)

**Past Presidents** Mr David A Watson MBE FRCS

### Trustees

#### Chairman

Mr Richard J Brown FCA (until September 2020)  
Mr Paul Rogerson CBE DL (from September 2020)

#### Vice Chairman

Mr Paul Rogerson CBE DL (until September 2020)  
Ms Julie Fenwick (from September 2020)

Mr Pierre Bouvet LLB  
Mr Peter C Braidley MBBS FRCS (Eng) FRCS (CTh)  
Dr Catherine J Dickinson MA PhD FRCP  
Dr David F Dickinson MB ChB DCH FRCP  
Mrs Julie Fenwick MSc  
Mr Richard C Hemsley MA FCA  
Mr Anthony R Kilner LLB  
Mr Anthony D Knight  
Prof Christopher Newman MA PhD FRCP  
Mr Paul Smith FCSI  
Mr Kevin G Watterson MB BS FRACS  
Mr James Breeze B.Sc.(Hons.) DipM ACIM (from December 2020)

#### Principal Officers:

Ms Kate Bratt-Farrar BA (Hons)  
Mrs Sam Wells BA (Hons)  
Dr Phil Newby BSc (Hons) MSc PhD

Chief Executive Officer  
Chief Operating Officer/Company Secretary (to November 2020)  
Head of Finance (Company Secretary from November 2020)

#### Head Office:

Suite 12D  
Joseph's Well  
Leeds LS3 1AB  
Tel: 0113 234 7474  
Email: [info@heartresearch.org.uk](mailto:info@heartresearch.org.uk)

#### Regional office:

13 St Paul's Square  
Birmingham  
B3 1RB  
Tel: 0121 454 1799  
Email: [midlands@heartresearch.org.uk](mailto:midlands@heartresearch.org.uk)

#### Independent Auditors:

BHP LLP  
1st Floor Mayesbrook House  
Lawnswood Business Park  
Leeds LS16 6QY

#### Investment Managers:

J M Finn & Co Ltd  
4 Coleman Street  
London  
EC2R 5TA

#### Bankers:

Barclays Bank PLC  
Barclays Business Centre  
Albion Street  
Leeds LS1 1PA

#### Solicitors:

Walker Morris LLP  
Kings Court  
12 King Street  
Leeds LS1 2HL

LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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**Specialist sub-committee membership as at 31 December 2019:**

***Medical Review Panels (MRP)***

**Novel and Emerging Technologies (NET MRP)**

Prof Jonathon Gibbins\* [Chairman]  
Dr Christopher McCormick\* [Vice-Chairman]  
Prof Nawwar Al-Attar\*  
Prof Raimondo Ascione\*  
Prof Alejandro Frangi\*  
Prof Terence Gourlay\*  
Prof John Greenwood\*  
Prof Julian Gunn\*  
Dr Nicola Smart\*  
Prof Peter Weinberg\*

**Translational Research Projects (TRP MRP)**

Prof Khalid Naseem\* [Chairman]  
Prof Azfar Zaman\* [Vice-Chairman]  
Dr May Azzawi\*  
Mr Peter Bradley  
Prof Nicholas Brindle\*  
Prof Sheila Francis\*  
Prof Anne Graham\*  
Prof Giovanni Mann\*  
Prof Paolo Madeddu\*  
Prof Mamas Mamas\*  
Prof Patricia Munroe\*  
Prof Donald Singer\*  
Dr Stephen Wheatcroft\*

***Other committees***

**General Purposes Committee**

Dr David Dickinson [Chairman]  
Mr Peter Bradley  
Mr Richard Brown  
Mr Tony Knight  
Mr Paul Rogerson  
Mr Kevin Watterson

**Medical Liaison Committee**

**Chairman to be appointed**  
Mr Peter Bradley  
Dr Catherine Dickinson  
Dr David Dickinson  
Mrs Julie Fenwick  
Prof Jonathon Gibbins\*  
Prof Khalid Naseem\*  
Prof Christopher Newman

**Personnel Committee**

Mr Tony Knight [Chairman]  
Mr Richard Brown  
Dr Catherine Dickinson  
Mrs Julie Fenwick  
Mr Paul Rogerson

**Audit Committee**

Mr Tony Kilner [Chairman]  
Dr Rachel Banfield\*  
Mr Richard Brown  
Mr Paul Rogerson

**Finance Committee**

**Mr Richard Brown** [Chairman]  
Mr Richard Hemsley  
Mr Tony Kilner  
Mr Tony Knight  
Mr Paul Smith  
Mr Kevin Watterson  
Mr Pierre Bouvet

**Investment Committee**

Mr Paul Smith [Chairman]  
Mr Pierre Bouvet  
Mr Richard Brown  
Mr Richard Hemsley  
Mr Tony Knight  
Mr Kevin Watterson

(\* Non-trustee)

## MESSAGE FROM OUR CHAIRMAN

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As the report below shows, the year to 31 December last, was one like no other in recent memory. And, along with many other organisations in the country, both charitable and commercial, Heart Research UK's ability to deliver against its objects was seriously impacted by the pandemic.

Repeated lockdowns and social-distancing rules meant that our staff team were required to work from home; research projects were halted as universities and labs closed; delivery of the Schools Programme was placed on hold and projects funded by our Community Grants scheme had to be paused to allow grant holders to explore different ways of delivering their projects safely in a Covid 19 world.

Inevitably too our income was hit over the course of the year as many of our usual fundraising activities had to be curtailed. Here, however, the versatility of our staff, the continued generosity of sponsors, the maintenance of a strong legacy-income stream and expenditure reductions across the board, have all meant that as the country has begun to open up in 2021, Heart Research UK has found itself appropriately resourced to take the Charity's vital work forward.

Some such work is indeed already underway as, with impressive speed but with their usual thoroughness, our grant review panel and a team of committed external reviewers, have recently recommended grants to fund research into the impact of the Covid 19 virus on key aspects of heart health, which the Trustees have been happy to approve. Given current circumstances, the Trustees have also resolved to designate an appreciably greater sum than had previously been committed to support research projects over the coming period.

On behalf of my Trustee colleagues therefore I would like to take this opportunity to thank the staff at Heart Research UK who have responded magnificently to the challenges faced by them over the last 18 months. Each team member has demonstrated the resilience required to adapt successfully to different ways of working and shown real ingenuity in devising new ways of carrying on the Charity's business, from participating in virtual grant review panels to undertaking online Healthy Heart Assessments.

I would like also to thank our medical reviewers and assessors, upon whose professionalism and expertise we so much rely, for their freely-given support at what has plainly been a particularly busy time for them. And, finally, I would like to thank our many other supporters who have continued to find ever-novel ways of raising funds.

As we work then to deliver against our objects in different ways for the remainder of 2021 and beyond, I am confident that Heart Research UK remains well positioned to make an important and valued contribution to the heart health of the nation.

*Paul Rogerson*  
Paul Rogerson (Jun 14, 2021 20:31 GMT+1)

**Paul Rogerson**

**Chairman  
HEART RESEARCH UK**

**June 2021**

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TRUSTEES REPORT (CONTINUED)

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**OVERVIEW OF 2020**

In 2020, the world changed and all of us were impacted to varying degrees. COVID-19's effect has been widespread and varied, planning for a pandemic could not possibly have prepared any of us for the realities.

From February 2020 we began to prepare our staff to work from home and in late March we closed our offices. Great uncertainty around our ability to fundraise, the impact on the health service and research institutions and, the need to social distance halting all face-to-face activity meant that we essentially paused all of our activity for a number of months.

This pause included postponing research grant giving planned in the first half of the year. As a charity with a number of existing grant holders we strongly believed that we had a duty to support those projects already underway. There was great uncertainty regarding the impact the pandemic would have on these projects as Universities closed their doors and many clinical staff were deployed to the frontline of the health service.

When the Government Furlough scheme was introduced, Heart Research UK utilised the scheme for a small number of staff, our aim always being that we would return to full delivery at the earliest opportunity and would aim to do so with a full staff team still in employment.

As a result of the pause on activity our expenditure was significantly lower than budgeted. Income increased primarily through legacies, and some income streams remained healthy. Our reserves remain healthy and with this in mind, the trustees have taken the decision to designate around £3.7M for additional grant giving in upcoming years. Further details of our income and expenditure are on pages 29 to 34 of this report.

**ACHIEVING OUR CHARITABLE OBJECTIVES**

Heart Research UK is a medical research charity, which has for the last 15 years broadened its activities to include training for clinicians, a schools' programme, and work to prevent heart disease. As already highlighted, much of our work was halted throughout the height of the pandemic. However, as will be demonstrated in the following pages, we took the opportunity to reflect on our delivery and innovate digital and remote ways in which we could achieve our objectives.

**We know research works**

While we paused our Translational and PhD grant rounds in 2020, we did open our (Novel and Emerging Technologies NET) round, later in the year. Further information can be found below.

**Medical research grants:**

In November 2020, the NET grant panel met virtually and reviewed applications and presentations from shortlisted research teams. Ultimately two grants were awarded, although only one of the applicants accepted the funding. The accepted grant is awaiting ethical approval and we expect this award to show in our 2021 accounts. We do however believe this is an extremely innovative project as detailed below.

Atrial fibrillation (AF) is the most common heart rhythm problem and increases the risk of stroke five-fold. Anticoagulants play a major role in the management of AF by making the blood less likely to clot. This project will test new types of heart rhythm monitors to see how good they are at detecting AF and alerting patients. This may help guide anticoagulant treatment so that AF patients take anticoagulant treatment only when they need it.

In addition, in the Summer of 2020, HRUK Trustees made the decision to offer a specific grant of up to £250,000 which would focus on the impact of COVID-19 on the heart and heart related conditions. We began the process of placing a call for applications, appointing external reviewers and convening a panel of experts. The intention is to award the grant in March 2021.

The charity also provided additional support to existing grant holders, the majority of whom experienced significant delays. During 2020, 12 grant extensions were granted and additional funding to ensure project completion was awarded to 6 grant holders totaling £34,164.

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## TRUSTEES REPORT (CONTINUED)

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### **Peer review and feedback**

The Charity is very proud of its peer review process which utilises expert external and internal reviewers from across the world. The internal reviewers are members of the Charity's two high-calibre, expert Medical Review Panels (MRP). Each project is typically assessed by a minimum of three external and two internal reviewers. This year we are particularly indebted to all our reviewers as, without their help at a time when many were under intense pressure, Heart Research UK would not have such a robust, thorough peer review system.

Also, the Charity has an open and transparent system for providing feedback to all applicants, to help them improve their research proposals and future chances of funding.

### **Progress reporting**

Medical grants usually last up to three years, during which time the grant holder is required to submit annual and final grant reports. Progress reports are reviewed by the relevant MRP and the outcome of the project is reported to the Board of Trustees. Grants awarded are usually drawn down on a quarterly basis upon receipt of an invoice from the host institution and on the condition that the required reports have been submitted to the Charity. Researchers are required to give details of scientific publications, conference presentations and other dissemination of their research and to keep the Charity informed of any intellectual property matters which could lead to opportunities for commercial exploitation.

During 2020, as the majority of grants were paused, our research team remained in direct contact with all existing grant holders providing support and ensuring that in the long term the research projects would be able to be completed.

### **Trustees' Discretionary Grants**

Applications for medical research grants made outside of the normal grants rounds, which are considered to be of special importance to Heart Research UK's aims and objectives, are reported directly to the Board of Trustees. In late 2019 we were approached by local charity, Leeds Children's Heart Surgery Fund (LCHSF) to contribute to the cost of a baby MRI Incubator, a piece of equipment that would enable babies to sleep while having MRIs rather than being sedated. The trustees ultimately agreed to provide a discretionary grant of £20,000 to enable the purchase. It is believed that not only will the incubator reduce the stress on babies receiving MRIs, it will facilitate important research into heart conditions in babies.

### **Supporting the experts of tomorrow**

Heart Research UK has been funding and organising masterclasses since 2012, helping hundreds of medical professionals from across the UK to learn the best techniques and latest treatments from leading experts, for use at their own centres across the UK.

Having begun to look at how we utilised the technology from our schools' programme in Masterclass delivery in 2019, in 2020 the work really came into its own. At the end of 2020 we were able to deliver two virtual masterclasses (Heart and Lung Transplant and Endoscopic Heart Valve Surgery). Students were able to join the course leaders virtually and watch the procedures live. Video footage has been provided to attendees and in 2021 the delegates will attend teaching centres to try the procedures for themselves.

Heart Research UK continues to sponsor the Excellence in Scholarship, Enterprise and Leadership (EXSEL) programme at the University of Leeds School of Medicine, giving two more undergraduate medical students the opportunity to take part in medical research projects. In 2020 these projects were undertaken remotely but were still completed to a very high standard.

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TRUSTEES REPORT (CONTINUED)

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**HEALTH PROMOTION WORK**

**Healthy hearts in the community**

Our (Healthy Heart Grants) HHGs, in all areas across the country, help communities help themselves and promote heart health and risk reduction of heart disease. We want healthier, happier, longer lives for everyone. Every age group; men, women and children from different backgrounds; diverse communities and target groups have benefited, and the Charity is proud of its unique, innovative, grants programme which has been supported for over ten years by Subway®.

Our Heart Research UK and Subway® Healthy Heart Grants invest money into local communities and are available thanks to the fundraising in Subway® stores.

In 2020 grant giving was suspended as many community activities came to a halt. The team focused on supporting existing grant holders, allowing them to develop remote or safer ways of delivering their projects as restrictions eased.

**Information and advice**

In the early stages of the pandemic the team worked hard to provide information on our website about COVID-19 and its impact on heart health. Much of our healthy heart advice through the year focused on staying healthy within the confines of national restrictions. Our healthy heart tips were well received and widely shared across numerous platforms print and broadcast.

**Healthy hearts at work**

Our Healthy Heart Check programme and Healthy Heart Mark were also suspended throughout 2020. The team took the opportunity to redevelop the whole programme. In 2021 we will be able to deliver healthy heart assessments remotely, along with providing video coaching sessions. Organisations who sign up to our Healthy Heart Mark will be able to utilise our online booking systems.

**RAISING AWARENESS OF HEART RESEARCH UK**

2020 was the year when digital communication really came to the forefront. For many months, the only way to communicate with our supporters and the general public was digitally and in particular through social media. The communications team worked hard, to support our fundraising efforts such as through an online quiz hosted by our patron, Mark Bonnar, and to support our health promotions work by providing healthy heart tips on audio files as well as in print. The team also ensured that our website held up to date information on COVID-19, directing people to key support and providing activities for children and families in lockdown.

**Highlights include:**

**Press:**

Reach -	19million
Publications featured:	1,200
Advertising Equivalency Value:	£650k

**Website:**

Number of Users:	53,167
Number of New Users:	52,822
Number of Page Views:	119,985

**Social:**

**Facebook**

Reach/Impressions	507,368
Likes	20,381
Comments	535
Shares/Retweets/Saves	1,036

**Instagram**

Reach/Impressions	315,063
Likes	128
Comments	36
Shares/Retweets/Saves	40



TRUSTEES REPORT (CONTINUED)

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**Overall Total**

Reach/Impressions	2,470,705
Likes	24,154
Comments	814
Shares/Retweets/Saves	1,713

**Twitter**

Reach/Impressions	1,648,274
Likes	3,645
Comments	243
Shares/Retweets/Saves	637

**Corporate partnerships**

Heart Research UK has a policy of not endorsing products, but the Charity does give support to initiatives that increase its national awareness, profile, and promote heart health. Before any partnership is considered, it is assessed against a protocol for partnerships that assess the feasibility, risk and compatibility with Heart Research UK objectives and suitability to ensure that there is no detrimental effect to our reputation or fundraising potential. Robust risk assessment ensures that only suitable and best value partnerships for the Charity are established. Agreements are only entered into after in-depth negotiations to make sure both parties' aims are compatible, complementary and there is true mutual benefit. This ensures transparency and integrity in all partnerships.

The Charity's longstanding partnership with SUBWAY® stores has continued, supporting consumers' "choice of a low-fat sub", as a healthier option in their stores. This partnership has enabled us to continue to offer our Healthy Heart Grants as listed earlier.

We look forward to working closely with our other existing partners such as Beaverbrooks, ADI Group, D.S. Smith and Chow Down as businesses open up again in 2021.

**Our Supporters**

This year, more than ever, we are truly grateful to our supporters who have pulled out all the stops to find ways to raise money during the lockdown. Many took place in the 2.6 challenge and #BakeDonateNominate. Others like long-time supporter and marathon runner Ric Cipriani, performed in online concerts, providing entertainment, and raising funds.

Our thanks also go to our Patrons Mark Bonnar (for hosting the big quiz), Robert Smith (for headlining our Anonymous HeART auction) and Christopher and Tammy Kane for donating the proceeds of a sample sale.

This year we had more pieces of art than ever donated for our Anonymous HeART auction, which raised £55,100.

Art is a continuing theme with prints from our Patron Paul Insect and Ralph Steadman planned for sale in the upcoming year.

It is no surprise that community and events focused income as significantly impacted in 2020 with many events postponed and cancelled, but with the loyalty of existing and new supporters, we are confident we will see growth in 2021.

**INVESTMENTS**

Heart Research UK aims to achieve a balanced return of income and capital growth from its investment portfolio, including current asset investments.

The market value of the portfolio as at 31 December 2020, was £7.0m, compared to £6.7m in 2019. This increase relates to stock market movements. The Trustees have delegated discretionary powers to the Charity's Investment Advisors, J M Finn & Co, whilst retaining control over the investment policy and monitoring of investment performance on a quarterly basis through the Investment Committee. Covid 19 has not currently had a material effect on our portfolio valuations.

The other assets of the Charity, amounting to £3.4m, at 31 December 2020, (£3.0m in 2019) reflects previous years' high-level of income from legacies and were held mainly as bank and deposit balances to support the Charity's grant making activities.

**RESERVES**

The Charity's reserves at the end of 2020 were £6.9m (£5.5m in 2019). The balance held as unrestricted funds, excluding designated funds, at 31st December was £2.9m. As noted in the Reserves Policy below the Charity aims to maintain a reserve requirement of 12 months operating costs which currently equates to £3m. Trustees have also designated £3.8m of reserves to cover future grant allocations.

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TRUSTEES REPORT (CONTINUED)

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**STRATEGY AND RISK**

**One Year Strategy**

In 2019 the Trustees approved the 2020 plan that would take us to the end of the current strategy with the aim that in 2020 we would develop our next long-term strategy. We began this process early in the year with a stakeholder consultation. We had an excellent response with over 60 contributors. The onset of the pandemic led to a halt in the development of a new strategy with an agreement to put in place an operational plan that would take us through 2021. We believed that the significant uncertainty created by the pandemic did not create an environment in which we could clearly look to our long-term future development. Strategic planning will resume in 2021 with a new long-term strategy in place for 2022.

**Managing risk**

The Board of Trustees fully recognises its responsibility for risk management and the Audit Committee is charged with identifying, assessing and minimising the major risks, based on the Charity's exposure to likely occurrences and their potential impact. Members of the committee include Trustees and an independent non-Trustee. They are also advised by the senior manager responsible for Health and Safety and employment matters.

During the year, the Committee conducted the annual risk assessment, maintained the risk register and ensured that the major risks to which the Charity is exposed continued to be properly identified, reviewed and evaluated. Appropriate systems continued to be established and maintained in order to mitigate and manage those risks. There was also a specific COVID-19 risk management plan put in place to ensure close scrutiny of an ever-changing situation. The Board considers that the major risks facing the Charity are:

- dependency on legacies
- on-going effects of the pandemic
- the economic climate
- volatility of the stock market
- competition from similar organisations
- maintaining a highly skilled workforce
- data security including loss of data
- protecting the Charity's reputation
- cybercrime

The Trustees consider that the Charity has robust internal procedures, systems and processes but will continue to carry out a review of the annual risk assessment and reporting of risk to ensure best practice is maintained. The Trustees received quarterly risk reports and continuous update of the risk register.

**POLICIES**

**Investment policy**

The Charity has power to invest monies not immediately required to fulfil its aims and objectives and to cover day-to-day expenses, in such investments as they see fit. The Trustees keep their investment policy under regular review; delegates its implementation to the Investment committee and appoints investment managers. J M Finn & Co is in its final year of its three-year contract. The Trustees took the decision in 2020 to extend Finn's contract for a further year to allow time for a full review of the Charity's investment policies.

The Trustees' investment objectives continue to be to:

- make investments of medium risk
- generate income from investments
- achieve capital growth
- safeguard the assets and business continuity of the Charity
- comply with the conditions attached to restricted funds

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## TRUSTEES REPORT (CONTINUED)

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- have sufficient cash deposits to cover working capital requirements and any restricted reserves
- meet the requirements of the reserves policy and strategy whilst ensuring they fulfil their fiduciary responsibilities in line with their powers of investment

The investment policy is subject to regular review and expert advice is taken. The Audit and Investment Committees monitor the performance of our Investment Managers and ensure diversity, prudence and liquidity in the portfolio. These committees report quarterly to the Board of Trustees. J M Finn & Co provides benchmark statistics on a total return basis for the WMA (Wealth Management Association) Income Index, and also a blended 70% FTSE All-Share/30% FTSE UK Gilts Index comparator.

Reflecting the objectives of the Charity, the Trustees have continued an ethical policy of not investing directly in tobacco related equities.

### **Reserves policy**

The Board continues to believe that it is prudent to maintain reserves to cover 12 months operating costs, this is approximately £3m. It recognises that holding reserves at an appropriate level also allows the Charity to be seen by its donors, beneficiaries, employees and other supporters as financially viable; ready for unforeseeable circumstances; new opportunities and planning for the long term. The Board also recognises that the volatility of the stock market, especially in current market conditions, can very quickly affect the level of reserves. Accordingly, a provision has been made in our reserve calculations for a 20% decrease in the value of its investment portfolio. Reserve levels are reviewed every quarter.

### **Conflict of interest policy**

The Charity has a conflict of interest policy applicable to all Trustees, members of Trustee committees, Medical Review Panels (MRPs) and staff. This policy aims to protect both the organisation and the individuals involved from any appearance of impropriety. All Trustees, members of Trustee Board committees, MRPs and staff are asked to declare their interests and any gifts or hospitality received in connection with their role in Heart Research UK. A declaration form is provided listing the types of interest to declare. This declaration is updated annually; at meetings where the conflict of interest arises and when changes occur. Interests and gifts are recorded on the Charity's register of interests maintained by the Company Secretary.

### **Diversity policy**

The Charity continues to strive to ensure equal opportunities and diversity in all aspects of employment and its charitable activities. This includes equal opportunities policies in employment and recruitment for all suitably qualified people and volunteers, as well as open and transparent grant making policies and objectives.

The Charity's website is accessible for those with visual impairment and its leaflets are available in larger print upon request.

### **Ethical fundraising policy**

Heart Research UK is very conscientious about self-regulation of its fundraising activities and protecting vulnerable people. All staff are aware of and adhere to Charity Commission guidelines and The Code of Fundraising Practice from the Fundraising Regulator which sets out statutory obligations and best practice standards. Guidance is also given to those who fundraise on the Charity's behalf.

To monitor fundraising activities, the Trustees receive reports every quarter from the fundraising department about its activities. The Chief Executive also reports every quarter on fundraising activities including any changes to statutory or legal requirements. Through this reporting the Trustees ensure that we comply with the Code of Fundraising Practice and staff also have regular training with respects to this.

Heart Research UK's approach to fundraising is to avoid unreasonable intrusion into individuals' privacy, persistent approaches or undue pressure to donate to the Charity. It does not employ external agencies to fundraise by direct mail, telephone, email or in the street and does not employ professional fundraisers. It has received no complaints about its fundraising activity.

TRUSTEES REPORT (CONTINUED)

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**General Data Protection Regulations (GDPR)**

The Charity continues to be fully compliant with the General Data Protection Regulation (GDPR), the legal framework that sets guidelines for the collection and processing of personal information of individuals within the European Union. Data given to Heart Research UK is only used for the purpose it was given; it is processed and stored appropriately and deleted when redundant. No information is passed to third parties and opportunities are given to opt out and opt in of communications.

**Public benefit statement**

The Trustees have taken account of the guidance on public benefit issued by The Charity Commission. This guidance on public benefit underpins the Charity's activities across the UK. Activities to carry out our aims and objectives for the public benefit may not have immediate effect or be experienced for some years but the addition to current scientific knowledge and clinical practice is on-going.

A summary of the activities that the Charity provides that are considered to be for the public benefit is as follows:

- medical research with project grants, scholarships and travel for dissemination of the research results
- Heart Academy website and activities to educate and inform across all ages and abilities
- Masterclasses for clinicians to learn new techniques, expand their knowledge, increase their expertise and give better care to patients
- the development of exercise prescription for children after heart surgery or with a lifelong condition
- Healthy Heart initiatives including Healthy Heart Grants, Healthy Heart lifestyle checks, encouraging Healthy Heart workplace activities.
- raising awareness of heart disease and particular conditions and issues, our medical research and its results
- partnerships with organisations and companies to promote heart health

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TRUSTEES REPORT (CONTINUED)

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## HOW WE WORK

### Constitutional structure

Heart Research UK was first registered as a charity in 1967, as the National Heart Research Fund and was incorporated in 1995 as a private company limited by guarantee, each member being limited to £1 liability in the event of a winding up, registered under No 3026813 and as a charity in England and Wales under no 1044821. It has the working names of HRUK and Heart Research.

### Related companies

The Charity has one wholly owned trading subsidiary company, HRUK Helping Hearts Limited (No 1562684) and one dormant company Heart Research Limited (No 11090531).

Within the year the connected charities: Yorkshire Heart Transplant Fund (702401) and The National Heart Research Fund (251602), which were earlier names of Heart Research UK prior to incorporation, were added to the Charity Commission register of merged charities.

### The Board of Trustees

There are currently 14 Trustees as listed on page 1. The Trustees have a wide range of experience, including business, expertise in medical research, law, accounting, human resources, marketing and investment management.

No Trustee has any financial interest or personal beneficial interests requiring disclosure in the Charity or in its subsidiary company, HRUK Helping Hearts Ltd. Trustees (and some staff) are covered by Directors and Officers insurance. No Trustee receives any remuneration for his or her services.

There is a formal Trustees meeting every three months. Trustees are additionally involved in one or more standing committees, which meet when necessary, but usually no less than twice a year. The medical review panels each meet once a year and the medical liaison committee meets when necessary. An attendance record is kept to ensure regular attendance at meetings. Between meetings, news and information is passed on by the Chief Executive and staff, as necessary, with interim reports, e-mails, informal meetings and telephone conversations.

### Committees of the Board

Heart Research UK has eight specialist committees of the Board. Each committees' terms of reference and membership is regularly reviewed. The committees have their own Chairman; delegated powers to discuss their specific topics; award grants and to make decisions which are reported to the Board of Trustees without the need for ratification.

<b>General Purposes Committee</b>	Reviews strategies and policy; the day-to-day running of the Charity and recommends policy on all matters not covered by other committees. Act as a specific project group.
<b>Translational Research Projects Medical Review Panel (TRP MRP)</b>	Reviews Translational Research, Scotland and Northern Ireland Grant applications, reports and grant making process
<b>Novel &amp; Emerging Technologies Medical Review Panel (NET MRP)</b>	Reviews Novel & Emerging Technologies grant applications, reports and grant making process
<b>Finance Committee</b>	Reviews financial operations and performance against budget
<b>Investment Committee</b>	Formulates investment policy and monitors investment performance
<b>Audit Committee</b>	Reviews internal financial administration, risk assessment and internal controls, procedures and accounting policies
<b>Personnel Committee</b>	Reviews personnel procedures and policies, and salaries
<b>Medical Liaison Committee</b>	Decides research strategy, policies, procedures and medical grant giving programmes

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## TRUSTEES REPORT (CONTINUED)

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### **President, Patrons and Vice-Presidents**

We have a number of Patrons and three Vice Presidents who are all able ambassadors for Heart Research UK, helping with fundraising, events and raising awareness. Paul Insect and Robert Smith joined as Patrons in 2020.

### **Key management personnel, staff and volunteers**

The average number of staff employed during the year was 23. The Personnel Committee annually reviews the organisational structure and remuneration of staff. Key management personnel and staff salaries are benchmarked against other organisations in the charity sector. The committee also maintains an overview of staffing levels and job responsibilities across the Charity.

The Trustees would like to pay tribute to the dedication of the Charity's staff. Also, they wish to thank the increasing number of volunteers and Ambassadors who undertake a wide range of voluntary work, equivalent of 9 working days each week, on behalf of the Charity. Their dedication helps Heart Research UK to raise awareness of its work, maximise income and maintain high standards of work; efficiency and productivity.

### **Induction and training**

All Trustees, staff and volunteers take part in a full induction procedure. Before becoming a Trustee, potential Board Members are expected to attend Trustees meetings as observers and become a committee member to gain experience with the Charity. Induction packs give detailed information, handbooks, policies and other information required to carry out their duties.

Additionally, Trustees, staff and volunteers undertake specific training (internal or external) in a particular aspect of the skills and duties needed in their work with the Charity to ensure compliance with all statutory obligations and best practice.

### **Decision-making**

Having approved the annual budget, which reflects the strategy, the Board of Trustees delegates day-to-day decisions to the Chief Executive. This delegation is monitored by the various committees which all act under delegated terms of reference and report regularly to the Board of Trustees. A decision-making protocol is in place.

### **Management of the Charity**

The day-to-day management of the Charity and implementation of the strategy are delegated to the Chief Executive Officer, supported by the Head of Finance and the Senior Management Team who lead the Health Promotion, Fundraising, Communications and Research departments.

Grant making is a direct responsibility of the Chief Executive with the day-to-day work undertaken by the Head of Research. All senior managers have regular Senior Management Team meetings and give regular reports to the Chief Executive. Department reports and Charity updates are given at every Trustees meeting.

## TRUSTEES REPORT (CONTINUED)

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### PLANS FOR THE FUTURE

As already mentioned, throughout 2021 we will build on the stakeholder survey to develop a long term strategy for the organisation. Our strategy will be rooted in our Mission, Vision and Values:

We are Heart Research UK.

- We're dedicated to taking on heart disease.
- Cardiovascular disease kills more than one in four people in the UK, and coronary heart disease is the UK's single biggest killer.
- Since 1967, we've invested over £25m in life-saving medical research into the prevention, treatment and cure of heart disease.
- We know research works, but there's a lot more that needs to be done.

Our mission statement sets out our goals as a charity. It embodies all that we strive for and underpins everything that we do.

#### **Mission Statement:**

We will reduce the number of people developing and dying from heart disease, while improving and extending the lives of those affected.

Our vision distils this into three simple words.

Prevention | Treatment | Cure

Our values reflect who we are as a Charity. We are dedicated to fundraising ethically, and to ensuring that the money that you donate to us is spent in the best way possible.

#### **Our values:**

- We will continuously demonstrate our credibility and knowledge
- We will always act with integrity, compassion and humility
- We are committed to working together to make a difference
- We are passionate, and proud of it
- We strive to be innovative and collaborative in everything that we do
- We are large enough to have a voice and small enough to hear yours

The Trustees are committed to investing our reserves in more research, funding projects that will have patient impact as soon as possible. We plan to invest more in research from 2021 onwards with the introduction of our Covid-19 grant and restarting all other grant streams. We are expanding the reach of our Schools Programme, Masterclasses and Healthy Heart Checks with the aim of reaching more people. To enable us to do this we are diversifying our fundraising activities and working closely with supporters, old and new, to ensure that supporting Heart Research UK is a personal and satisfying experience.

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TRUSTEES REPORT (CONTINUED)

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**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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 year, which give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group and the charitable company will continue in business.

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

**Disclosure of information to auditor**

In so far as the Trustees are aware:

there is no relevant audit information of which the charitable company's auditor is unaware, and that 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.

**Auditor**

The auditor, BHP LLP, were appointed as a result of a review in 2018 and under the terms of a three-year contract. A resolution confirming their appointment will be proposed at the forthcoming Annual General Meeting.

**Small Company**

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Paul Rogerson  
Paul Rogerson (Jun 14, 2021 20:31 GMT+1)

**Paul Rogerson CBE DL LLB MA(Econ)**

Date Jun 14, 2021

R J Brown  
R J Brown (Jun 14, 2021 15:17 GMT+1)

**Richard J Brown FCA**



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEART RESEARCH UK**

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**Opinion**

We have audited the financial statements of Heart Research UK (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 group's or the parent 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEART RESEARCH UK (CONTINUED)**

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**Other information**

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. 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 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.

**Opinion 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEART RESEARCH UK (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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 group's and the parent 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 group or the parent 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**

We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the charity, including the Charities Act 2011;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF HEART RESEARCH UK (CONTINUED)**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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, and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

  
Mike Jackson (Jun 15, 2021 15:24 GMT+1)

### **Michael Jackson (senior statutory auditor)**

for and on behalf of

**BHP LLP**

Chartered Accountants

Statutory Auditor

1st Floor

Mayesbrook House

Leeds

LS16 6QY

Date: Jun 15, 2021

**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>Unrestricted funds 2020 £</b>	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>	<b>Total funds 2019 £</b>
<b>Income from:</b>					
Donations and legacies	3	2,341,470	107,383	2,448,853	2,154,341
Sponsored events		114,713	6,951	121,664	263,144
Trading subsidiary		1,604	-	1,604	12,379
Investments	4	171,316	-	171,316	199,016
<b>Total income</b>		<b>2,629,103</b>	<b>114,334</b>	<b>2,743,437</b>	<b>2,628,880</b>
<b>Expenditure on:</b>					
Raising funds	5	421,845	545	422,390	613,315
Charitable activities	6	1,132,923	33,876	1,166,799	2,723,442
<b>Total expenditure</b>	8	<b>1,554,768</b>	<b>34,421</b>	<b>1,589,189</b>	<b>3,336,757</b>
<b>Net income/(expenditure) before net gains on investments</b>		<b>1,074,335</b>	<b>79,913</b>	<b>1,154,248</b>	<b>(707,877)</b>
Net gains on investments		279,169	-	279,169	814,098
<b>Net income</b>		<b>1,353,504</b>	<b>79,913</b>	<b>1,433,417</b>	<b>106,221</b>
Transfers between funds	20	33,933	(33,933)	-	-
<b>Net movement in funds</b>		<b>1,387,437</b>	<b>45,980</b>	<b>1,433,417</b>	<b>106,221</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		5,304,312	175,636	5,479,948	5,373,727
Net movement in funds		1,387,437	45,980	1,433,417	106,221
<b>Total funds carried forward</b>		<b>6,691,749</b>	<b>221,616</b>	<b>6,913,365</b>	<b>5,479,948</b>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 53 form part of these financial statements.

CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	50,000	50,000
Tangible assets	12	4,163	8,432
Investments	13	5,837,650	5,445,124
		<b>5,891,813</b>	<b>5,503,556</b>
<b>Current assets</b>			
Stocks	14	7,348	8,008
Debtors	15	1,564,648	1,493,155
Investments	16	1,119,820	1,279,929
Cash at bank and in hand	24	1,815,824	1,449,916
		<b>4,507,640</b>	<b>4,231,008</b>
Creditors: amounts falling due within one year	17	(2,398,808)	(2,799,271)
<b>Net current assets</b>		<b>2,108,832</b>	<b>1,431,737</b>
<b>Total assets less current liabilities</b>		<b>8,000,645</b>	<b>6,935,293</b>
Creditors: amounts falling due after more than one year	18	(1,087,280)	(1,455,345)
<b>Total net assets</b>		<b>6,913,365</b>	<b>5,479,948</b>
<b>Charity funds</b>	20		
Restricted funds		221,616	175,636
Unrestricted funds			
Designated funds		3,805,615	2,145,651
General funds		2,886,134	3,158,661
Total unrestricted funds		<b>6,691,749</b>	<b>5,304,312</b>
<b>Total funds</b>		<b>6,913,365</b>	<b>5,479,948</b>

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**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

*Paul Rogerson*  
Paul Rogerson (Jun 14, 2021 20:31 GMT+1)

**Paul Rogerson CBE DL LLB MA(Econ)**

*R J Brown*  
R J Brown (Jun 14, 2021 15:17 GMT+1)

**Richard J Brown FCA**

Date: Jun 14, 2021

The notes on pages 25 to 53 form part of these financial statements.

CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	4,163	8,432
Investments	13	5,837,750	5,445,224
		<b>5,841,913</b>	5,453,656
<b>Current assets</b>			
Debtors	15	1,647,992	1,572,942
Investments	16	1,119,820	1,279,929
Cash at bank and in hand		1,804,376	1,438,263
		<b>4,572,188</b>	4,291,134
Creditors: amounts falling due within one year	17	(2,397,645)	(2,798,335)
<b>Net current assets</b>		<b>2,174,543</b>	1,492,799
<b>Total assets less current liabilities</b>		<b>8,016,456</b>	6,946,455
Creditors: amounts falling due after more than one year	18	(1,087,280)	(1,455,345)
<b>Total net assets</b>		<b>6,929,176</b>	5,491,110
<b>Charity funds</b>	20		
Restricted funds		221,617	175,636
Unrestricted funds			
Designated funds		3,660,130	2,145,651
General funds		3,047,429	3,169,823
Total unrestricted funds		<b>6,707,559</b>	5,315,474
<b>Total funds</b>		<b>6,929,176</b>	5,491,110



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**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

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**CHARITY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees and signed on their behalf by:

*Paul Rogerson*  
Paul Rogerson (Jun 14, 2021 20:31 GMT+1)

*R J Brown*  
R J Brown (Jun 14, 2021 15:17 GMT+1)

**Paul Rogerson CBE DL LLB MA(Econ)**

**Richard J Brown FCA**

Date: Jun 14, 2021

The notes on pages 25 to 53 form part of these financial statements.

**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	23	<b>150,186</b>	(1,036,596)
<b>Cash flows from investing activities</b>			
Movement in investment broker cash		<b>(135,931)</b>	11,635
Dividends and interest received		<b>165,194</b>	193,821
Purchase of tangible fixed assets		-	(4,021)
Proceeds from sale of investments		<b>1,374,507</b>	824,364
Purchase of investments		<b>(1,188,048)</b>	(794,512)
<b>Net cash provided by investing activities</b>		<b>215,722</b>	<b>231,287</b>
<b>Change in cash and cash equivalents in the year</b>		<b>365,908</b>	<b>(805,309)</b>
Cash and cash equivalents at the beginning of the year		<b>1,449,916</b>	2,255,225
<b>Cash and cash equivalents at the end of the year</b>	24	<b>1,815,824</b>	1,449,916

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Heart Research UK is a company limited by guarantee, incorporated in England & Wales.. The registered office is Suite 12D, Joesph's Well, Leeds LS3 1AB. The members of the company are the trustees detailed on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Heart Research UK 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.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

**2.2 Going concern**

The trustees (who are directors of Heart Research UK for the purposes of company law and trustees of Heart Research UK for the purposes of charity law) have reviewed the charity's financial position, taking into account the satisfactory level of reserves and cash, current year forecasts and its systems of financial and risk management. As a result of their review, the trustees believe that the charity is well placed to manage operational and financial risks successfully despite the ongoing uncertain economic outlook. Accordingly, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.3 Income**

Donations and sponsored events are included in the Statement of Financial Activities when:

- the Charity is told it is to receive the gift or donation
- the Trustees are reasonably certain of the amount to be received
- the Trustees are reasonably certain they will receive the money and
- any conditions for receipt are met

Legacies are recognised when it is probable that they will be received. Receipt is normally probable when:

- there has been a grant of a probate;
- the executors have established that there are sufficient assets in the estate after settling any liabilities to pay the legacy; and
- any conditions attached to the legacy either within control of the Charity or not have been met.

**2.4 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. The grants are accounted for where either the Trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive the grant, or any condition attaching to the grant is outside the control of the Charity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

**2.5 Cost allocation**

The Statement of Recommended Practice requires that costs are allocated where appropriate to charitable expenditure and to cost of generating funds. The Charity's central overheads, including staff costs, have been allocated to charitable activity and costs of generating funds on the basis of the allocated time spent by staff on those functions with the aim of ensuring that those costs remaining with governance costs relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.7 Intangible assets and amortisation**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The intangible asset has not yet been brought into use, as such no amortisation has been charged.

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	- 50% p.a. on written down value from date of acquisition
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**2.9 Investments**

Fixed and current asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

Investments in subsidiaries are valued at cost less provision for impairment.

**2.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.12 Cash at bank and in hand**

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

**2.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

**2.14 Financial instruments**

The group 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 with the exception of bank loans and loans from subsidiary undertakings which are subsequently measured at amortised cost using the effective interest method.

**2.15 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**2.16 Fund accounting**

Monies earmarked by donors or by the terms of an appeal for particular projects are accounted for separately, in Restricted Funds. The notes to the accounts show the movements and balances on any such restricted funds. Unrestricted funds may be spent on any legitimate charitable aim as laid down in the Charity's memorandum of association.

Unrestricted funds are held in the general reserve except to the extent that the Trustees consider it appropriate to make transfers to designated funds to meet the expected cost of planned awards for the future. As costs on such awards are incurred, they are charged against the designated fund to the extent that the fund proves sufficient. Any balance on such expenditure is charged against the general fund. If the project costs less than the amount in the designated fund, any surplus is transferred back to the general fund.

The group's accounting systems allocate all income, expenditure, assets, liabilities and reserves between these funds. The statement of financial activities shows separately the income, expenditure and any transfers relating to restricted funds, designated funds and general reserves. Assets and liabilities attributed to each fund are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	177,776	107,383	285,159	398,945
Legacies	2,107,266	-	2,107,266	1,755,396
Coronavirus Job Retention Scheme Grant	56,428	-	56,428	-
<b>Total 2020</b>	<b>2,341,470</b>	<b>107,383</b>	<b>2,448,853</b>	<b>2,154,341</b>
Total 2019	2,043,345	110,996	2,154,341	

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from fixed asset investments	122,588	122,588	166,351
Income from current asset investments	42,606	42,606	23,843
Bank and other interest	6,122	6,122	8,822
<b>Total 2020</b>	<b>171,316</b>	<b>171,316</b>	<b>199,016</b>
Total 2019	199,016	199,016	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Expenditure on raising funds

*Costs of raising voluntary income*

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Postage	5,303	331	5,634	9,955
<b>Advertising publicity &amp; event costs</b>				
Legacy related	5,050	-	5,050	9,032
Event related	28,252	-	28,252	145,543
General	9,824	-	9,824	102,697
Other fundraising costs	7,257	214	7,471	-
<b>Legal and professional</b>				
Legacy related	2,919	-	2,919	18,041
Other	-	-	-	3,423
Investment management costs	51,947	-	51,947	47,232
<b>Apportioned support costs:</b>				
Operating lease rentals	13,897	-	13,897	16,678
Other premises costs	6,230	-	6,230	3,700
Telephone	1,184	-	1,184	889
Training	2,097	-	2,097	2,936
Information technology	15,511	-	15,511	18,288
Marketing	23,758	-	23,758	-
Other costs	31,217	-	31,217	41,695
Wages and salaries	184,999	-	184,999	169,649
Social security costs	16,576	-	16,576	13,900
Pension costs	15,824	-	15,824	9,657
<b>Total 2020</b>	<b>421,845</b>	<b>545</b>	<b>422,390</b>	<b>613,315</b>
Total 2019	613,315	-	613,315	



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
<b>Grants</b>				
Medical research grants awarded	254,864	38,687	<b>293,551</b>	1,549,513
Grants awarded in previous years no longer required	(112,349)	-	<b>(112,349)</b>	(57,960)
Healthy Hearts grants awarded	-	-	-	107,025
Grants awarded in previous years no longer required	(1,359)	(7,084)	<b>(8,443)</b>	(5,835)
<b>Direct support costs</b>				
Medical research	27,371	-	<b>27,371</b>	58,241
Prevention and education	183,709	2,273	<b>185,982</b>	259,798
Prevention and education - staff costs	36,430	-	<b>36,430</b>	34,480
Trading company	6,898	-	<b>6,898</b>	17,866
<b>Dissemination of information</b>				
Production of 'Pulse'	-	-	-	17,069
Web-site maintenance	3,358	-	<b>3,358</b>	9,007
<b>Apportioned support costs:</b>				
Staff costs	506,535	-	<b>506,535</b>	461,546
Operating lease rentals	32,379	-	<b>32,379</b>	42,819
Other premises costs	14,516	-	<b>14,516</b>	9,498
Telephone	2,761	-	<b>2,761</b>	2,278
Training	4,887	-	<b>4,887</b>	7,538
Information technology	13,421	-	<b>13,421</b>	15,824
Marketing	20,556	-	<b>20,556</b>	-
Other costs	27,011	-	<b>27,011</b>	69,936
Governance costs (note 7)	111,935	-	<b>111,935</b>	124,799
<b>Total 2020</b>	<b>1,132,923</b>	<b>33,876</b>	<b>1,166,799</b>	<b>2,723,442</b>
Total 2019 as restated	2,590,033	133,409	2,723,442	

The prior year has been restated to amend the split of staff costs between direct support costs and apportioned support costs.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Governance costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditor's remuneration	11,640	11,640	13,214
Legal, professional and consultancy fees	3,583	3,583	660
Trustee indemnity insurance	529	529	529
Trustee meeting expenses	154	154	366
<b>Apportioned support costs</b>			
Staff costs	76,461	76,461	83,616
Operating lease rentals	4,888	4,888	7,218
Other premises costs	2,191	2,191	1,601
Telephone	417	417	384
Training	738	738	1,271
Information technology	2,494	2,494	2,941
Marketing	3,820	3,820	-
Other costs	5,020	5,020	12,999
<b>Total 2020</b>	<b>111,935</b>	<b>111,935</b>	<b>124,799</b>
Total 2019	124,799	124,799	

Included in auditor's remuneration are fees totalling £2,100 relating to non-audit services (2019: £2,100).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Total expenditure on

	Staff costs	Depreciation	Other costs	Total funds	Total funds 2019
	£	£	£	£	£
Raising funds	217,399	2,081	202,910	<b>422,390</b>	613,315
Charitable activities	619,426	2,135	545,238	<b>1,166,799</b>	2,723,442
<b>Total 2020</b>	<b>836,825</b>	<b>4,216</b>	<b>748,148</b>	<b>1,589,189</b>	<b>3,336,757</b>
Total 2019	772,848	8,424	2,555,485	3,336,757	

9. Allocation of support costs

	Raising funds	Charitable activities	Governance	Total funds	As restated Total funds 2019
	£	£	£	£	£
Staff costs	217,399	506,535	76,461	<b>800,395</b>	738,368
Premises (including rent and rates)	20,127	46,895	7,079	<b>74,101</b>	81,514
Telephone	1,184	2,761	417	<b>4,362</b>	3,551
Training	2,097	4,887	738	<b>7,722</b>	11,745
Information technology (including depreciation)	15,511	13,421	2,494	<b>31,426</b>	37,053
Marketing	23,758	20,556	3,820	<b>48,134</b>	-
Other costs	31,217	27,011	5,020	<b>63,248</b>	124,630
<b>Total 2020</b>	<b>311,293</b>	<b>622,066</b>	<b>96,029</b>	<b>1,029,388</b>	<b>996,861</b>
Total 2019 as restated	277,392	609,439	110,030	996,861	

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Allocation of support costs (continued)**

Support costs, including staff and related resources, are apportioned by estimated time spent by the relevant staff members.

The prior year has been restated to amend the split of staff costs between direct support costs and apportioned support costs. Staff costs in this table includes only apportioned support costs.

**10. Staff costs**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Charity 2020 £</b>	<b>Charity 2019 £</b>
Wages and salaries	<b>712,664</b>	678,615	<b>712,664</b>	678,615
Social security costs	<b>64,175</b>	55,602	<b>64,175</b>	55,602
Contribution to defined contribution pension schemes	<b>59,986</b>	38,631	<b>59,986</b>	38,631
	<b>836,825</b>	772,848	<b>836,825</b>	772,848

The average number of persons employed by the charity during the year was as follows:

	<b>Group 2020 No.</b>	<b>Group 2019 No.</b>
Administration, management, fundraising and charitable expenditure support	<b>23</b>	23

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**10. Staff costs (continued)**

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>Group 2020 No.</b>	<b>Group 2019 No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>

Pension contributions of £4,182 (2019: £4,578) were paid by the charity for the above employees.

The gross remuneration of the key management personnel during the year was £172,116 (2019: £177,909)

Reimbursed expenses, which are all subject to the charity's processes of internal controls, do not form part of remuneration and are not included above.

During the year no travel expenses were paid to trustees (2019: £140 to two trustees).

During the year unrestricted donations totalling £202 (2019: £70) were received from trustees.

During the year, the Charity paid for trustee and officer indemnity insurance, the cost for the year was £529 (2019: £529).

**11. Intangible assets**

**Group**

	<b>App Development £</b>
<b>Cost</b>	
At 1 January 2020	<b>50,000</b>
At 31 December 2020	<b>50,000</b>
<b>Net book value</b>	
At 31 December 2020	<b>50,000</b>
At 31 December 2019	<b>50,000</b>

The charity has £nil intangible fixed assets (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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12. Tangible fixed assets

Group

	Office equipment £
<b><i>Cost or valuation</i></b>	
At 1 January 2020	105,558
Disposals	(17,127)
At 31 December 2020	<u>88,431</u>
<b><i>Depreciation</i></b>	
At 1 January 2020	97,126
Charge for the year	4,216
On disposals	(17,074)
At 31 December 2020	<u>84,268</u>
<b><i>Net book value</i></b>	
At 31 December 2020	<u><u>4,163</u></u>
At 31 December 2019	<u><u>8,432</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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12. Tangible fixed assets (continued)

Charity

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2020	105,296
Disposals	(17,127)
	<hr/>
At 31 December 2020	88,169
	<hr/>
<b>Depreciation</b>	
At 1 January 2020	96,864
Charge for the year	4,216
On disposals	(17,074)
	<hr/>
At 31 December 2020	84,006
	<hr/>
<b>Net book value</b>	
At 31 December 2020	4,163
	<hr/> <hr/>
At 31 December 2019	8,432
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Fixed asset investments

	Quoted investments 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Group</b>			
<b>Market value</b>			
At 1 January 2019	5,456,770	<b>5,456,770</b>	4,714,634
Additions at cost	1,188,048	<b>1,188,048</b>	794,512
Disposal proceeds	(1,374,507)	<b>(1,374,507)</b>	(824,364)
Net realised and unrealised gains/ (losses)	439,499	<b>439,499</b>	771,988
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2020</b>	5,709,810	<b>5,709,810</b>	5,456,770
Cash awaiting reinvestment	127,840	<b>127,840</b>	(11,646)
	<hr/>	<hr/>	<hr/>
	<b>5,837,650</b>	<b>5,837,650</b>	5,445,124
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Quoted investments 2020 £	Investment in subsidiary 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Company</b>				
<b>Market value/ cost</b>				
At 1 January 2019	5,456,770	100	<b>5,456,870</b>	4,714,734
Additions at cost	1,188,048	-	<b>1,188,048</b>	794,512
Disposal proceeds	(1,374,507)	-	<b>(1,374,507)</b>	(824,364)
Net realised and unrealised gains/ (losses)	439,499	-	<b>439,499</b>	771,988
	<hr/>	<hr/>	<hr/>	<hr/>
	5,709,810	-	<b>5,709,910</b>	5,456,870
<b>At 31 December 2020</b>				
Cash awaiting reinvestment	127,840	-	<b>127,840</b>	(11,646)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>5,837,650</b>	100	<b>5,837,750</b>	5,445,224
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**13. Fixed asset investments (continued)**

At 31 December 2020 and 31 December 2019 there were no individual investments which represented material holdings of more than 5% in the total investment portfolio valuation.

Quoted investments are stated at mid-market value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange, while transactions in collective funds are carried out on recognised platforms.

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments is in another Lehman's style crisis and banking sector collapse, but regulators and central banks are now much more aware of the risks today, and the financial sector is more tightly monitored and regulated as a result. Covid 19 has not currently had a material effect on our portfolio valuations.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. The charity does not make use of derivatives and similar complex financial instruments. The charity invests over the longer term, further reducing risk and the impact of volatility of returns.

The historical cost of the investments is £3,900,077 (2019: £3,772,237).

The £100 investment represents a 100% holding in the issued share capital of HRUK Helping Hearts Limited, a company registered in England and Wales.

On 30 November 2017 Heart Research Limited was incorporated in order to register the name. The company has not traded during the year and the initial share capital remains unpaid.

Within the year the connected charities: Yorkshire Heart Transplant Fund (702401) and The National Heart Research Fund (251602), which were earlier names of Heart Research UK prior to incorporation, were added to the Charity Commission register of merged charities.

**14. Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Finished goods	<b>7,348</b>	8,008

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b><i>Due after more than one year</i></b>				
Amounts owed by group undertakings	-	-	46,000	30,000
	-	-	46,000	30,000
<b><i>Due within one year</i></b>				
Trade debtors	-	10,690	-	9,472
Amounts owed by group undertakings	-	-	37,344	51,069
Other debtors	854	2,149	854	2,085
Prepayments and accrued income	66,986	77,024	66,986	77,024
Legacies receivable	1,496,808	1,403,292	1,496,808	1,403,292
	<b>1,564,648</b>	<b>1,493,155</b>	<b>1,647,992</b>	<b>1,572,942</b>

16. Current asset investments

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Listed investments	<b>1,119,820</b>	1,279,929	<b>1,119,820</b>	1,279,929

The historical cost of the investments is £1,008,995 (2019: £1,197,333).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade creditors	44,268	46,010	44,268	45,205
Other creditors	2,750	3,892	2,742	3,761
Accruals and deferred income	25,798	25,486	24,643	25,486
Grants accrued (see note 19)	2,325,992	2,723,883	2,325,992	2,723,883
	<b>2,398,808</b>	<b>2,799,271</b>	<b>2,397,645</b>	<b>2,798,335</b>

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Grants accrued (see note 19)	1,087,280	1,455,345	1,087,280	1,455,345

19. Reconciliation of grants accrued

	2020 £	2019 £
Opening liability obligation	4,179,228	3,555,557
Medical research grants awarded in year	293,551	1,549,513
Healthy Heart grants awarded in the year	-	107,025
Provisions no longer required by grantees	(120,792)	(63,795)
Paid during the year	(938,715)	(969,072)
<b>Closing liability obligation</b>	<b>3,413,272</b>	<b>4,179,228</b>

Split as £2,325,992 due within 1 year and £1,087,280 due after more than one year.

**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Statement of funds**

**Statement of funds - current year**

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
<b><i>Unrestricted funds</i></b>						
<b><i>Designated funds</i></b>						
HRUK Heart Academy	163,654	-	(144,600)	-	-	19,054
Translational Research Projects - Scotland	181,997	-	(59,976)	(89,713)	-	32,308
Future Grants fund	1,800,000	-	(194,887)	2,149,140	-	3,754,253
	<u>2,145,651</u>	<u>-</u>	<u>(399,463)</u>	<u>2,059,427</u>	<u>-</u>	<u>3,805,615</u>
<b><i>General funds</i></b>						
General Funds - all funds	3,158,661	2,629,103	(1,155,305)	(2,025,494)	279,169	2,886,134
<b><i>Total Unrestricted funds</i></b>	<u>5,304,312</u>	<u>2,629,103</u>	<u>(1,554,768)</u>	<u>33,933</u>	<u>279,169</u>	<u>6,691,749</u>
<b><i>Restricted funds</i></b>						
Subway®	125,434	26,426	6,798	-	-	158,658
Headsets - The WhitWham Family Trust	2,780	-	(1,990)	-	-	790
D S Smith Packaging Limited	2,851	-	-	-	-	2,851
Heart Checks in Yorkshire	-	3,000	-	-	-	3,000
Heart Camps	20,498	-	-	-	-	20,498
The Mick Grainger In-Memory Masterclass	17,011	3,280	-	-	-	20,291
In Memory	-	33,774	(540)	(32,912)	-	322

**HEART RESEARCH UK**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Statement of funds (continued)**

***Statement of funds - current year (continued)***

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Aortic Arch Masterclass	6,942	5,105	(5)	-	-	12,042
Research - Wave Intensity Analysis	-	100	-	(100)	-	-
Research - Scotland	-	35,855	(35,934)	79	-	-
Research - Detecting Heart Muscle Stiffening	-	1,000	-	-	-	1,000
Research - Prevent kidney damage in people undergoing angiography	-	1,000	-	(1,000)	-	-
Research - Investigate and diagnose diabetic vascular disease	-	2,750	(2,750)	-	-	-
June Wiseman Memorial Masterclass fund	-	2,044	-	-	-	2,044
Other	120	-	-	-	-	120
	<b>175,636</b>	<b>114,334</b>	<b>(34,421)</b>	<b>(33,933)</b>	<b>-</b>	<b>221,616</b>
<b>Total of funds</b>	<b>5,479,948</b>	<b>2,743,437</b>	<b>(1,589,189)</b>	<b>-</b>	<b>279,169</b>	<b>6,913,365</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
HRUK Heart Academy	323,468	-	(159,814)	-	-	163,654
Translational Research Projects - Scotland	300,882	-	(118,885)	-	-	181,997
Translation Research Projects - Ireland	468	-	(468)	-	-	-
Future Grants fund	-	-	-	1,800,000	-	1,800,000
	<u>624,818</u>	<u>-</u>	<u>(279,167)</u>	<u>1,800,000</u>	<u>-</u>	<u>2,145,651</u>
<b>General funds</b>						
General Funds	<u>4,524,724</u>	<u>2,507,313</u>	<u>(2,924,181)</u>	<u>(1,763,293)</u>	<u>814,098</u>	<u>3,158,661</u>
<b>Total Unrestricted funds</b>	<u>5,149,542</u>	<u>2,507,313</u>	<u>(3,203,348)</u>	<u>36,707</u>	<u>814,098</u>	<u>5,304,312</u>
<b>Restricted funds</b>						
Subway®	158,267	66,505	(101,190)	1,852	-	125,434
Headsets - The WhitWham Family Trust	5,760	-	(2,980)	-	-	2,780
D S Smith Packaging Limited	2,851	-	-	-	-	2,851
Heart Camps	20,498	-	-	-	-	20,498

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**20. Statement of funds (continued)**

***Statement of funds - prior year (continued)***

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
The Mick Grainger In-Memory Masterclass	16,970	41	-	-	-	17,011
GJW Turner Trust	2,000	-	(2,000)	-	-	-
Aortic Arch Masterclass	4,888	18,289	(16,235)	-	-	6,942
Sir Samuel Scott of Yews Trust	2,000	-	-	(2,000)	-	-
Sylvia Waddilive Foundation UK	1,500	-	-	(1,500)	-	-
David & Ruth Lewis Family Charitable Trust	9,331	-	-	(9,331)	-	-
Dr Brian Swanton	-	2,021	-	(2,021)	-	-
RESSCO - Scotland	-	10,000	(10,000)	-	-	-
Wave Intensity Analysis	-	23,000	-	(23,000)	-	-
Persimmon Homes - PA Toolkit	-	1,000	(1,000)	-	-	-
Other	120	711	(4)	(707)	-	120
	<u>224,185</u>	<u>121,567</u>	<u>(133,409)</u>	<u>(36,707)</u>	<u>-</u>	<u>175,636</u>
<b>Total of funds</b>	<u><u>5,373,727</u></u>	<u><u>2,628,880</u></u>	<u><u>(3,336,757)</u></u>	<u><u>-</u></u>	<u><u>814,098</u></u>	<u><u>5,479,948</u></u>

**Designated Funds**

Heart Academy - Set up, development and running costs for academic and clinical training, and education about the heart.

Translational Research Projects - To fund additional translation research in Ireland and Scotland.

Future Grants funds - The trustees have designated an additional £2.15m to underwrite all grants to be awarded in 2021. This ensures our grant awards are independent of our success in achieving our ongoing fundraising targets.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Restricted Funds**

Subway® - Fundraising income raised through Subway Franchise outlets for the benefit of heart health projects, applications for which are advertised and awarded under specific rules.

Headsets - Donations from various sources to buy virtual reality headsets.

DS Smith Packaging Limited - Funds provided for healthy heart talks in Schools.

Heart Checks in Yorkshire - from Sovereign Healthcare for Heart Checks.

Heart Camps - Donations to provide exercise Heart Camps for children with congenital heart disease in specific regions.

The Mick Grainger In-Memory Masterclass - donations to be spent on masterclasses.

In Memory - donations in memory of various loved ones to support our research into heart disease.

Aortic Arch Masterclass - Fundraising income through the Aortic Facebook Group.

Research - Wave Intensity Analysis - A project at Queen Elizabeth Hospital Birmingham to investigate using wave intensity analysis to benefit patients with advanced heart failure.

Research - Scotland - for medical research in Scotland.

Research - Detecting Heart Muscle Stiffening - for research detecting heart muscle stiffness.

Research - Prevent kidney damage in people undergoing angiography - funding from Sir Samuel Scott of Yews Trust for research to prevent kidney damage in people undergoing angiography.

Research - Investigate and diagnose diabetic vascular disease - funding from George A Moore Foundation & Oakdale Trust for research to investigate and diagnose diabetic vascular disease.

June Wiseman Memorial Masterclass fund - Donations received from June Wiseman's funeral. To be spent on masterclasses.

Carried forward balances at 31 December 2020 included in 'other restricted funds' includes No Limits Wales (£120).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Designated funds	2,145,651	-	(399,463)	2,059,427	-	3,805,615
General funds	3,158,661	2,629,103	(1,155,305)	(2,025,494)	279,169	2,886,134
Restricted funds	175,636	114,334	(34,421)	(33,933)	-	221,616
	<b>5,479,948</b>	<b>2,743,437</b>	<b>(1,589,189)</b>	<b>-</b>	<b>279,169</b>	<b>6,913,365</b>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds	624,818	-	(279,167)	1,800,000	-	2,145,651
General funds	4,524,724	2,507,313	(2,924,181)	(1,763,293)	814,098	3,158,661
Restricted funds	224,185	121,567	(133,409)	(36,707)	-	175,636
	<b>5,373,727</b>	<b>2,628,880</b>	<b>(3,336,757)</b>	<b>-</b>	<b>814,098</b>	<b>5,479,948</b>

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,163	-	4,163
Intangible fixed assets	50,000	-	50,000
Fixed asset investments	5,837,650	-	5,837,650
Current assets	4,322,024	221,616	4,543,640
Creditors due within one year	(2,398,808)	-	(2,398,808)
Creditors due in more than one year	(1,123,280)	-	(1,123,280)
<b>Total</b>	<b>6,691,749</b>	<b>221,616</b>	<b>6,913,365</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	8,432	-	8,432
Intangible fixed assets	50,000	-	50,000
Fixed asset investments	5,445,124	-	5,445,124
Current assets	4,055,372	175,636	4,231,008
Creditors due within one year	(2,799,271)	-	(2,799,271)
Creditors due in more than one year	(1,455,345)	-	(1,455,345)
<b>Total</b>	<b>5,304,312</b>	<b>175,636</b>	<b>5,479,948</b>

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	<b>1,433,417</b>	106,221
<b>Adjustments for:</b>		
Depreciation charges	<b>4,216</b>	8,555
Gains on investments	<b>(282,945)</b>	(803,158)
Dividends, interests and rents from investments	<b>(165,194)</b>	(199,016)
Loss on the sale of fixed assets	<b>53</b>	-
Decrease/(increase) in stocks	<b>660</b>	(8,008)
Increase in debtors	<b>(71,493)</b>	(780,106)
(Decrease)/increase in creditors	<b>(768,528)</b>	638,916
<b>Net cash (used in)/provided by operating activities</b>	<b>150,186</b>	(1,036,596)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

24. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	144,427	108,839
Notice deposits (less than 3 months)	1,671,397	1,341,077
<b>Total cash and cash equivalents</b>	<b>1,815,824</b>	<b>1,449,916</b>

25. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,449,916	365,908	1,815,824
Liquid investments	1,279,929	(160,109)	1,119,820
	<b>2,729,845</b>	<b>205,799</b>	<b>2,935,644</b>

26. Contingent assets and liabilities

At the year end the charity had been notified of 5 residual legacies (2019: 3) which could not be measured reliably, these have not been included in the financial statements.

At the year end, the charity has contingent liabilities totalling £232,003 (2019: £323,776) relating to conditional research grants. These grants are payable following successful progress reviews and the charity reserves the right to terminate the funding agreement at their discretion based on this review.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**27. Operating lease commitments**

At 31 December 2020 the group and the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
<b><i>Group and company</i></b>		
Within 1 year	<b>63,271</b>	58,106
Between 1 and 5 years	<b>64,252</b>	116,333
	<b>127,523</b>	174,439

The following lease payments have been recognised as an expense in the statement of financial activities:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Operating lease rentals	<b>62,410</b>	57,866

**28. Taxation**

Heart Research UK is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**29. Related party transactions**

Trustees are required to declare an interest in contracts with which they are connected. Several trustees use their expertise in areas affecting Heart Research UK but no trustee had any personal financial interest in contracts with the Charity during the year.

Medical trustees and members of the Medical Review Panels are not precluded from applying for grant funding for projects. Interests in projects are required to be disclosed and the relevant Trustees and panel members take no part in the decision process. Their projects are assessed using the same criteria as that which applies to all potential grantees.

**30. Capital**

Heart Research UK is a charitable company, limited by guarantee and has no share capital. The members have agreed to contribute £1 each to the Charity's assets in the event of it winding up, if its assets should prove insufficient to covers its liabilities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

31. Grants awarded 2020

£

**Medical Research and Trustee Discretionary Grants**

**Belfast**

Queen's University Belfast

Dr Denise McDonald

Overwriting blood vessel identity to prevent graft failure

Extra 3 months funding due to COVID-19 delays

16,754

Ulster University

Prof Omar Escalona

Minimal tissue heating effects technology for wireless energy supply to implanted ventricular assist devices in the treatment of heart failure

Extra funding due to COVID-19 delays

900

**Exeter**

University of Exeter

Prof Craig Williams

An evaluation of physical activity and exercise promotion pathway for young patients with congenital heart disease

101,994

**Glasgow**

University of Glasgow

Dr Tom Van Agtmael

The cardiac basement membrane: an important determinant in cardiac function and disease

Extra 6 months funding due to COVID-19 delays

8,000

University of Strathclyde

Dr Susan Currie

Investigating the translational application of calcium/calmodulin dependent protein kinase II as a biomarker for cobalt cardiotoxicity

release of year 2 funding

81,247

University of Strathclyde

Prof Robin Plevin

Preventing the damaging effects of cancer chemotherapy and radiation treatment on human endothelial cells -targeting the JNK pathway

Extra 5 months funding due to COVID-19 delays

6,666

**Leeds**

University of Leeds

Dr Andrew Smith

Detecting hidden biomarkers to investigate and diagnose diabetic vascular pathology

Release of year 2 funding

53,646

Extra funding for year 1 due to COVID-19 delays

514

Leeds Teaching Hospital NHS Trust

CHSF (Children's Heart Surgery Fund)

Awarded to the CHSF towards the purchase of a baby MRI incubator

20,000

**Liverpool**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

Liverpool Aortic Surgery Symposium	
Prof Mark Field	
To support keynote presentation the 'Heart Research UK Bob Bonser Memorial Lecture' at the Liverpool Aortic Surgery Symposium 9th biennial meeting	2,500
<b>Sheffield</b>	
Sheffield Hallam University	
Dr Markos Klonizakis	
Impact on cardiovascular function in Smokers Making a quit attempt using E-cigarettes compared with smokers making a quit attempt with prescription Nicotine-Replacement Therapy (ISME-NRT)	1,330
Extra funding due to COVID-19 delays	
<b>Grants awarded 2020</b>	<b>293,551</b>
Grants written back	(112,349)
<b>Total medical grants 2020</b>	<b>181,202</b>
	£
<b>Grants awarded 2020 HRUK &amp; Subway® Healthy Hearts Grants</b>	
<b>Grants awarded 2020</b>	-
Grants written back	(8,443)
<b>Total Subway® grants 2020</b>	<b>(8,443)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**32. Principal subsidiaries**

The following was a subsidiary undertaking of the charity:

<b>Subsidiary name</b>	<b>Company number</b>	<b>Basis of control</b>	<b>Equity shareholding</b>
HRUK Helping Hearts Limited	01562684	Direct	100%

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) for the year £</b>	<b>Net liabilities £</b>
HRUK Helping Hearts Limited	<b>2,551</b>	<b>(6,898)</b>	<b>(4,347)</b>	<b>(15,711)</b>












# Heart Research UK 2020 accounts

Final Audit Report

2021-06-15

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