

THE HEART RESEARCH INSTITUTE (UK)

England & Wales · Charity number 1116918

Details

Status Registered

Legal form Charitable company

Company number [05935975](#)

Registered 2006-11-21

Register [View on the Charity Commission register](#)

Contact

Address Bankside 300
Peachman Way
Boradland Business Park
Norwich
Norfolk
NR7 0LB

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Email hana.krskova@hri.org.au

Website www.hriuk.org

Activities

Objects: 3.1 FOR THE BENEFIT OF THE PUBLIC, TO FURTHER KNOWLEDGE IN THE FIELD OF MEDICINE (AND IN PARTICULAR HUMAN MEDICINE) BY SEEKING TO DISCOVER THE MAJOR ORIGINS OF DISEASE, ESPECIALLY CARDIOVASCULAR DISEASE;3.2 TO PROMOTE MEDICAL RESEARCH TO IMPROVE METHODS OF PREVENTING, DIAGNOSING AND TREATING DISEASE IN HUMAN BEINGS; AND3.3 TO ADVANCE THE EDUCATION OF THE PUBLIC IN THE FIELD OF MEDICINE (AND IN PARTICULAR CARDIOVASCULAR MEDICINE), INCLUDING (BUT NOT LIMITED TO) THE DISSEMINATION OF USEFUL INFORMATION CONCERNING THE WORK OF THE INSTITUTE.

Activities: The Charity raises donations to sponsor scientific research into the causes, prevention and cure of cardio-vascular and heart disease, the number one killer throughout the world. Charitable donations are used to further support and expand the level of innovative medical research that would not otherwise be funded by Government grants and other sources.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** WORLDWIDE
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£834,207	£423,664	£3,479,478	0
2023-12-31	£0	£0	-	-
2022-12-31	£797,934	£678,831	£3,075,311	0
2021-12-31	£832,430	£528,767	£2,955,882	0
2020-12-31	£951,472	£472,449	£2,652,219	0

Trustees

Name	Role	Appointed
ANTONY WILLIAM POLLITT	Chair	
Adrian Phillips		2018-03-19
ELENA LOUISE PINTADO		2011-10-18
Stephen Bruce Moodey		2014-07-09

THE HEART RESEARCH INSTITUTE (UK)

England & Wales - Charity number 1116918

Accounts

Charity registration number 1116918

Company registration number 05935975 (England and Wales)

Scottish charity registration number SC042984

**THE HEART RESEARCH INSTITUTE (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

THE HEART RESEARCH INSTITUTE (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A C Caton OBE Mr S B Moodey Mr A Phillips Ms E L Pintado Mr A W Pollitt Prof Andrew Grace Prof Andrew Coats
Charity number	1116918
Charity number (Scotland)	SC042984
Company number	05935975
Registered office	Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ
Bankers	Santander UK PLC 2 Triton Square Regent's Place London United Kingdom Bank of Ireland 12 The High Street Kildare Town CO. Kildare

THE HEART RESEARCH INSTITUTE (UK)

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THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with The Heart Research Institute (UK)'s Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the leading cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objective for the year ended 31 December 2024 where to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangement with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions. The trustees have given due consideration of the Charity Commission published guidance on the operation of the public benefit requirement.

Achievements and performance

Funds raised by the HRI in the UK go directly to scientific research helping to find solutions to this global health challenge. Funds are used to support the front line researchers and to purchase the latest research equipment.

Financial review

The net incoming resources for the year ended 31 December 2024 amounted to £410,543 (2023: (£6,376)). The Trustees are confident of the future success of projects activities for 2024 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

Significant events

The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is operating successfully in the current economic climate. Trustees have reviewed the financial position for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for the period. Therefore, the Trustees believe that the Heart Research Institute (UK) to continue going concern for at least 12 months from the date of approval of the financial statements.

Other than the above development, no other item, transaction or event of a material and unusual nature is likely, in the opinion of the Trustees, to affect significantly the operations of the Charity, the results of those operations, or the state of affairs of the Charity, in the future years.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal financial management policies

The principal financial management policies adopted in the year include the following:

Revenue recognition

Revenue derived from fundraising efforts is recognised when probable.

Provisions

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

Reserves

The charity maintains reserves to cover running costs of the charity and to enable it to fund research opportunities that fall within the charity's objectives as they arise. The actual funds available can vary significantly depending on the timing of research, but trustees conclude that the actual level of funds should not fall below 12 months running costs. Where trustees have internally agreed to fund specific cardiovascular research in the UK or with collaborators, those funds are set aside as designated funds until the detail of the funding is agreed with the partner. The actual level of reserves at the year-end is higher than that set by the policy and the trustees are actively reviewing further funding opportunities.

Grantmaking policy

The charity awards grants to be used in accordance with its charitable objectives.

Principal funding sources

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

Investment powers and policy

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objectives in or upon any investments, securities or property.

Risk management

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can be also implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

Plans for future periods

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A C Caton OBE

Mr S B Moodey

Mr A Phillips

Ms E L Pintado

Mr A W Pollitt

Prof Andrew Grace

Prof Andrew Coats

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity shall have at least three Trustees who are not trustees/and/or employees of The Heart Research Institute Limited.

Organisation

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Service Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a Director of the Institute who, in turn, is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

Trustee induction and training

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfil their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustees ensures knowledge and information currency.

Related parties

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined above) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support heart research and educate the public.

The Heart Research Institute has a presence in Scotland. Our scientists are working across a number of research areas to identify factors that contribute to an increase risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

THE HEART RESEARCH INSTITUTE (UK)

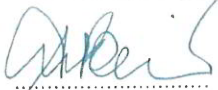
TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The Trustees report was approved by the Board of Trustees.



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Mr A W Pollitt

Date: 19 MARCH 2025

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK) and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the The Heart Research Institute (UK) will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the The Heart Research Institute (UK) 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 The Heart Research Institute (UK) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Opinion

We have audited the financial statements of The Heart Research Institute (UK) (the 'The Heart Research Institute (UK)') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the The Heart Research Institute (UK)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK)'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

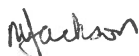
THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Use of our report

This report is made solely to the charity'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 charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

19.3.2015

Chartered Accountants
Statutory Auditor

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

Azets Audit Services is eligible for appointment as auditor of the The Heart Research Institute (UK) by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds general 2024 £	Unrestricted funds designated 2024 £	Total 2024 £	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	421,688	-	421,688	441,958	-	441,958
Other trading activities	4	248,413	-	248,413	257,635	-	257,635
Investments	5	164,106	-	164,106	165,516	-	165,516
Total income		834,207	-	834,207	865,109	-	865,109
Expenditure on:							
Raising funds	6	153,020	-	153,020	273,638	-	273,638
Charitable activities	7	171,849	98,795	270,644	437,049	160,798	597,847
Total expenditure		324,869	98,795	423,664	710,687	160,798	871,485
Net incoming/(outgoing) resources before transfers		509,338	(98,795)	410,543	154,422	(160,798)	(6,376)
Gross transfers between funds		(76,296)	76,296	-	132,992	(132,992)	-
Net income/(expenditure) for the year/ Net movement in funds		433,042	(22,499)	410,543	287,414	(293,790)	(6,376)
Fund balances at 1 January 2024		2,754,929	314,006	3,068,935	2,467,516	607,795	3,075,311
Fund balances at 31 December 2024		3,187,971	291,507	3,479,478	2,754,930	314,005	3,068,935

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	11	23,828		28,445	
Cash at bank and in hand		3,695,436		3,424,056	
		<u>3,719,264</u>		<u>3,452,501</u>	
Creditors: amounts falling due within one year	12	<u>(239,786)</u>		<u>(383,566)</u>	
Net current assets			<u>3,479,478</u>		<u>3,068,935</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	13	291,507		314,005	
General unrestricted funds		<u>3,187,971</u>		<u>2,754,930</u>	
			<u>3,479,478</u>		<u>3,068,935</u>
			<u>3,479,478</u>		<u>3,068,935</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 19 MARCH 2025



Mr A W Pollitt

Trustee

Company registration number 05935975

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	16		107,274		(218,083)
Investing activities					
Investment income received		164,106		165,516	
Net cash generated from investing activities			164,106		165,516
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			271,380		(52,567)
Cash and cash equivalents at beginning of year			3,424,056		3,476,623
Cash and cash equivalents at end of year			<u>3,695,436</u>		<u>3,424,056</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

The Heart Research Institute (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the The Heart Research Institute (UK)'s articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The The Heart Research Institute (UK) is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the The Heart Research Institute (UK). Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its business risks successfully in the current economic climate. Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and committed costs beyond its fixed costs of operation.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the The Heart Research Institute (UK) is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Voluntary income

Donations are generated through the pledge program activity are included within incoming resources when probable.

Other income

Other income, including interest income, are included within incoming resources when probable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Costs of generating voluntary income include expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

Grants payable are included within the statement of financial activities when approved by the trustees and agreed with the recipient unless there are restrictions of future funding that allow the charity to withdraw the funding at their discretion.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with the constitutional and statutory requirements.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Heart Research Institute (UK) has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the The Heart Research Institute (UK)'s balance sheet when the The Heart Research Institute (UK) becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when The Heart Research Institute (UK)'s contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of The Heart Research Institute (UK)'s accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Donations and gifts	421,688	441,958
Donations and gifts		
General donations	50,804	40,519
Pledge program donations	370,884	401,439
	421,688	441,958

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

4 Other trading activities

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Lottery activities	248,413	257,635

5 Investments

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Interest receivable	164,106	165,516

6 Raising funds

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	19,982	22,011
Other fundraising costs	133,038	251,627
	<u>153,020</u>	<u>273,638</u>
Fundraising and publicity	153,020	273,638

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Charitable activities

	2024 £	2023 £
Awareness costs	17,223	13,347
Research costs	230,581	548,472
	<u>247,804</u>	<u>561,819</u>
Share of governance costs (see note 8)	22,840	36,028
	<u>270,644</u>	<u>597,847</u>
Analysis by fund		
Unrestricted funds - general	171,849	437,049
Unrestricted funds - designated	98,795	160,798
	<u>270,644</u>	<u>597,847</u>

Included within the research costs noted above is £214,644 (2023: £491,103) of contributions by the charity to the parent company for research and scientific expenditure. Of this amount, £nil (2023: £330,305) relates to the establishment of a fluxomics centre at HRI Australia out of unrestricted funds.

8 Support and governance costs

	2024 Governance costs £	2023 Governance costs £
Auditor fees	19,000	18,900
Legal and professional	3,840	17,128
	<u>22,840</u>	<u>36,028</u>
Charitable activities	<u>22,840</u>	<u>36,028</u>

Governance costs includes payments to the auditors of £16,500 (2023- £15,600) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the The Heart Research Institute (UK) during the year.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

11 Debtors		2024	2023
Amounts falling due within one year:		£	£
Other debtors		16,142	17,481
Prepayments and accrued income		7,686	10,964
		<u>23,828</u>	<u>28,445</u>

12 Creditors: amounts falling due within one year		2024	2023
Notes		£	£
	Accrued grant expenditure	136,399	247,163
	Trade creditors	50,601	91,164
	Amount owed to parent undertaking	33,765	26,022
	Accruals and deferred income	19,021	19,217
		<u>239,786</u>	<u>383,566</u>

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2023	Resources expended	Transfers	Balance at 1 January 2024	Resources expended	Transfers	Balance at 31 December 2024
	£	£	£	£	£	£	£
Collaborator contracts	79,529	-	(79,529)	-	-	-	-
Funding committed for parent company	528,266	(160,798)	(53,463)	314,005	(98,794)	76,296	291,507
	<u>607,795</u>	<u>(160,798)</u>	<u>(132,992)</u>	<u>314,005</u>	<u>(98,794)</u>	<u>76,296</u>	<u>291,507</u>

The designated funds represent grants that have been set aside by the Board for internal programmes not finalised at the year end.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Analysis of net assets between funds

	Unrestricted funds 2024 £	Designated funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Designated funds 2023 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:						
Current assets/(liabilities)	3,187,971	291,507	3,479,478	2,754,930	314,005	3,068,935
	<u>3,187,971</u>	<u>291,507</u>	<u>3,479,478</u>	<u>2,754,930</u>	<u>314,005</u>	<u>3,068,935</u>

15 Related party transactions

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2024 £	2023 £
Balance due to The Heart Research Limited, the ultimate parent company.	33,765	26,022
	<u>33,765</u>	<u>26,022</u>

16 Cash generated from operations

	2024 £	2023 £
Surplus/(deficit) for the year	410,543	(6,376)
Adjustments for:		
Investment income recognised in statement of financial activities	(164,106)	(165,516)
Movements in working capital:		
Decrease in debtors	4,617	36,070
(Decrease) in creditors	(33,016)	(329,424)
(Decrease)/increase in deferred income	(110,764)	247,163
Cash generated from/(absorbed by) operations	<u>107,274</u>	<u>(218,083)</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

17 Ultimate parent company

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street
Newtown
NSW 2042
Australia

18 Controlling interest

The company is ultimately controlled by The Heart Research Institute Ltd both this year and the previous year.

THE HEART RESEARCH INSTITUTE (UK)

England & Wales - Charity number 1116918

Accounts

Charity registration number 1116918

Company registration number 05935975 (England and Wales)

Scottish charity registration number SC042984

THE HEART RESEARCH INSTITUTE (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE HEART RESEARCH INSTITUTE (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A C Caton OBE Mr S B Moodey Mr A Phillips Ms E L Pintado Mr A W Pollitt Prof Andrew Grace Prof Andrew Coats	(Appointed 24 July 2023) (Appointed 3 April 2023)
Secretary	Ms S Callaghan	
Charity number	1116918	
Charity number (Scotland)	SC042984	
Company number	05935975	
Registered office	Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB	
Auditor	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	
Bankers	Santander UK PLC 2 Triton Square Regent's Place London United Kingdom	
	Bank of Ireland 12 The High Street Kildare Town CO. Kildare	

THE HEART RESEARCH INSTITUTE (UK)

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THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with The Heart Research Institute (UK)'s Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the major cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objective for the year ended 31 December 2023 where to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangement with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions. The trustees have given due consideration of the Charity Commission published guidance on the operation of the public benefit requirement.

Achievements and performance

Funds raised by the HRI in the UK go directly to scientific research helping to find solutions to this global health challenge. Funds are used to support the front line researchers and to purchase the latest research equipment.

Financial review

The net incoming resources for the year ended 31 December 2023 amounted to (£6,376) (2022: £119,429). The Trustees are confident of the future success of projects activities for 2023 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

Significant events

The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is operating successfully in the current economic climate. Trustees have reviewed the financial position for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for the period. Therefore, the Trustees believe that the Heart Research Institute (UK) to continue going concern for at least 12 months from the date of approval of the financial statements.

Other than the above development, no other item, transaction or event of a material and unusual nature is likely, in the opinion of the Trustees, to affect significantly the operations of the Charity, the results of those operations, or the state of affairs of the Charity, in the future years.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal financial management policies

The principal financial management policies adopted in the year include the following:

Revenue recognition

Revenue derived from fundraising efforts is recognised when probable.

Provisions

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

Reserves

The charity maintains reserves to cover running costs of the charity and to enable it to fund research opportunities that fall within the charity's objectives as they arise. The actual funds available can vary significantly depending on the timing of research, but trustees conclude that the actual level of funds should not fall below 12 months running costs. Where trustees have internally agreed to fund specific cardiovascular research in the UK or with collaborators, those funds are set aside as designated funds until the detail of the funding is agreed with the partner. The actual level of reserves at the year end is higher than that set by the policy and the trustees are actively reviewing further funding opportunities.

Grantmaking policy

The charity awards grants to be used in accordance with its charitable objectives.

Principal funding sources

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

Investment powers and policy

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objectives in or upon any investments, securities or property.

Risk management

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can be also implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

Plans for future periods

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A C Caton OBE

Mr S B Moodey

Mr A Phillips

Ms E L Pintado

Mr A W Pollitt

Prof Andrew Grace

(Appointed 24 July 2023)

Prof Andrew Coats

(Appointed 3 April 2023)

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity shall have at least three trustees. The charity shall have at least three Trustees who are not trustees/and/or employees of The Heart Research Institute Limited.

Organisation

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Service Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a Director of the Institute who, in turn, is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

Trustee induction and training

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfil their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustees ensures knowledge and information currency.

Related parties

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined above) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support hear research and educate the public.

The Heart Research Institute has a presence in Scotland. Our scientists are working across a number of research areas to identify factors that contribute to an increase risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The Trustees report was approved by the Board of Trustees.



Mr A W Pollitt

Date: 20 MARCH 2024

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK) and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the The Heart Research Institute (UK) will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the The Heart Research Institute (UK) 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 The Heart Research Institute (UK) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Opinion

We have audited the financial statements of The Heart Research Institute (UK) (the 'The Heart Research Institute (UK)') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the The Heart Research Institute (UK)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK)'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

~~20.3.2024~~

**Chartered Accountants
Statutory Auditor**

Westpoint
Lynch Wood
Peterborough
Cambridgeshire
United Kingdom
PE2 6FZ

Azets Audit Services is eligible for appointment as auditor of the The Heart Research Institute (UK) by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	441,958	-	441,958	475,043	-	475,043
Other trading activities	4	257,635	-	257,635	290,936	-	290,936
Investments	5	165,516	-	165,516	31,955	-	31,955
Total income		865,109	-	865,109	797,934	-	797,934
Expenditure on:							
Raising funds	6	273,638	-	273,638	147,965	-	147,965
Charitable activities	7	437,049	160,798	597,847	530,866	-	530,866
Total expenditure		710,687	160,798	871,485	678,831	-	678,831
Net incoming resources before transfers		154,422	(160,798)	(6,376)	119,103	-	119,103
Gross transfers between funds		132,992	(132,992)	-	(607,795)	607,795	-
Net income for the year/ Net incoming resources		287,414	(293,790)	(6,376)	(488,692)	607,795	119,103
Other recognised gains and losses							
Other gains or losses	10	-	-	-	326	-	326
Net movement in funds		287,414	(293,790)	(6,376)	(488,366)	607,795	119,429
Fund balances at 1 January 2023		2,467,516	607,795	3,075,311	2,955,882	-	2,955,882
Fund balances at 31 December 2023		2,754,930	314,005	3,068,935	2,467,516	607,795	3,075,311

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	11	28,445		64,515	
Cash at bank and in hand		3,424,056		3,476,623	
		<u>3,452,501</u>		<u>3,541,138</u>	
Creditors: amounts falling due within one year	12	<u>(383,566)</u>		<u>(465,827)</u>	
Net current assets		<u>3,068,935</u>		<u>3,075,311</u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	13	314,005		607,795	
General unrestricted funds		<u>2,754,930</u>		<u>2,467,516</u>	
		<u>3,068,935</u>		<u>3,075,311</u>	
		<u>3,068,935</u>		<u>3,075,311</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 20 MARCH 2024



Mr A W Pollitt
Trustee

Company registration number 05935975

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	16		(218,083)		494,702
Investing activities					
Investment income received		165,516		31,955	
Net cash generated from investing activities			165,516		31,955
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(52,567)		526,657
Cash and cash equivalents at beginning of year			3,476,623		2,949,966
Cash and cash equivalents at end of year			<u>3,424,056</u>		<u>3,476,623</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Heart Research Institute (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the The Heart Research Institute (UK)'s articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The The Heart Research Institute (UK) is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the The Heart Research Institute (UK). Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its business risks successfully in the current economic climate. Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and committed costs beyond its fixed costs of operation.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the The Heart Research Institute (UK) is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Voluntary income

Donations are generated through the pledge program activity are included within incoming resources when probable.

Other income

Other income, including interest income, are included within incoming resources when probable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Costs of generating voluntary income include expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

Grants payable are included within the statement of financial activities when approved by the trustees and agreed with the recipient unless there are restrictions of future funding that allow the charity to withdraw the funding at their discretion.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with the constitutional and statutory requirements.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Heart Research Institute (UK) has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the The Heart Research Institute (UK)'s balance sheet when the The Heart Research Institute (UK) becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when The Heart Research Institute (UK)'s contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of The Heart Research Institute (UK)'s accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Donations and gifts	441,958	475,043
Donations and gifts		
General donations	40,519	7,055
Pledge program donations	401,439	467,988
	<u>441,958</u>	<u>475,043</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Lottery activities	257,635	290,936

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	165,516	31,955

6 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	22,011	23,024
Other fundraising costs	251,627	124,941
	<u>273,638</u>	<u>147,965</u>
Fundraising and publicity	273,638	147,965

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	2023 £	2022 £
Awareness costs	13,347	23,515
Research costs	548,472	479,434
	<u>561,819</u>	<u>502,949</u>
Share of governance costs (see note 8)	36,028	27,917
	<u>597,847</u>	<u>530,866</u>
Analysis by fund		
Unrestricted funds - general	437,049	530,866
Unrestricted funds - designated	160,798	-
	<u>597,847</u>	<u>530,866</u>

Included within the research costs noted above is £491,103 (2022: £80,418) of contributions by the charity to the parent company for research and scientific expenditure. Of this amount, £330,305 relates to the establishment of a fluxomics centre at HRI Australia out of unrestricted funds and the remaining £160,798 was contributions out of designated funds. The research costs will assist with research based activities in the UK.

8 Support and governance costs

	2023 Governance costs £	2022 Governance costs £
Auditor fees	18,900	18,900
Legal and professional	17,128	9,017
	<u>36,028</u>	<u>27,917</u>
Charitable activities	<u>36,028</u>	<u>27,917</u>

Governance costs includes payments to the auditors of £15,600 (2022- £15,600) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the The Heart Research Institute (UK) during the year.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Other gains or losses

Unrestricted
funds
general
2022
£

Foreign exchange gains

(326)

11 Debtors

Amounts falling due within one year:

2023
£

2022
£

Other debtors

17,481

54,866

Prepayments and accrued income

10,964

9,649

28,445

64,515

12 Creditors: amounts falling due within one year

2023
£

2022
£

Trade creditors

91,164

4,143

Amount owed to parent undertaking

26,022

94,269

Accruals and deferred income

266,380

367,415

383,566

465,827

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022	Transfers	Balance at 1 January 2023	Resources expended	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£
Collaborator contracts	-	79,529	79,529	-	(79,529)	-
Funding committed for parent company	-	528,266	528,266	(160,798)	(53,463)	314,005
	-	607,795	607,795	(160,798)	(132,992)	314,005

The designated funds represent grants that have been set aside by the Board for internal programmes not finalised at the year end.

14 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Current assets/(liabilities)	2,754,930	314,005	3,068,935	2,467,516	607,795	3,075,311
	2,754,930	314,005	3,068,935	2,467,516	607,795	3,075,311

15 Related party transactions

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2023 £	2022 £
Balance due to The Heart Research Limited, the ultimate parent company.	26,022	94,269
	26,022	94,269

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Cash generated from operations	2023	2022
	£	£
(Deficit)/surplus for the year	(6,376)	119,103
Adjustments for:		
Investment income recognised in statement of financial activities	(165,516)	(31,955)
Foreign exchange differences	-	326
Movements in working capital:		
Decrease/(increase) in debtors	36,070	(24,945)
(Decrease)/increase in creditors	(82,261)	432,173
Cash (absorbed by)/generated from operations	(218,083)	494,702

17 Ultimate parent company

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street
Newtown
NSW 2042
Australia

18 Controlling interest

The company is ultimately controlled by The Heart Research Institute Ltd both this year and the previous year.

THE HEART RESEARCH INSTITUTE (UK)

England & Wales - Charity number 1116918

Accounts

Charity registration number 1116918

Company registration number 05935975 (England and Wales)

Scottish charity registration number SC042984

THE HEART RESEARCH INSTITUTE (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE HEART RESEARCH INSTITUTE (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A C Caton OBE Mr S B Moodey Mr A Phillips Ms E L Pintado Mr A W Pollitt
Secretary	Dr H Krskova
Charity number	1116918
Charity number (Scotland)	SC042984
Company number	05935975
Registered office	Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 0LB
Auditor	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP
Bankers	Santander UK PLC 2 Triton Square Regent's Place London United Kingdom Bank of Ireland 12 The High Street Kildare Town CO. Kildare

THE HEART RESEARCH INSTITUTE (UK)

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THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with The Heart Research Institute (UK)'s Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the major cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objective for the year ended 31 December 2022 where to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangement with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions. The trustees have given due consideration of the Charity Commission published guidance on the operation of the public benefit requirement.

Achievements and performance

Funds raised by the HRI in the UK go directly to scientific research helping to find solutions to this global health challenge. Funds are used to support the front line researchers and to purchase the latest research equipment.

Financial review

The net incoming resources for the year ended 31 December 2022 amounted to £119,429 (2021: £303,663). The Trustees are confident of the future success of projects activities for 2022 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

Significant events

The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is operating successfully in the current economic climate. Trustees have reviewed the financial position for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for the period. Therefore, the Trustees believe that the Heart Research Institute (UK) to continue going concern for at least 12 months from the date of approval of the financial statements.

Other than the above development, no other item, transaction or event of a material and unusual nature is likely, in the opinion of the Trustees, to affect significantly the operations of the Charity, the results of those operations, or the state of affairs of the Charity, in the future years.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal financial management policies

The principal financial management policies adopted in the year include the following:

Revenue recognition

Revenue derived from fundraising efforts is recognised when probable

Provisions

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

Reserves

The charity maintains reserves to cover running costs of the charity and to enable it to fund research opportunities that fall within the charity's objectives as they arise. The actual funds available can vary significantly depending on the timing of research, but trustees conclude that the actual level of funds should not fall below 12 months running costs. Where trustees have internally agreed to fund specific cardiovascular research in the UK or with collaborators, those funds are set aside as designated funds until the detail of the funding is agreed with the partner. The actual level of reserves at the year end is higher than that set by the policy and the trustees are actively reviewing further funding opportunities.

Grantmaking policy

The charity awards grants to be used in accordance with its charitable objectives.

Principal funding sources

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

Investment powers and policy

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objectives in or upon any investments, securities or property.

Risk management

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can be also implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

Plans for future periods

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr A C Caton OBE

Mr S B Moodey

Mr A Phillips

Ms E L Pintado

Mr A W Pollitt

Mr J Batistich

(Resigned 22 March 2022)

Dr Stephen Hollings

(Resigned 14 July 2022)

Ms K Cunningham

(Resigned 9 November 2022)

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity shall have at least three trustees. The charity shall have at least three Trustees who are not trustees/and/or employees of The Heart Research Institute Limited.

Organisation

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Service Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a Director of the Institute who, in turn, is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

Trustee induction and training

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfil their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustees ensures knowledge and information currency.

Related parties

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined above) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support heart research and educate the public.

The Heart Research Institute has a presence in Scotland. Our scientists are working across a number of research areas to identify factors that contribute to an increase risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

THE HEART RESEARCH INSTITUTE (UK)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The Trustees report was approved by the Board of Trustees.



Mr A W Pollitt

27 March 2023

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK) and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the The Heart Research Institute (UK) will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the The Heart Research Institute (UK) 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 The Heart Research Institute (UK) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Opinion

We have audited the financial statements of The Heart Research Institute (UK) (the 'The Heart Research Institute (UK)') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the The Heart Research Institute (UK)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the The Heart Research Institute (UK) for the purpose 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 The Heart Research Institute (UK)'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE HEART RESEARCH INSTITUTE (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE HEART RESEARCH INSTITUTE (UK)

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

28 March 2023

Chartered Accountants
Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
United Kingdom
PE1 2SP

Azets Audit Services is eligible for appointment as auditor of the The Heart Research Institute (UK) by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Total 2022 £	Unrestricted funds general 2021 £
<u>Income from:</u>					
Donations and legacies	3	475,043	-	475,043	499,811
Other trading activities	4	290,936	-	290,936	330,017
Investments	5	31,955	-	31,955	2,602
Total income		797,934	-	797,934	832,430
<u>Expenditure on:</u>					
Raising funds	6	147,965	-	147,965	156,974
Charitable activities	7	530,866	-	530,866	371,793
Total expenditure		678,831	-	678,831	528,767
Net incoming resources before transfers		119,103	-	119,103	303,663
Gross transfers between funds		(607,795)	607,795	-	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(488,692)	607,795	119,103	303,663
<u>Other recognised gains and losses</u>					
Other gains or losses	10	326	-	326	-
Net movement in funds		(488,366)	607,795	119,429	303,663
Fund balances at 1 January 2022		2,955,882	-	2,955,882	2,652,219
Fund balances at 31 December 2022		2,467,516	607,795	3,075,311	2,955,882

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE HEART RESEARCH INSTITUTE (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	64,515		39,570	
Cash at bank and in hand		3,476,623		2,949,966	
		<u>3,541,138</u>		<u>2,989,536</u>	
Creditors: amounts falling due within one year	12	<u>(465,827)</u>		<u>(33,654)</u>	
Net current assets			<u>3,075,311</u>		<u>2,955,882</u>
Income funds					
<u>Unrestricted funds - general</u>					
Designated funds	13	607,795		-	
General unrestricted funds		<u>2,467,516</u>		<u>2,955,882</u>	
			<u>3,075,311</u>		<u>2,955,882</u>
			<u>3,075,311</u>		<u>2,955,882</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 March 2023



Mr A W Pollitt
Trustee

Company registration number 05935975

THE HEART RESEARCH INSTITUTE (UK)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	16		494,702		345,838
Investing activities					
Investment income received		31,955		2,602	
Net cash generated from investing activities			31,955		2,602
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			526,657		348,440
Cash and cash equivalents at beginning of year			2,949,966		2,601,526
Cash and cash equivalents at end of year			<u>3,476,623</u>		<u>2,949,966</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Heart Research Institute (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Bankside 300, Peachman Way, Broadland Business Park, Norwich, Norfolk, NR7 0LB, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the The Heart Research Institute (UK)'s articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The The Heart Research Institute (UK) is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the The Heart Research Institute (UK). Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its business risks successfully in the current economic climate. Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and committed costs beyond its fixed costs of operation.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the The Heart Research Institute (UK) is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Voluntary income

Donations are generated through the pledge program activity are included within incoming resources when probable.

Other income

Other income, including interest income, are included within incoming resources when probable.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Costs of generating voluntary income include expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

Grants payable are included within the statement of financial activities when approved by the trustees and agreed with the recipient unless there are restrictions of future funding that allow the charity to withdraw the funding at their discretion.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with the constitutional and statutory requirements.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Heart Research Institute (UK) has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the The Heart Research Institute (UK)'s balance sheet when the The Heart Research Institute (UK) becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when The Heart Research Institute (UK)'s contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of The Heart Research Institute (UK)'s accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Donations and gifts	475,043	499,811
	<u> </u>	<u> </u>
Donations and gifts		
General donations	7,055	1,476
Pledge program donations	467,988	498,335
	<u> </u>	<u> </u>
	<u>475,043</u>	<u>499,811</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other trading activities

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Lottery activities	290,936	330,017

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Interest receivable	31,955	2,602

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	23,024	22,784
Other fundraising costs	124,941	134,190
	<u>147,965</u>	<u>156,974</u>
Fundraising and publicity	147,965	156,974
	<u>147,965</u>	<u>156,974</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	2022 £	2021 £
Awareness costs	23,515	13,137
Research costs	479,434	330,000
	<u>502,949</u>	<u>343,137</u>
Share of governance costs (see note 8)	27,917	28,656
	<u>530,866</u>	<u>371,793</u>

During the year the charity contributed £Nil (2021: £330,000) to the parent company for research and scientific expenditure. The research costs were for research based activities in the UK.

8 Support costs

	Governance costs £	2022 £	Governance costs £	2021 £
Audit fees	21,877	21,877	23,682	23,682
Legal and professional	6,040	6,040	4,974	4,974
	<u>27,917</u>	<u>27,917</u>	<u>28,656</u>	<u>28,656</u>
Charitable activities	<u>27,917</u>	<u>27,917</u>	<u>28,656</u>	<u>28,656</u>

Governance costs includes payments to the auditors of £19,665 (2021- £19,000) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the The Heart Research Institute (UK) during the year.

10 Other gains or losses

	Unrestricted funds general 2022 £	Total 2021 £
Foreign exchange gains	<u>(326)</u>	<u>-</u>

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Debtors	2022	2021
Amounts falling due within one year:	£	£
Other debtors	54,866	37,100
Prepayments and accrued income	9,649	2,470
	<u>64,515</u>	<u>39,570</u>

12 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	4,143	8,463
Amount owed to parent undertaking	94,269	6,161
Accruals and deferred income	367,415	19,030
	<u>465,827</u>	<u>33,654</u>

13 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£
Collaborator contracts	-	79,529	79,529
Funding committed for parent company	-	528,266	528,266
	<u>-</u>	<u>607,795</u>	<u>607,795</u>

The designated funds represent grants that have been set aside by the Board but not fully committed or contracts finalised with the recipient at the year end.

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Designated funds 2022 £	Total 2022 £	Unrestricted funds 2021 £
Fund balances at 31 December 2022 are represented by:				
Current assets/(liabilities)	2,467,516	607,795	3,075,311	2,955,882
	<u>2,467,516</u>	<u>607,795</u>	<u>3,075,311</u>	<u>2,955,882</u>

15 Related party transactions

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2022 £	2021 £
Balance due to The Heart Research Limited, the ultimate parent company.	94,269	6,161
	<u>94,269</u>	<u>6,161</u>

16 Cash generated from operations

	2022 £	2021 £
Surplus for the year	119,103	303,663
Adjustments for:		
Investment income recognised in statement of financial activities	(31,955)	(2,602)
Foreign exchange differences	326	-
Movements in working capital:		
(Increase) in debtors	(24,945)	(39,570)
Increase in creditors	432,173	33,654
Cash generated from operations	<u>494,702</u>	<u>295,145</u>

17 Ultimate parent company

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street
Newtown
NSW 2042
Australia

THE HEART RESEARCH INSTITUTE (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Controlling interest

The company is ultimately controlled by The Heart Research Institute Ltd both this year and the previous year.

THE HEART RESEARCH INSTITUTE (UK)

England & Wales - Charity number 1116918

Accounts

Year ended 31 December 2021

The Heart Research Institute (UK)
Annual report and financial statements
For the year ended
31 December 2021

Company Registration Number 05935975

Charity Number 1116918

Scottish charity registration number SC042984

The Heart Research Institute (UK)

Financial statements

Year ended 31 December 2021

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The Heart Research Institute (UK)

Trustees' Annual Report

Year ended 31 December 2021

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2021.

Reference and administrative details

Registered charity name	The Heart Research Institute (UK)
Charity registration number	1116918
Company registration number	05935975
Scottish charity registration number	SC042984

The trustees

The trustees who served the charity during the period were as follows:

Antony Pollitt	Kerry Cunningham
Elena Pintado	Alan Caton OBE
John Batistich (resigned on the 22nd March 2022)	Adrian Phillips
Stephen Hollings	
Stephen Moodey	

Secretary Hana Krskova

Registered office of Company Bankside 300
Peachman Way
Broadland Business Park
Norwich
Norfolk
NR7 OLB

Auditor KPMG LLP
319 St Vincent Street
Glasgow
G2 SAS

Bankers Santander UK PLC
2 Triton Square
Regent's Place
London
United Kingdom

Bank of Ireland
12 The High Street
Kildare Town
Co. Kildare

The Heart Research Institute (UK)

Trustees' Annual Report (*continued*)

Year ended 31 December 2021

Structure, governance and management

Governing document

The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

Appointment of trustees

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity shall have at least three trustees. The charity shall have at least three Trustees who are not trustees and/or employees of The Heart Research Institute Limited.

Trustee induction and training

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfill their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustees ensures knowledge and information currency.

Organisation

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Services Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a Director of the Institute who, in turn, is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

Related Parties

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined in the following section) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support heart research and educate the public.

The Heart Research Institute has a presence in Scotland and has made significant findings that have changed the way we live with and treat Scotland's number one killer. Our scientists are working across a number of research areas to identify factors that contribute to an increased risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

Risk management

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can also be implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

The Heart Research Institute (UK)

Trustees' Annual Report (continued)

Year ended 31 December 2021

Significant Events

The Trustees believe there were no material impact from COVID-19 on the operations of Heart Research Institute(UK). The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is operating successfully in the current economic climate. Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for the period. Therefore, the Trustees believe that the Heart Research Institute (UK) to continue going concern for at least 12 months from the date of approval of the financial statements.

Other than the above development, no other item, transaction or event of a material and unusual nature is likely, in the opinion of the Trustees, to affect significantly the operations of the Charity, the results of those operations, or the state of affairs of the Charity, in the future years.

Objectives and activities

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the major cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objectives for the year ended 31 December 2021 were to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangements with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives involved the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions. The trustees have given due consideration to the Charity Commission published guidance on the operation of the public benefit requirement.

Principal financial management policies

The principal financial management policies adopted in the year include the following:

Revenue recognition

Revenue derived from fundraising efforts is recognised when probable.

Provisions

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

Reserves

The charity's reserves, together with sufficient funds in bank accounts and on deposit, cover all current liabilities. A portion of these reserves are used to fund the HRI International Fellowship scheme and the procurement of research equipment.

Grantmaking policy

The charity awards grants to be used in accordance with its charitable objectives.

The Heart Research Institute (UK)

Trustees' Annual Report (*continued*)

Year ended 31 December 2021

Principal funding sources

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

Investment powers and policy

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objects in or upon any investments, securities or property.

Strategic report

Achievements and performance

Funds raised by the HRI in the UK go directly to scientific research helping to find solutions to this global health challenge. Funds are used to support the front line researchers and to purchase the latest research equipment.

Financial review

The net incoming resources for the year ended 31 December 2021 amounted to £303,663 (2020: £479,023 incoming). The Trustees are confident of the future success of projected activities for 2021 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

Plans for future periods

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

The Heart Research Institute (UK)

Trustees' Annual Report *(continued)*

Year ended 31 December 2021

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

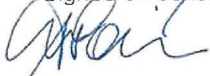
Auditor

KPMG LLP have been appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 487(1) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information; and
- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware;

Signed on behalf of the trustees



Antony Pollitt
Chairman
Director/Trustee

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited

Opinion

We have audited the financial statements of The Heart Research Institute (UK) Limited (“the charitable company”) for the year ended 31 December 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees as to the Charitable Company’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and from inspection of the charitable company’s regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charitable Company is subject to many other laws and regulations where the

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of charities, data protection and gambling regulations recognising the nature of the Charitable Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 6, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's 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, its members, as a body, and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



**Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

319 St Vincent Street

Glasgow

G2 5AS

29 March 2022

The Heart Research Institute (UK)

Statement of financial activities (incorporating the income and expenditure account) Year ended 31 December 2021

		Unrestricted Fund 2021 £	Total Funds 2021 £	Total Funds 2020 £
Incoming resources	<i>Note</i>			
Incoming resources from generating funds:				
Voluntary income	3	499,811.00	499,811.00	544,653.00
Activities for generating funds	4	330,017.00	330,017.00	400,389.00
Other income	5	2,602.00	2,602.00	6,430.00
Total incoming resources		832,430.00	832,430.00	951,472.00
Resources expended				
Costs of generating funds:				
Costs of generating voluntary income	6	(22,784.00)	(22,784.00)	(21,909.00)
Fundraising expenditure	7	(134,190.00)	(134,190.00)	(182,733.00)
Charitable activities	8	(343,137.00)	(343,137.00)	(242,000.00)
Governance costs	9	(28,656.00)	(28,656.00)	(25,807.00)
Foreign exchange gain/(loss)		-	-	-
Total resources expended		(528,767.00)	(528,767.00)	(472,449.00)
Net incoming resources for the year		303,663.00	303,663.00	479,023.00
Reconciliation of funds				
Total funds brought forward		2,652,219.00	2,652,219.00	2,173,196.00
Total funds carried forward		2,955,882.00	2,955,882.00	2,652,219.00

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared. All of the above balances relate to continuing activities.

The notes on pages 14 to 18 are an integral part of these financial statements.

The Heart Research Institute (UK)

Balance sheet

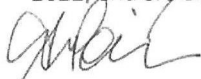
Year ended 31 December 2021

	<i>Note</i>	2021 £	2020 £
Current assets			
Debtors	12	37,100	76,011
Prepayments	13	2,470	2,043
Cash at bank		2,949,966	2,601,526
		<u>2,989,536</u>	<u>2,679,580</u>
Creditors: Amounts falling due within one year	14	(33,654)	(27,361)
Net current assets		<u>2,955,882</u>	<u>2,652,219</u>
Total assets less current liabilities		<u>2,955,882</u>	<u>2,652,219</u>
Net assets		<u>2,955,882</u>	<u>2,652,219</u>
Funds			
Unrestricted income funds	15	2,955,882	2,652,219
Total funds		<u>2,955,882</u>	<u>2,652,219</u>

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

The notes on pages 14 to 18 are an integral part of these financial statements.

These financial statements were approved by the trustees and authorised for issue on the 25 March 2022 2022, and are signed on their behalf by:



Antony Pollitt
Director/Trustee

Company Registration Number: 05935975

Charity Number 1116918

Scottish charity registration number SC042984

The Heart Research Institute (UK)

Statement of cash flows

Year ended 31 December 2021

	<i>Note</i>	2021	2020
		£	£
Cash flows from operating activities			
Cash receipts from customers		868,739	928,588
Cash receipts from interests		2,602	6,430
Cash paid to suppliers and employees		(522,901)	(482,748)
Cash generated from operations		<u>348,440</u>	<u>452,270</u>
Net cash from operating activities		<u>348,440</u>	<u>452,270</u>
Net increase in cash and cash equivalents	17	348,440	452,270
Cash and cash equivalents at beginning of year		<u>2,601,526</u>	<u>2,149,256</u>
Cash and cash equivalents at end of year		<u>2,949,966</u>	<u>2,601,526</u>

The notes on pages 14 to 18 are an integral part of these financial statements.

The Heart Research Institute (UK)

Notes to the financial statements

Year ended 31 December 2021

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities:

Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)),

Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

Assets and liabilities

The Heart Research Institute (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 note(s).

Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its business risks successfully in the current economic climate.

Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and considered that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements.

Funds structure

Funds held by the charity are unrestricted, these are funds which are available for use at the discretion of the trustees in accordance with the charitable objects.

Incoming resources

All incoming resources are included in the statement of financial activities when it is probable that the charity will become entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income

Donations generated through the pledge program activity are included within incoming resources when probable.

Other income

Other income, including interest income, are included within incoming resources when probable.

The Heart Research Institute (UK)
Notes to the financial statements (continued)
Year ended 31 December 2021

Activities for generating funds

Income from the lottery activities is included within incoming resources when probable.

Interest receivable

Interest is included in the statement of financial activities when probable by the charity.

Cash at bank

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

Debtors

Debtor is included in the statement of financial activities when probable by the charity.

Resources expended

Resources expended are recognised in the statement of financial activities when a liability is incurred. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.

Costs of generating voluntary income include the expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

Charitable activities comprise expenditure incurred in working towards the objectives of the charity.

An allocation of 20% of both the pledge program recruitment costs and the calling costs of the lottery activity are considered by the charity to be an appropriate percentage which represent increasing the awareness of the charity and its activities.

Grants payable are included the statement of financial activities when approved by the trustees.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with constitutional and statutory requirements.

Taxation

The company is a charity within the meaning of the taxes acts and it is therefore eligible to claim certain exemptions to corporation tax and capital gains tax. As a consequence no taxation arises for the year.

The Heart Research Institute (UK)
Notes to the financial statements (continued)
Year ended 31 December 2021

2 Incoming resources

Incoming resources, derived from the activities of the charitable company, attributable to geographical areas outside of the United Kingdom amounted to 0% (2020: 0%) for the year.

3 Voluntary income

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
General donations	1,476	1,476	1,041
Pledge program donations	498,335	498,335	543,612
	<u>499,811</u>	<u>499,811</u>	<u>544,653</u>

4 Activities for generating funds

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Lottery activities	330,017	330,017	400,389

5 Other income

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Interest income	2,602	2,602	6,430
	<u>2,602</u>	<u>2,602</u>	<u>6,430</u>

6 Costs of generating voluntary income

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Pledge program	20,787	20,787	1,632
General donations	1,997	1,997	20,277
	<u>22,784</u>	<u>22,784</u>	<u>21,909</u>

7 Fundraising expenditure

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Lottery activities	134,190	134,190	165,095
	<u>134,190</u>	<u>134,190</u>	<u>165,095</u>

Included within lottery activity costs is an amount of £65,685 (2020 - £88,192) in relation to lottery calling costs. In accordance with the stated accounting policy 20% of these costs are allocated to awareness costs, this amounts to £13,137 (2020 - £17,638).

8 Costs of charitable activities by activity type

	Activities undertaken directly £	Total Funds 2021 £	Total Funds 2020 £
Awareness costs	13,137	13,137	17,638
Research Cost	330,000	330,000	242,000
	<u>343,137</u>	<u>343,137</u>	<u>259,638</u>

During the year the charity contributed £330,000 (2020: £242,000) to the parent company for research and scientific expenditure.

9 Governance costs

	Unrestricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Accountancy and Audit Fees	23,682	23,682	22,406
Legal fees	4,974	4,974	3,401
	<u>28,656</u>	<u>28,656</u>	<u>25,807</u>

The Heart Research Institute (UK)
Notes to the financial statements (continued)
Year ended 31 December 2021

10 Net (outgoing)/incoming resources for the year

This is stated after charging:

	2021 £	2020 £
Auditors' remuneration		
-audit of the financial statements	19,000	17,500
	<u>19,000</u>	<u>17,500</u>

11 Directors remuneration and re-imbursed expenditure

There were no services provided by the directors to the company. As a result, there have been no emoluments paid to the directors (2020: nil)

12 Debtors

	2021 £	2020 £
Trade debtors	37,100	76,011
	<u>37,100</u>	<u>76,011</u>

13 Prepayments

	2021 £	2020 £
Prepayments	2,470	2,043
	<u>2,470</u>	<u>2,043</u>

14 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,463	9,614
Other creditors	6,161	225
Accruals	19,030	17,522
	<u>33,654</u>	<u>27,361</u>

15 Unrestricted income funds

	Balance at 1 January 2021 £	Incoming resources £	Outgoing resources £	Balance at 31 December 2021 £
General funds	2,652,219	832,430	(528,767)	<u>2,955,882</u>

16 Related party transactions

The Heart Research Institute Ltd, the ultimate parent company, paid the following transactions on behalf of the charity during the year.

	2021 £	2020 £
Balance due to The Heart Research Institute at year end	<u>6,161</u>	<u>225</u>

During the year none of the trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

17 Reconciliation of cash flows from operating activities

	2021 £	2020 £
Cash flow from operating activities		
Net surplus	303,663	479,023
(Increase)/decrease in receivables & prepayments	38,484	(18,497)
Increase/(decrease) in payables	6,293	(8,256)
Net cash from operating activities	<u>348,440</u>	<u>452,270</u>

18 Company limited by guarantee

The Heart Research Institute (UK) is a registered charity and company limited by guarantee with no share capital. There is one member of the charitable company at the year end with the liability of the member in the event of a winding up being limited to £1.

The Heart Research Institute (UK)
Notes to the financial statements (continued)
Year ended 31 December 2021

19 Ultimate parent company

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street
Newtown
NSW 2042
Australia

20 Controlling interest

The company is ultimately controlled by The Heart Research Institute Ltd both this year (FY2021) and last year (FY2020).

THE HEART RESEARCH INSTITUTE (UK)

England & Wales - Charity number 1116918

Accounts

Year ended 31 December 2020

The Heart Research Institute (UK)
Annual report and financial statements
For the year ended
31 December 2020

Company Registration Number 05935975

Charity Number 1116918

The Heart Research Institute (UK)

Financial statements

Year ended 31 December 2020

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Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17

The Heart Research Institute (UK)

Trustees' Annual Report

Year ended 31 December 2020

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2020.

Reference and administrative details

Registered charity name	The Heart Research Institute (UK)
Charity registration number	1116918
Company registration number	05935975
Scottish charity registration number	SC042984

The trustees

The trustees who served the charity during the period were as follows:

Antony Pollitt	Kerry Cunningham
Elena Pintado	Alan Cato OBE
John Batistich	Adrian Phillips
Stephen Hollings	
Stephen Moodey	

Secretary	Hana Krskova
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Registered office of Company	Bankside 300 Peachman Way Broadland Business Park Norwich Norfolk NR7 OLB
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Auditor	KPMG LLP 319 St Vincent Street Glasgow G2 5AS
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Bankers	Santander UK PLC 2 Triton Square Regent's Place London United Kingdom Bank of Ireland 12 The High Street Kildare Town Co. Kildare
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The Heart Research Institute (UK)

Trustees' Annual Report

Year ended 31 December 2020

Structure, governance and management

Governing document

The Heart Research Institute (UK) is a company limited by guarantee and is governed by its Memorandum and Articles, dated 14 September 2006. It is also registered as a charity with the Charity Commission for England and Wales (No. 1116918) and, with effect from 1 March 2012, the Scottish Charity Regulator (SC042984).

Appointment of trustees

As set out in the Articles of Association trustees are appointed by a resolution of the members for a renewable term of three years. The charity shall have at least three trustees. The charity shall have at least three Trustees who are not trustees and/or employees of The Heart Research Institute Limited.

Trustee induction and training

The charity has espoused a policy of providing new trustees with whatever information and assistance is necessary to help them fulfill their responsibilities under both the Companies Act 2006 and their roles under relevant legislation and regulations affecting the organisation as a charity. The procedures adopted include providing new trustees with a copy of The Essential Trustee: what you need to know supplied by the Charity Commission for England and Wales which describes the roles and responsibilities of trustees, as well as a copy of the company's constitution. The trustees are also encouraged to visit the website of the charity commission for regular updates or changes to legislation and guidelines. Ongoing information updates along with regular communication between The Heart Research Institute Ltd management and the trustees ensures knowledge and information currency.

Organisation

The Heart Research Institute (UK) and The Heart Research Institute Ltd have entered into a 'Services Agreement' to record the basis on which they will work together to further the charities' charitable objects and to outline the services provided by The Heart Research Institute Ltd to The Heart Research Institute (UK).

Under the Services Agreement, the day-to-day fundraising and administrative activities of the charity have been delegated to the management staff of The Heart Research Institute Ltd. These staff members report to a Director of the Institute who, in turn, is subject to the Board of Governors of the Australian company. However, any arrangements and activities affecting the UK charity are also subject to the oversight and review of the board of trustees of The Heart Research Institute (UK). In particular, new fundraising programs require the specific approval of the trustees who will meet as a board to consider and vote on such proposals.

Related Parties

The charity is a wholly owned subsidiary of The Heart Research Institute Ltd, an Australian charity which runs heart research programmes and which has built up expertise in the fields of both running a charity and fundraising in this area. The objects of the charity (as outlined in the following section) are compatible with The Heart Research Institute Ltd and both are committed to the promotion and support of research and the advancement of education in this area. The Heart Research Institute Ltd assists the charity by providing it with the services and support it needs to successfully operate and raise funds in order to support heart research and educate the public.

The Heart Research Institute has a presence in Scotland and has made significant findings that have changed the way we live with and treat Scotland's number one killer. Our scientists are working across a number of research areas to identify factors that contribute to an increased risk of heart disease. Understanding the underlying causes of heart disease is the key to finding a solution.

The Heart Research Institute (UK)

Trustees' Annual Report

Year ended 31 December 2020

Risk management

The major risks to which the charity is exposed relate in particular to the commitments made to outside parties who undertake the various fundraising campaigns for the charity. There can be considerable set-up costs involved in new fundraising campaigns, which means there is a delay before a particular campaign realises a surplus. Once the trustees have approved the new campaign, they subsequently receive regular reports of its progress and are kept apprised of any budget irregularities that the campaign may be facing. Restrictions on further commitments can be instituted quickly and, in addition, a request that the outside contractor comply with specific guidelines to keep the program contained can also be implemented efficiently. The trustees also require that safeguards be incorporated into legal agreements with the fundraising contractors to limit the risk exposure of the charity.

Significant Events

The Trustees believe there were no material impact from COVID-19 on the operations of Heart Research Institute (UK). The Charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is operating successfully in the current economic climate. Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. Therefore, the Trustees believe that the Heart Research Institute (UK) to continue going concern for at least 12 months from the date of approval of the financial statements.

Other than the above development, no other item, transaction or event of a material and unusual nature is likely, in the opinion of the Trustees, to affect significantly the operations of the Charity, the results of those operations, or the state of affairs of the Charity, in future years.

Objectives and activities

The Heart Research Institute has four core objectives:

- To investigate mechanisms contributing to the pathogenesis of cardiovascular disease
- To develop new ways to detect symptoms of cardiovascular disease before it leads to clinical problems
- To develop new treatments which can reverse the development of heart disease
- To prevent individuals developing cardiovascular disease in the future

The reason the charity and its parent company are focusing mainly on cardiovascular disease is because this is the major cause of death in the world, a phenomena that is also increasing in third-world countries. However, research into the origins of such disease spans many years and requires the services of highly qualified scientists, as well as the usage of expensive technology. That is why a major activity of the charity and its parent is fundraising, because any funding obtained through competitive grants for specific research projects and infrastructure support from governments or other bodies is insufficient to cover all the costs involved. The charity and its parent have a long-term aim of contributing to a significant reduction in cardiovascular disease, but recognise that eventual success in this regard means extensive investment in research here and now.

The charity's main objectives for the year ended 31 December 2020 were to determine the best distribution of funds raised to assist with meeting its objectives and focus on further development of the lottery and monthly pledge programs. The strategy for achieving these objectives was to maintain arrangements with reputable contractors well experienced in conducting lotteries and monthly pledge programs in the UK. Significant activities that contributed to the achievement of these objectives involved the negotiation and resolution of operational procedures, and the recording and processing of resultant transactions.

The trustees have given due consideration to the Charity Commission published guidance on the operation of the public benefit requirement.

The Heart Research Institute (UK)

Trustees' Annual Report

Year ended 31 December 2020

Principal financial management policies

The principal financial management policies adopted in the year include the following:

Revenue recognition

Revenue derived from fundraising efforts is recognised when probable.

Provisions

The charity recognises by way of provision any anticipated outgoings relevant to the year under review for which it may have an obligation, whether legal or constructive.

Reserves

The charity's reserves, together with sufficient funds in bank accounts and on deposit, cover all current liabilities. A portion of these reserves are used to fund the HRI International Fellowship scheme and the procurement of research equipment.

Grantmaking policy

The charity awards grants to be used in accordance with its charitable objectives.

Principal funding sources

Principal funding sources during the year were from the generation of revenue from the lottery and monthly pledge campaigns. Expenditure during the year under review has supported the key objectives of the charity by firmly establishing a viable basis for the future success of the lottery and pledge campaigns.

Investment powers and policy

Under the Memorandum and Articles of Association, to further its objects the charity has the power to invest any funds not immediately required for its objects in or upon any investments, securities or property.

Strategic report

Achievements and performance

Funds raised by the HRI in the UK go directly to scientific research helping to find solutions to this global health challenge. Funds are used to support the front line researchers and to purchase the latest research equipment.

Financial review

The net incoming resources for the year ended 31 December 2020 amounted to £479,023 (2019: £686,977 incoming). The Trustees are confident of the future success of projected activities for 2020 and beyond and that these will result in the building of accumulated surpluses. In addition, the charity enjoys the on-going financial support of its parent company and the significant experience of its management to ensure its future success.

Plans for future periods

The charity will continue to support Post Doctorate Fellowships for young and emerging UK researchers and collaborate with The Heart Research Institute Australia in funding specialist equipment and research so we can understand more about, and to find a cure for cardiovascular diseases, which are the number one killer of people worldwide.

The Heart Research Institute (UK)

Trustees' Annual Report (*continued*)

Year ended 31 December 2020

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

Statement of Trustees responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Auditor

KPMG LLP have been appointed under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and section 487(1) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information; and
- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware;

Signed on behalf of the trustees



Antony Pollitt
Chairman
Director/Trustee

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited

Opinion

We have audited the financial statements of The Heart Research Institute (UK) Limited (“the charitable company”) for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company’s affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the trustees’ conclusions, we considered the inherent risks to the charitable company’s business model and analysed how those risks might affect the charitable company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of trustees as to the Charitable Company’s high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the charitable company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and from inspection of the charitable company’s regulatory and legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of charities, data protection and gambling regulations recognising the nature of the Charitable Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 7, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the trustees and members of The Heart Research Institute (UK) Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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 section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's 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, its members, as a body, and its trustees, as a body, for our audit work, for this report or for the opinions we have formed.



**Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

319 St Vincent Street

Glasgow

G2 5AS

31 March 2021

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Heart Research Institute (UK)

Statement of financial activities (incorporating the income and expenditure account)

Year ended 31 December 2020

		Unrestricted Fund 2020 £	Total Funds 2020 £	Total Funds 2019 £
Incoming resources	<i>Note</i>			
Incoming resources from generating funds:				
Voluntary income	3	544,653	544,653	635,260
Activities for generating funds	4	400,389	400,389	555,051
Other income	5	6,430	6,430	10,708
Total incoming resources		951,472	951,472	1,201,019
Resources expended				
Costs of generating funds:				
Costs of generating voluntary income	6	(21,909)	(21,909)	(24,587)
Fundraising expenditure	7	(165,095)	(165,095)	(286,649)
Charitable activities	8	(259,638)	(259,638)	(195,073)
Governance costs	9	(25,807)	(25,807)	(7,930)
Foreign exchange gain/(loss)		-	-	197
Total resources expended		(472,449)	(472,449)	(514,042)
Net incoming resources for the year		479,023	479,023	686,977
Reconciliation of funds				
Total funds brought forward		2,173,196	2,173,196	1,486,219
Total funds carried forward		2,652,219	2,652,219	2,173,196

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above balances relate to continuing activities.

The notes on pages 17 to 22 are an integral part of these financial statements.

The Heart Research Institute (UK)

Balance sheet

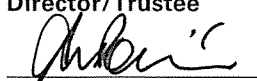
Year ended 31 December 2020

	<i>Note</i>	2020 £	2019 £
Current assets			
Debtors	12	76,011	59,557
Prepayments	13	2,043	-
Cash at bank		<u>2,601,526</u>	<u>2,149,256</u>
		2,679,580	2,208,813
Creditors: Amounts falling due within one year	14	(27,361)	(35,617)
Net current assets		<u>2,652,219</u>	<u>2,173,196</u>
Total assets less current liabilities		<u>2,652,219</u>	<u>2,173,196</u>
Net assets		<u>2,652,219</u>	<u>2,173,196</u>
Funds			
Unrestricted income funds	15	<u>2,652,219</u>	<u>2,173,196</u>
Total funds		<u>2,652,219</u>	<u>2,173,196</u>

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

These financial statements were approved by the trustees and authorised for issue on the 31st March 2021, and are signed on their behalf by:

Antony Pollitt
Director/Trustee



Company Registration Number: 05935975

The notes on pages 17 to 22 are an integral part of these financial statements.

The Heart Research Institute (UK)

Statement of cash flows

Year ended 31 December 2020

	<i>Note</i>	2020	2019
		£	£
Cash flows from operating activities			
Cash receipts from customers		928,588	1,335,773
Cash receipts from interests		6,430	10,708
Cash paid to suppliers and employees		(482,748)	(523,100)
Cash generated from operations		<u>452,270</u>	<u>823,381</u>
Net cash from operating activities		<u>452,270</u>	<u>823,381</u>
Net cash used in investing activities		<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	17	452,270	823,381
Cash and cash equivalents at beginning of year		<u>2,149,256</u>	<u>1,325,875</u>
Cash and cash equivalents at end of year		<u>2,601,526</u>	<u>2,149,256</u>

The notes on pages 17 to 22 are an integral part of these financial statements.

The Heart Research Institute (UK)

Notes to the financial statements

Year ended 31 December 2020

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities

The Heart Research Institute (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 note(s).

Going concern

The charity has generated sufficient financial resources from its activities to allow the Trustees to believe that the charity is well placed to manage its business risks successfully in the current economic climate. Accordingly, the Trustees have a reasonable expectation that the charity has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Funds structure

Funds held by the charity are unrestricted, these are funds which are available for use at the discretion of the trustees in accordance with the charitable objects.

Incoming resources

All incoming resources are included in the statement of financial activities when it is probable that the charity will become entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income

Donations generated through the pledge program activity are included within incoming resources when probable.

Other income

Other income, including interest income, are included within incoming resources when probable

Activities for generating funds

Income from the lottery activities is included within incoming resources when probable.

Interest receivable

Interest is included in the statement of financial activities when probable by the charity.

The Heart Research Institute (UK)

Notes to the financial statements

Year ended 31 December 2020

Cash at bank

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less,

Debtors

Debtor is included in the statement of financial activities when probable by the charity.

Resources expended

Resources expended are recognised in the statement of financial activities when a liability is incurred. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity.

Costs of generating voluntary income include the expenditure associated with the activities undertaken by the charity to generate such income, such as the pledge programme.

Fundraising expenditure includes expenditure associated with the setting up and running the lottery activities undertaken by the charity and consists of the direct costs relating to these activities.

Charitable activities comprise expenditure incurred in working towards the objectives of the charity. An allocation of 20% of both the pledge program recruitment costs and the calling costs of the lottery activity are considered by the charity to be an appropriate percentage which represent increasing the awareness of the charity and its activities.

Grants payable are included the statement of financial activities when approved by the trustees.

Governance costs include expenditure incurred in the governance of the charity and its assets. These are primarily associated with constitutional and statutory requirements.

Taxation

The company is a charity within the meaning of the taxes acts and it is therefore eligible to claim certain exemptions to corporation tax and capital gains tax. As a consequence no taxation arises for the year.

The Heart Research Institute (UK)
Notes to the financial statements (continued)
Year ended 31 December 2020

2 Incoming resources

Incoming resources, derived from the activities of the charitable company, attributable to geographical areas outside of the United Kingdom amounted to 0% (2019: 0%) for the year.

3 Voluntary income

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
General donations	1,041	1,041	1,240
Pledge program donations	543,612	543,612	634,020
	<u>544,653</u>	<u>544,653</u>	<u>635,260</u>

4 Activities for generating funds

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Lottery activities	400,389	400,389	555,051

5 Other income

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Interest income	6,430	6,430	10,708
	<u>6,430</u>	<u>6,430</u>	<u>10,708</u>

6 Costs of generating voluntary income

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Pledge program	1,632	1,632	10,291
General donations	20,277	20,277	14,296
	<u>21,909</u>	<u>21,909</u>	<u>24,587</u>

7 Fundraising expenditure

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Lottery activities	165,095	165,095	286,649
	<u>165,095</u>	<u>165,095</u>	<u>286,649</u>

Included within lottery activity costs is an amount of £88,192 (2019 - £229,977) in relation to lottery calling costs. In accordance with the stated accounting policy 20% of these costs are allocated to awareness costs, this amounts to £17,638 (2019 - £45,995).

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8 Costs of charitable activities by activity type

	Activities undertaken directly	Total Funds 2020	Total Funds 2019
	£	£	£
Awareness costs	17,638	17,638	45,995
Research Cost	242,000	242,000	149,078
	<u>259,638</u>	<u>259,638</u>	<u>195,073</u>

9 Governance costs

	Unrestricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£
Accountancy and Audit Fees	22,406	22,406	4,950
Legal fees	3,401	3,401	2,980
	<u>25,807</u>	<u>25,807</u>	<u>7,930</u>

10 Net (outgoing)/incoming resources for the year

This is stated after charging:

	2020	2019
	£	£
Auditors' remuneration		
-audit of the financial statements	17,500	10,500
	<u>17,500</u>	<u>10,500</u>

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11 Directors remuneration and re-imbursed expenditure

There were no services provided by the directors to the company. As a result, there have been no emoluments paid to the directors (2019: nil)

12 Debtors

	2020 £	2019 £
Trade debtors	76,011	59,557
	<u>76,011</u>	<u>59,557</u>

13 Prepayments

	2020 £	2019 £
Prepayments	2,043	-
	<u>2,043</u>	<u>-</u>

14 Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,614	12,733
Other creditors	225	200
Accruals	17,522	22,684
	<u>27,361</u>	<u>35,617</u>

15 Unrestricted income funds

	Balance at 1 January 2020 £	Incoming resources £	Outgoing resources £	Balance at 31 December 2020 £
General funds	<u>2,173,196</u>	<u>951,472</u>	<u>(472,449)</u>	<u>2,652,219</u>

16 Related party transactions

The Heart Research Institute Ltd, the ultimate parent company, paid the following transactions on behalf of the charity during the year.

	2020 £	2019 £
Balance due to The Heart Research Institute at year end	<u>225</u>	<u>200</u>

During the year the charity contributed £242,000 (2019: £149,077) to the parent company for research and scientific expenditure.

A trustee, employed by The Heart Research Institute Ltd, the ultimate parent company, had a substantive role in the operations of The Heart Research Institute (UK).

No other trustees have been paid any remuneration or received any other benefits from an employment with their charity or a related entity.

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Notes to the financial statements (continued)
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17 Reconciliation of cash flows from operating activities

	2020	2019
	£	£
Cash flow from operating activities		
Net surplus	479,023	686,977
(Increase)/decrease in receivables & prepayments	(18,497)	145,462
(Decrease) in payables	(8,256)	(9,058)
Net cash from operating activities	<u>452,270</u>	<u>823,381</u>

18 Company limited by guarantee

The Heart Research Institute (UK) is a registered charity and company limited by guarantee with no share capital. There is one member of the charitable company at the year end with the liability of the member in the event of a winding up being limited to £1.

19 Ultimate parent company

The company's ultimate parent company, both this year and the previous year, was The Heart Research Institute Ltd, a company incorporated in Australia. As such, these financial statements will be consolidated within this entity. The Heart Research Institute Ltd is located at the following address:

7 Eliza Street
Newtown
NSW 2042
Australia

20 Controlling interest

The company is ultimately controlled by The Heart Research Institute Ltd both this year and last year.