



British Heart  
Foundation

# Above and beyond...

Annual Report and  
Accounts 2022

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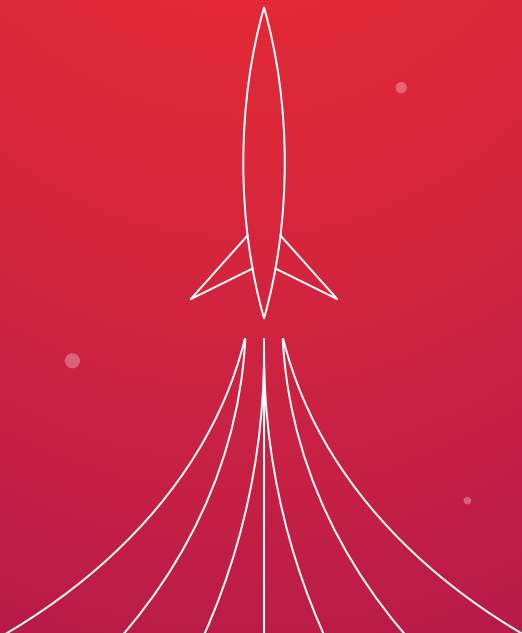
# A rocket fuelled recovery

Scientific progress has gone into orbit with researchers from across the world joining forces in the fight against Covid-19.

Thanks to an accelerated vaccine roll-out, the world is now in a stronger position than at the start of the pandemic – and at the British Heart Foundation, we have also been recovering at speed.

Thanks to an astronomical team effort, we have streamlined our activities, innovated new ways to meet our objectives and funded even more lifesaving breakthroughs for people affected by heart and circulatory diseases. Through dark times, our people have shone – and we couldn't be prouder of every single person who has played a part in getting us back on track.

Here is our journey.





# Message from our Chair

**After seven incredible years as Chair of the British Heart Foundation (BHF), it is time for me to step down, and to say farewell to all the amazing people I have worked with along the way.**



When I began this journey, I was mindful of the immense threat posed by heart and circulatory diseases. After many years of medical advances, progress was stalling and the curve was flattening. It was clear that we needed big ideas to deliver big results.

This intrepid optimism has seen us make progress on multiple fronts. We launched the Data Science Centre, an ambitious project to help researchers use an enormous pool of health data. This project has already taken a leading role in the national response to the Covid crisis.

And we created the Big Beat Challenge to encourage researchers to imagine what problems they would solve if they had the resources. The response to this competition was truly epic, and our judging team had great difficulty choosing a single project to fund. I am thrilled to see that the winning proposal looks set to make history. In addition to advancing research and science,

our teams have made great strides in supporting people in immediate, practical, and meaningful ways. This includes helping people living with heart and circulatory diseases, giving information to people concerned about the impact of Covid-19, helping to save lives by improving access to defibrillators with The Circuit, and giving more people vital CPR skills using the RevivR™ tool.

One of the most exciting changes I have witnessed during my tenure is the rise of science in the consciousness of wider society. As a research charity, this progression is immensely promising, because it means that more people believe in our reason for being. We are already embracing this trend in our new branding and campaigns.

Thanks to the relentless dedication of our people, volunteers, partners and researchers, the BHF is in a strong position, both financially and organisationally, to create a brighter future for the millions of people affected by heart and circulatory diseases.

It is with great pride that in October 2022 I will pass on the Chair of Trustee role to Wendy Becker after serving the maximum number of terms as Chair. Wendy will bring a wealth of experience to the BHF team and Board. She has held a number of Trustee and Non-Executive Director positions including as Deputy Chair of Trustees at Cancer Research UK and is currently a member of the Council of Oxford University and a Non-Executive Director at Sony Corporation. Her leadership, passion for research and expertise across medical, technology and commercial sectors will undoubtedly enhance the impact we have.

Thank you all for supporting me in my role, and I look forward to watching what's next for this extraordinary charity.

A handwritten signature in black ink that reads 'Douglas Gurr'.

**Dr Douglas Gurr**  
Chair

# Message from our Chief Executive



**These pages tell the story of the British Heart Foundation's recovery from the biggest challenge in our 60-year history.**

It's a story from which everyone in our BHF family should take immense pride. In the toughest of times we've protected our research funding, made amazing discoveries and been there to support the millions of people affected by heart and circulatory diseases.

It's hard to recall that, as we started our financial year last April, all of our shops stood closed during yet another lockdown. However, on the day of reopening, the dedication of our incredible team led to our biggest ever day of trading, generating more than £1m in sales. This commitment across our BHF team has characterised so much of our work over the last year, and it's meant we've been able to invest £72.3m in more lifesaving research.

Once again, I've stood in awe at the progress we've made. Our research, funded solely by the generosity of our supporters, has led to radical improvements in heart transplants for children, in the use of revolutionary artificial intelligence techniques to diagnose those at risk of heart attacks, and driven progress in our ambition to find a cure for heart failure.

These breakthroughs have one aim – to help all of those affected by heart and circulatory diseases in the UK and beyond. Yet, in many cases, it's these people that the pandemic has affected most profoundly. At a time when we've never been more needed, I'm proud of how we've spoken up for the care heart patients desperately need and been there to support the millions of visitors to our Coronavirus Hub.

Thanks to our volunteers, supporters, colleagues and researchers, the progress we've made this year means we enter the next with renewed ambition, despite the challenges we face. We stand at a turning point in human history, on the cusp of major breakthroughs. But these great leaps won't happen unless we are relentless in our pursuit of the science and inspire the support to fund it.

Now is the time to invest in the big, bold ambitions that hold the potential to transform countless lives. Just like the winner of our Big Beat Challenge, which seeks to develop revolutionary treatments to halt, reverse and ultimately prevent conditions that can kill young people in the prime of their lives.

None of this is possible without the support of so many people. Every person we support, every life we help save, every scientific advance we make is powered by our BHF family of BHF-funded researchers, volunteers, fundraisers, partners and colleagues. My heartfelt thanks go to all of you.

Finally, I would like to offer our warmest welcome to Wendy Becker as our next Chair of our Board of Trustees as she takes over from Dr Doug Gurr in October 2022. Doug's inspiring leadership has been instrumental in shaping our ambitions as the UK's leading heart charity and his dedication and advocacy have undoubtedly transformed the BHF's work.

I offer my heartfelt thanks to Doug and every single person who is helping us power our vital research to save and improve more lives.

A handwritten signature in black ink that reads 'C. Griffiths'.

**Dr Charmaine Griffiths**  
Chief Executive

# Our strategy to 2030...

In our 60th year, we celebrated the immense progress we've made since 1961, including helping to halve the number of people dying from heart and circulatory diseases in the UK each year.

## Accelerating the pace of change

Our ambitions are clear. We want to see a world free from the fear of heart and circulatory diseases. Our strategy to 2030 is a commitment to achieve this vision, as well as a blueprint for achieving these goals. We are focused on:

- Funding research to save and improve lives
- Working with patients and the public for better health and care
- Growing support and income
- Striving for excellence

Our bold ambitions go beyond what we can achieve alone. That's why we're working towards game-changing, research-driven milestones, and inspiring support from others to change the future. With better diagnosis, treatment, prevention and care, we can prevent more people from developing heart and circulatory diseases and ensure that people with existing conditions and risk factors are identified and treated sooner. Despite the uncertainty that we continue to face, we remain steadfast in our determination to deliver our strategy to 2030.



## The changes we want to see in the world by 2030

By 2030 we want the world to look different. We want to prevent heart and circulatory conditions from developing, and we want those with existing conditions to have better, longer lives.

### Better survival and recovery from heart disease

- We want cures for inherited heart conditions to end sudden death.
- We want every child born with a heart condition to lead a long and healthy life.
- We want to stop heart attacks before they strike, helping thousands more people to survive.
- We want to cure heart failure.
- We want to prevent people having heart rhythm problems.
- We want to triple the number of people surviving a cardiac arrest.

### New and better treatments for circulatory diseases

- We want to halve the number of people dying from or being disabled by a stroke.
- We want to find ways to prevent and treat vascular dementia.

### Better prevention and management of risk factors

- We want better ways to identify people at risk and help them avoid disease.
- We want everyone to breathe clean air and to live in a smokefree UK.
- We want a world in which the healthy choice is the easy choice.
- We want everyone to know how to reduce their risk of heart and circulatory diseases.

### Longer, better lives for everyone

- We want everyone's treatment to be personal to them.
- We want everyone to have access to the best available treatment and care.
- We want everyone to get the physical, psychological and social support they need.

These are bold ambitions, and we cannot achieve them alone. But we believe that by 2030, we will see unparalleled progress.



# Our future focus...

To bring about the changes we want to see, we need a razor-sharp focus on the things that will make the biggest impact. So we're going to focus on...



## Research

- Growing and diversifying the research community.
- Working with others to develop and deliver a strategic research agenda.
- Investing in world-class research across the spectrum of heart and circulatory diseases.
- Strengthening the implementation of research outcomes for patient benefit.
- Communicating the impact of the research we fund to inspire more support.



## Patients

- Engaging more people with our patient information and support services.
- Tackling the major risks to heart health of high blood pressure, obesity and health workforce constraints through partnerships and influencing activities.
- Increasing the scale and diversity of patient and public involvement and meeting the needs of everyone affected by heart and circulatory diseases.
- Aligning all our community resuscitation activities to improve survival rates from out-of-hospital cardiac arrest.



## Income

- Transforming the public's perception of the BHF to increase their consideration to support our work.
- Significantly enhancing the quality of customer experience across the whole of our customer base.
- Strengthening our engagement and relationships with philanthropists and corporate partners.
- Adapting our retail offer by growing our online presence.
- Evolving our retail volunteer offer to meet the needs of future volunteers.



## People

- Improving equality, diversity and inclusion across the BHF's work to accelerate change for researchers, patients, the public and colleagues.
- Continuous learning from hybrid working to keep colleagues highly motivated and effective.
- Powering up the BHF's leadership, team management and performance capability.
- Strengthening our culture of cost management, lean principles and continuous improvement.



## Research

- The cardiovascular research community recovers and grows in the wake of the pandemic.
- We've enhanced knowledge of cardiovascular diseases, including coronary artery disease, heart failure, stroke and vascular dementia.
- More BHF-funded research discoveries are being translated into patient and public benefit.



## Patients

- We've helped reduce people's risk of cardiovascular disease, particularly where it is highest.
- We've helped more people to manage cardiovascular conditions in a post-pandemic world.
- We've increased people's chances of surviving an out-of-hospital cardiac arrest.



## Income

- More high-value donations are received to grow our fundraising income.
- Online retail income and commercial operations have increased.
- Our supporters have an outstanding experience of the BHF.



## People

- We've created an outstanding people experience for Team BHF, engaged our colleagues and retained talented staff
- We've significantly improved our technology and systems to maximise the effectiveness of our work.
- We've become a more socially, environmentally and financially sustainable organisation.

The British Heart Foundation has never been more needed. But we're poised and ready to meet this moment. As a BHF team, we have everything we need united behind a shared vision; we can inspire support, accelerate breakthroughs and save lives. We'll know we're on track to deliver our strategy to 2030 if by 2025...

# Our work...

This has been a year of recovery with phenomenal results to be proud of. Our commitment to funding lifesaving research has grown thanks to significant income recovery from retail, fundraising and legacies.

## Net income impact



## Our continuing commitment to research



## Research in numbers

We are currently supporting:





# Our impact...

From 3D printed models of hearts to beating heart plasters, we help turn science fiction into lifesaving treatments and potential cures.



## Lucas

Lucas's parents knew their baby had a life-threatening heart defect before he was even born. But thanks to research and a team of dedicated healthcare professionals, Lucas is alive today.



## Thanieth

Thanieth is alive because ground-breaking genetic testing made it possible to diagnose and treat her life-threatening inherited heart condition. Today, implanting a miniature defibrillator to keep Thanieth alive is no longer science fiction. We want to end sudden death by beating genetic conditions with the power of science.



## Sarah

Without the option of a replacement heart valve, Sarah's hopes of a family and career would have been dealt a huge blow when she was still in her 20s. Many people born with Sarah's condition, tetralogy of Fallot, stay well for many years, but there are some who remain at risk of sudden death caused by unexpected heart rhythm disturbances (arrhythmia). The challenge is to identify which patients are most at risk so we can intervene before it's too late. We won't stop until we're able to give every person born with a congenital heart condition like Sarah, a long and healthy life.



## Thalyta

Thalyta experienced spontaneous coronary artery dissection (SCAD), a rare condition more common in young women. As a result, her heart was badly damaged and she is now living with heart failure. Thalyta is being kept alive by an artificial heart pump called an LVAD (left ventricular assist device). Sadly, it's not possible to live with an LVAD forever and Thalyta's heart failure is so severe that if anything goes wrong with the LVAD, like the battery failing, she may not survive. To help save lives like Thalyta's we need to continue turning science fiction into reality.





Protecting our lifesaving research mission

# Out of this world research

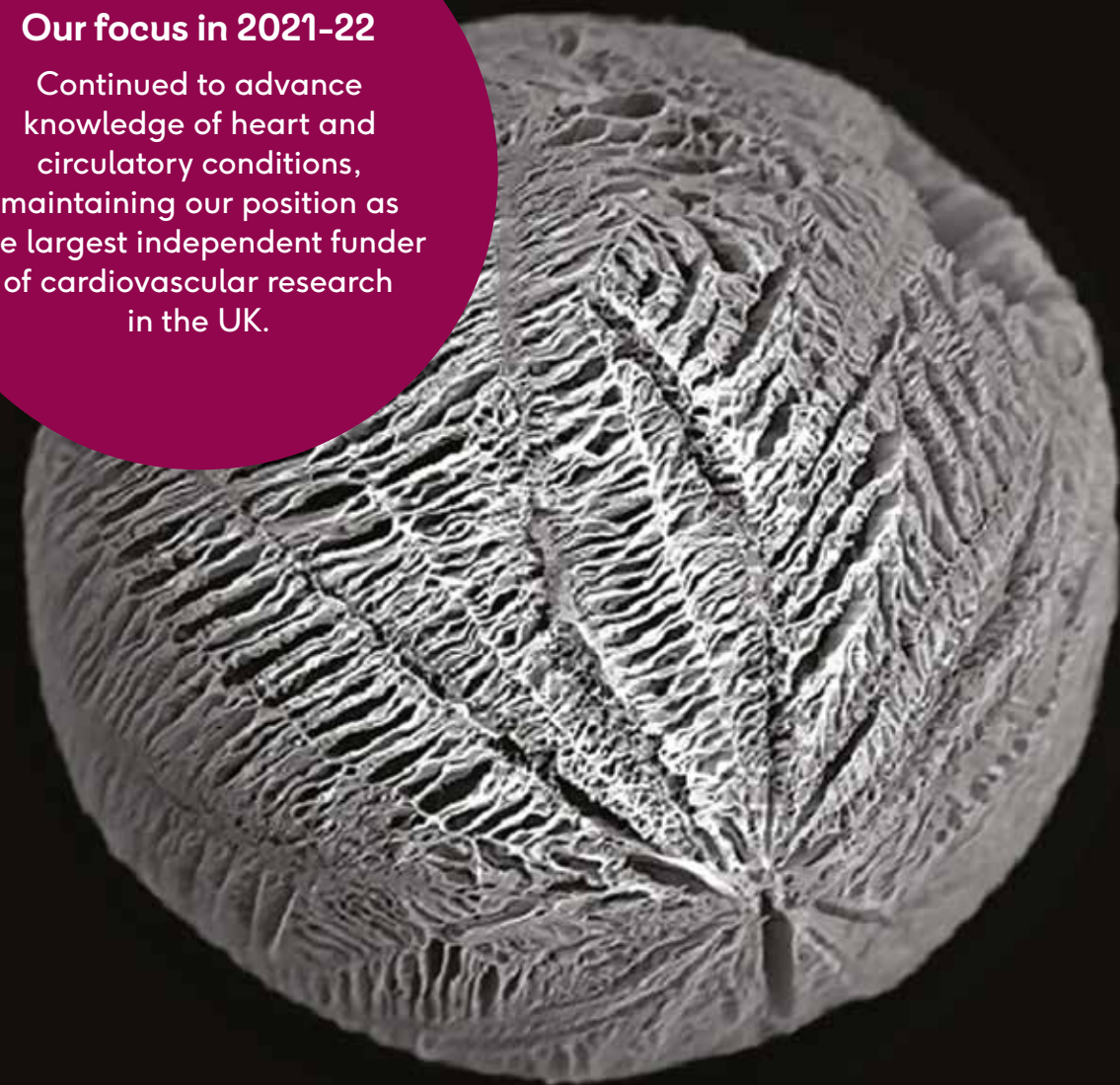
In our 60th year, we welcomed breakthroughs that showcase the limitless potential of our research, from a technique that's doubling the number of children able to receive a heart transplant, to the discovery of a new drug that could improve recovery from a heart attack.

Together, we are making the impossible possible, and if the last year is anything to go by – the sky is the limit.



## Our focus in 2021-22

Continued to advance knowledge of heart and circulatory conditions, maintaining our position as the largest independent funder of cardiovascular research in the UK.



Injectable microspheres to repair failing hearts

## From artificial intelligence (AI) technology that can predict heart attacks to a potential new drug for vascular dementia, we have continued to advance our understanding of heart and circulatory conditions.

### Repairing damaged hearts with microspheres

Scientists we fund have achieved a significant breakthrough in the use of stem cells to repair damage in a failing heart. In the past, stem cells have not remained healthy in the heart for long enough to provide a sustained benefit.

Now, the team has grown stem cell derived heart cells on tiny microspheres – just a quarter of a millimetre wide. The cells attach to the microsphere, make connections with each other and beat just like the heart cells found in the heart. Researchers hope that, within the next 10 years, this technique will provide a viable therapy for people suffering with heart failure.

### The importance of lowering blood pressure

Researchers found that lowering blood pressure is even more beneficial than previously thought.

Blood pressure lowering medication can prevent strokes, heart failure and heart attacks in adults with normal blood pressure, according to new research that we part-funded.

Looking at the data from over 300,000 people from 48 trials, researchers found that reducing your blood pressure by a small amount (5mmHg) can reduce your cardiovascular risk by 10% and your risk of death as a result by 5%, even if your blood pressure is healthy.

### Energetic clues could help people with diabetes recover from heart attacks

Researchers discovered that, during a heart attack, the hearts of rats with type 2 diabetes use up their energy supplies more quickly than those without the condition. This leaves their hearts with less energy – a strong predictor of worse outcomes after heart attacks.

The findings might help to explain why people with diabetes are more likely to develop heart failure after a heart attack. They also reveal potential targets for treatments that could reverse these effects and help people with diabetes to recover from heart attacks.



### Hope for vascular dementia

A commonly prescribed medication could provide a treatment for vascular dementia. Researchers discovered that in mice, amlodipine, a medicine used to treat high blood pressure, could halt this devastating disease in its early stages.

The team also identified that high blood pressure decreases the activity of a protein (Kir2.1) that is present in cells lining the blood vessels and increases blood flow to active areas of the brain. Amlodipine was found to restore the activity of Kir2.1 and protect the brain from the harmful effects of high blood pressure. Researchers say that this protein could also be targeted by other drugs in future, creating the potential for new ways to treat vascular dementia.



### AI tech to predict heart attacks

Using artificial intelligence to predict a heart attack may sound like science fiction, but technology we funded can do just that. CaRi-Heart® is the first technology to use routine heart scans to detect 'invisible' risk in people with possible heart disease.

This is important because each year in the UK over a million people go to hospital with chest pain. A coronary CT angiogram (CCTA) scan is one of the first-line tests someone will have when they attend A&E with chest pain, and they can help diagnose heart and circulatory conditions like angina. Around 75% of these scans do not show significant narrowing of the arteries, so many people are sent home without treatment. And yet some of them will go on to have a heart attack. Until now, there has been no way for doctors to detect all the underlying red flags that could cause a future heart attack.

CaRi-Heart® has attracted outside investment, enabling Professor Antoniades to set up a CT image analysis company, called Caristo Diagnostics, to make his findings widely available. CaRi-Heart®, developed by Caristo Diagnostics, has received its CE mark accreditation in 2021 and the technology is already available in 15 NHS trusts, including hospitals in Oxford, Leicester and London.



## New heart transplant technique for children

Over the last 20 years, doctors have increased the number of organs available to children needing a transplant by using donor hearts with different blood types from theirs. However, this technique requires a lot of donor blood and so is limited to children under 4 years old.

We funded Dr Richard Issitt and colleagues at Great Ormond Street Hospital to develop a new technique that uses a blood filtering device to remove the mismatched antibodies in the blood that can lead to transplant rejection. The filter is added into the heart and lung machine used to support the child during surgery. By filtering out the specific antibodies, the child's blood doesn't need to be completely replaced. This new technique has the potential to double the number of children able to receive a heart transplant.



BHF fellow  
Dr Richard Issitt

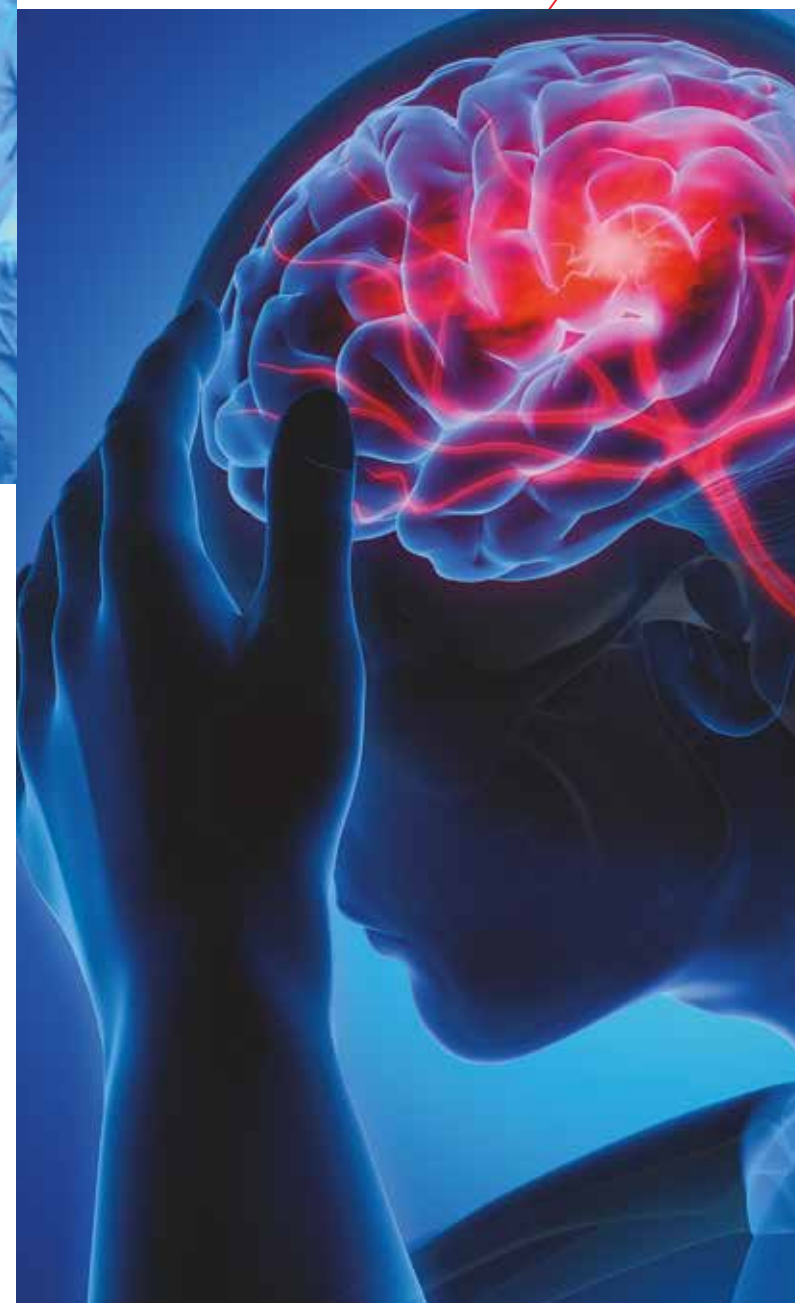


## Record speed heart disease detection

A new artificial intelligence (AI) tool is now being used to detect heart disease in record speed and vastly improve care for heart patients.

The first-of-its-kind AI tool analyses heart MRI scans in just 20 seconds whilst the patient is in the scanner. This compares to the 13 minutes or more it would take for a doctor to manually analyse the images after the MRI scan has been performed. It also detects changes to the heart structure and function with 40% greater precision and extracts more information than a human can.

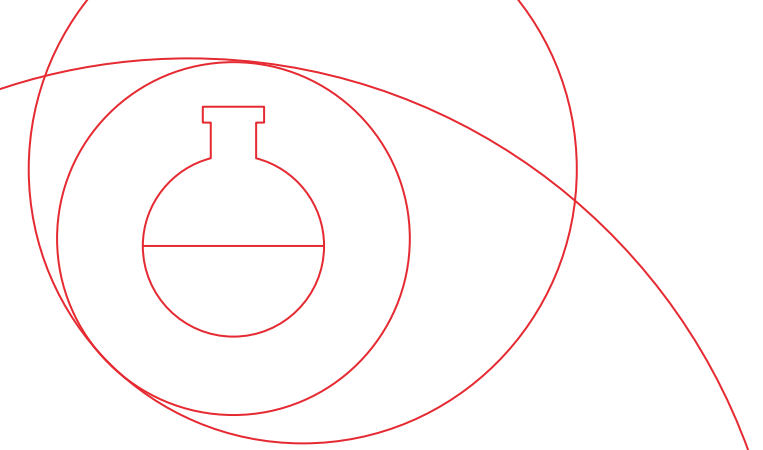
Innovations like this could help fast-track heart diagnoses and ease workload so that in future we can give more NHS heart disease patients the best possible care much sooner.



## Clot-busting drug for stroke

A stroke happens when the blood supply to the brain is cut off. The most common cause of this is a blood clot in one of the major arteries that supply the brain, meaning that the brain is starved of oxygen.

Researchers found a new clot-busting drug that could improve stroke treatment. The new drug, called caADAMTS13, was found to break down blood clots in mice that were not responding to existing medication.



## Better protection during children's surgery

During open heart surgery, a fluid called cardioplegia is commonly used to stop the heart beating so that the surgeon can repair it safely. While this technique is safe, damage to the heart muscle may be caused when blood flow returns to the heart, which can affect a child's recovery.

We awarded £570,000 to a clinical trial that could improve the recovery of children who undergo lifesaving heart surgery. The study will compare two ways of protecting the hearts of children during surgery to repair congenital heart defects.

This study will compare the current type of cardioplegia with a new type called del Nido cardioplegia, which is commonly used in the US, in the hope of identifying which type leads to better patient outcomes.





Dr Natasha Stephenson, Clinical Research Fellow in Congenital Cardiovascular Imaging at the School of Biomedical Engineering & Imaging Sciences, King's College, London



# The game of life

**New BHF-funded research using virtual reality (VR) could improve outcomes for the thousands of patients who undergo a surgical or keyhole procedure for congenital heart disease every year.**

Researchers hope that using VR to plan and practice procedures will shorten operating times and reduce the need for multiple surgeries. They hope that VR could be in regular use within two years.

Trials of an early version of the technology, which used only echocardiograms (ultrasound scans of the heart) to create the VR heart, found that surgeons preferred it for exploring the anatomy of their patient's hearts.

Our funding has supported the addition of computed tomography (CT) and magnetic resonance imaging (MRI) scans. While these scans are regularly used to help plan surgeries, they are usually only viewed on a flat screen.

Heart defects are the most common congenital anomaly in babies born in the UK. Every year thousands of heart operations and other procedures are performed for children and adults with congenital heart disease to stop them developing heart failure. Some people will need several procedures during their lifetime.

VR could improve congenital heart disease surgery outcomes. It could also support people to better understand the heart or blood vessel abnormalities they are born with, as well as the proposed treatment, which can be deeply empowering.



# The Big Beat Challenge

## Our focus in 2021-22

Concluded the competition for the BHF's Big Beat Challenge, a £30m award to catalyse transformative research towards patient benefit.

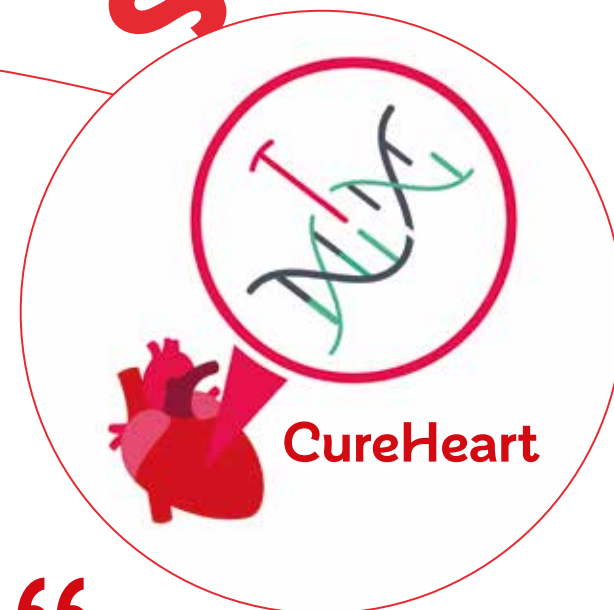
## CureHeart: A multinational initiative to cure genetic heart muscle diseases

Big Beat Challenge, our competition for a £30m research grant to fund a programme that aims to solve a pressing problem in cardiovascular research and bring transformational benefits to patients, has concluded.

We requested full applications from four of the most promising of 75 preliminary proposals. These were assessed through rigorous expert review and applicant interviews by both our Patient & Public Panel and our International Advisory Panel (IAP). Ultimately, the IAP recommended CureHeart for funding.

CureHeart is co-led by Professor Hugh Watkins (University of Oxford) and Dr Christine Seidman (Harvard University), world leaders in the genetics, mechanisms and clinical management of genetic heart muscle diseases, such as hypertrophic cardiomyopathy. The programme aims to develop revolutionary new treatments to halt, reverse or prevent conditions that are the biggest cause of sudden death and heart failure in young people. It engages other world leading researchers from the UK, USA and Singapore, who bring expertise in complementary fields such as gene editing, gene therapy vectors, nucleic acid therapies and muscle cell biology.

The award will be recognised in next year's report.



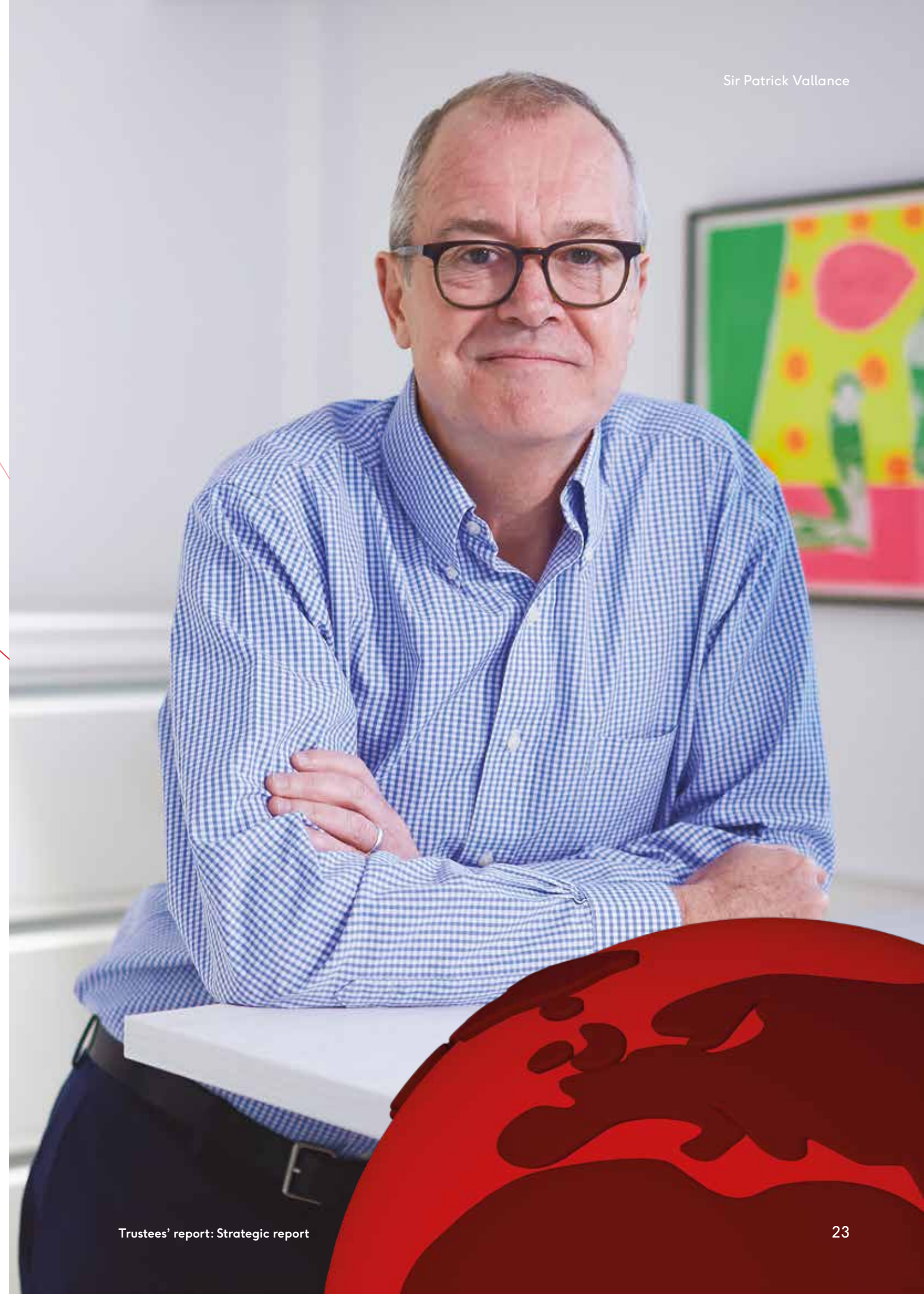
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**The IAP had an incredibly tough task to narrow the field down to four finalists, and then to select a winner from those truly outstanding applications. CureHeart was selected in recognition of the boldness of its ambition, the scale of its potential benefit for patients with genetic heart muscle diseases and their families, and the excellence of the international team of participating researchers.**

**Sir Patrick Vallance**

Chair of Big Beat Challenge  
International Advisory Panel,  
Govt. Chief Scientific Adviser

Sir Patrick Vallance







## Our focus in 2021-22

We used our partnership with other international cardiovascular research funders to coordinate multinational clinical trials to maximise public investment and patient benefit.

### BHF-DZHK-DHF Joint Funding Scheme International funding alliance

In February 2021, the BHF launched its third annual funding call in partnership with the German Centre for Cardiovascular Research (DZHK) and the Dutch Heart Foundation (DHF) to support research into preventive, diagnostic and treatment approaches to cardiovascular disease. The scheme attracted 36 applications from multinational teams – up from 20 at the previous round.

The BHF-DZHK-DHF Joint Funding Scheme now supports eight outstanding projects, seven of which include UK-based investigators, receiving a total of around £5m from the BHF. With an overall annual budget of up to €5m (to which the BHF contributes £2m) the three funders have, to date, made joint awards approaching €14m.

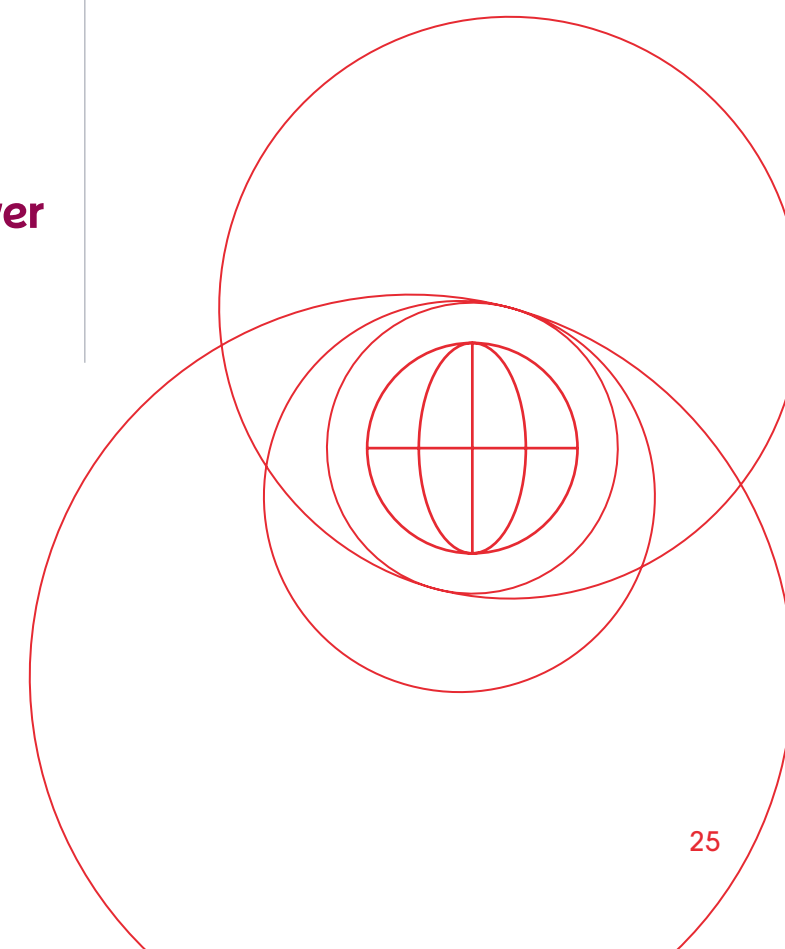
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The scheme facilitates collaborative research between scientists in partner countries to deliver impactful discoveries towards patient benefit.  
Professor Metin Avkiran  
BHF Associate  
Medical Director

### International cardiovascular research funders join forces on global clinical trials

Multinational clinical trials, involving patients in different countries, can help find answers to important questions more quickly. But multinational trials are often large and expensive, and challenging to fund. If researchers struggle to secure funding, the trial's success is jeopardised.

In 2021, a sub-group of the Global Cardiovascular Research Funders Forum (GCRFF), with the BHF as secretariat, launched the Multinational Clinical Trials Initiative, to facilitate ambitious clinical trials. Researchers submit a summary of their proposed trial to an Expert Advisory Panel (EAP). Trials considered to have merit receive endorsement from the panel, helping to put the trial in a more competitive position to secure international funding.

At the EAP's first meeting in November 2021, three proposals were endorsed. The BHF will continue to work with other funders in the initiative to evaluate how this process impacts research teams seeking funding. We hope that over time, large multinational trials, and their vital results, can be delivered faster and benefit patients sooner.





### Our focus in 2021-22

Increased resources and used new ways to analyse the outcomes and benefits of the research we fund and develop a series of compelling narratives that inform our supporters, the public and policy-makers of the impact arising from our research.

Sven Plein, BHF Professor of Cardiology Imaging at the University of Leeds

**It's critical that we measure the impact of our research investments. This includes discoveries like new biological pathways that can be targets for future drug development, support of clinical trials to improve care and management, and the maintenance of a thriving research network.**

### Our research impact

We have a duty to share the impact of our supporters' donations. That's why we are developing a series of thematic reviews, working with leaders in their respective fields to articulate the impact arising from long-term BHF support. We will share these reviews with supporters, patients, policymakers, researchers and the public to demonstrate the value and broad impact of the research we fund, thanks to generous donations from the public.

In April 2022, we were proud to share our first report: *A Deeper Look At The Heart: Impact of BHF Support For Cardiovascular MRI Research*.

Cardiovascular MRI is an imaging technique that provides highly detailed assessment of the structure and function of the heart and blood vessels. Over the past 40 years, cardiovascular MRI has become a mainstream diagnostic test for a range of heart and circulatory diseases. The BHF has supported research into cardiovascular MRI since the 1980s and has funded more than 250 research grants at a total value of over £100m. Our report highlights how BHF support has contributed to developing new technology, generating new knowledge, building NHS capacity, influencing clinical practice and improving patients' lives. Sven Plein, BHF Professor of Cardiology Imaging at the University of Leeds, says:

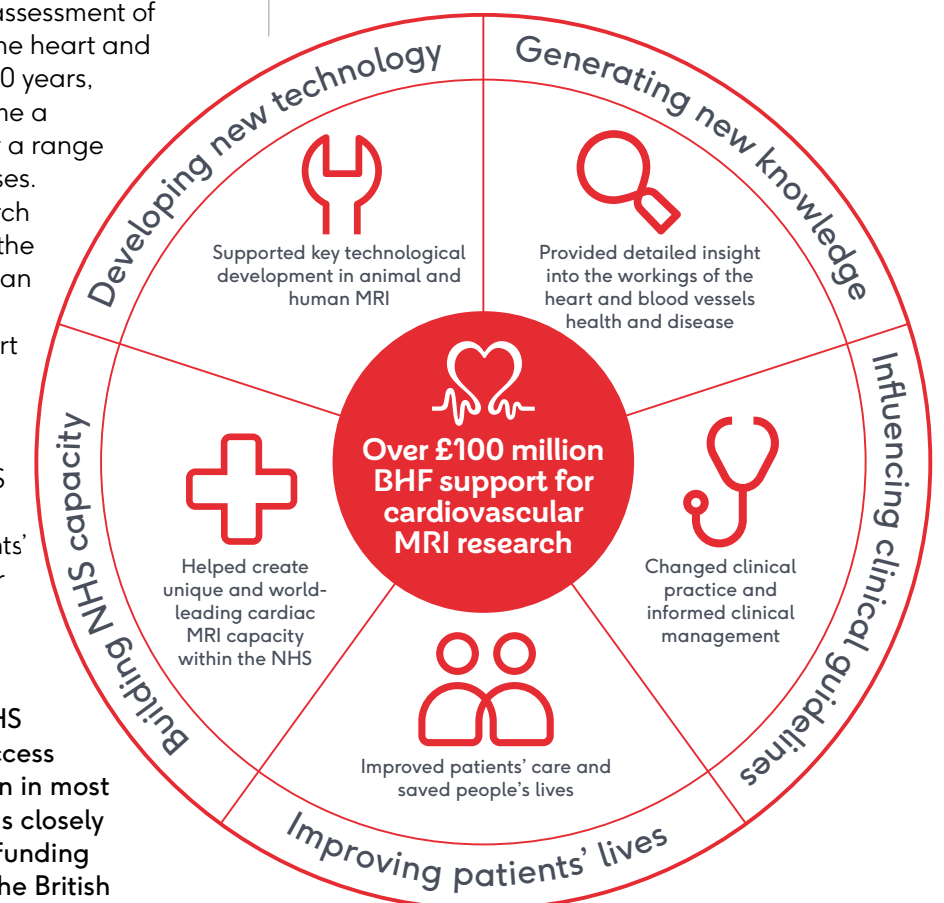
"The UK is world-leading in cardiac MRI research and NHS patients have much easier access to MRI facilities in the UK than in most other countries. This success is closely related to the long-standing funding for MRI-related research by the British Heart Foundation."

### Live & Ticking

Our Live & Ticking online monthly events have been going global. With over 20,000 views we're reaching audiences right across the world.

These events combine a research presentation from a BHF-funded scientist alongside a BHF supporter telling their personal story. Coupled with a live Q&A, this has been a popular format since the start of the pandemic.

Our recorded events are shared on our YouTube channel to rewatch and we're helping people understand their conditions and how we're making scientific advances with their support.







Philip Yea

### Philip Yea appointed as our second Distinguished Fellow

We have appointed our former Chairman, Mr Philip Yea, as a Distinguished Fellow in recognition of his immense contribution to our lifesaving work.

The role of Distinguished Fellow is a lifetime appointment which celebrates those who have made an exceptional contribution to the BHF.

Mr Yea joined our Board of Trustees in 2008 and became Chair of the Board in March 2009. During his Chairmanship, Mr Yea oversaw significant growth of the charity's income and world-leading research programme. He also served as Chair of the Nominations Committee and was a member of the Remuneration Committee and the Fundraising Board.

Mr Yea said: "It is an honour to be given the title of Distinguished Fellow by the British Heart Foundation. I've been lucky enough to see the benefit of BHF's lifesaving work first-hand and have been continually inspired by the dedication shown by the charity's staff, volunteers and supporters that makes this possible."

### Our focus in 2021-22

Continued to support a positive research culture and promote a fair and open research ecosystem by implementing the principles of the San Francisco Declaration on Research Assessment (DORA).

**For good science to thrive, you also need a healthy research culture – one that is transparent, inclusive, and supports researchers to carry out high quality research.**

With this in mind, on 26 April 2021 we signed the San Francisco Declaration on Research Assessment (DORA). By becoming a signatory, we have committed to the DORA principles: transparency in how applications and grants are assessed, responsible use of bibliometrics, and an appreciation of the value of all research outputs.

As a research charity that relies on public donations, we have a responsibility to invest in the most promising research and support the most talented researchers. Signing up to the DORA principles helps us foster a positive research culture that benefits everyone.

### Gold medallist

Professor Sir Nilesh Samani, our Medical Director, has been awarded the prestigious European Society of Cardiology Gold Medal in recognition of his contribution to cardiovascular medicine. The Gold Medal, the Society's highest honour, was presented at the European Society of Cardiology's annual Congress in August 2021. Professor Samani's work has been instrumental in identifying over 150 genes associated with coronary heart disease. The important findings from his research are being used to understand more about the causes of heart and circulatory conditions, to develop new treatments, and to help identify people at risk to help prevent or slow their conditions.



BHF-funded researcher  
Dr Koralia Paschalaki,  
Imperial College London



# Launching the next generation

**We're proud to support a thriving research community, while also fostering future talent.**

We currently support over 1,200 researchers across the UK. These brilliant individuals make the breakthroughs that could transform lives affected by cardiovascular disease. Among them are over 750 early-career investigators, including non-clinical PhD students, clinical PhD students, and research fellows.

The research training studentships and fellowships we provide are a key part of the BHF's prominent contribution to the UK cardiovascular research effort. These schemes attract gifted individuals to cardiovascular research and nurture their development.

There are many outstanding examples from our own cadre of BHF Professors, such as Professor David Newby (University of Edinburgh) and Professor Ajay Shah (King's College London), who lead their teams at their respective BHF Centres of Research Excellence. They are internationally recognised research leaders in inherited heart muscle diseases and heart failure respectively, whose early research efforts were funded through BHF awards.

Professor Barbara Casadei (University of Oxford), an international research leader investigating common cardiovascular diseases including atrial fibrillation (a major risk factor for stroke) and current President of the European Society of Cardiology, was funded by a BHF fellowship before being appointed as a BHF Professor.

Further afield, BHF alumni now hold senior research leadership positions in universities and hospitals worldwide, including Professor Alan Daugherty, University of Kentucky, USA; Professor Stuart Cook, Duke-NUS Medical School, Singapore; Lucy Norcliffe-Kaufmann, Principal Scientist, 23 & Me, New York; Professor Ruth Loos, Vice Executive Director and Group Leader, Novo Nordisk Foundation Center for Basic Metabolic Research, University of Copenhagen; and Professor Salim Yusuf, McMaster University, Canada.

**With thanks to the generous donors supporting 2021 cohorts of students:**

**Mr Richard Burns**  
University of Edinburgh

**Dr Jonathan and Mrs Georgina de Pass**  
University of Bristol

**Dr Robert Easton and Mr Andrew Spokes**  
University of Oxford





Promoting information and support for heart and circulatory disease patients

# Protecting our stellar support services

It's been another extremely tough year for people with heart and circulatory diseases. More than 13 million visitors turned to our Covid-19 Hub for support this year, and our Heart Helpline remains a lifeline for thousands of patients and their families.

Due to the pandemic's devastating impact on the NHS, many people still face unprecedented delays in diagnosis, treatment and care across the UK's four nations. The situation is stark, but we will not stop until people get the support they need.



## Our focus in 2021-22

Used data, insights, and feedback to ensure we are effectively supporting the people who need us.



### Our Health Intelligence team is using national datasets and qualitative feedback to map cardiovascular health disparities

Health inequalities, dramatically illustrated by the pandemic, are a critical priority for the BHF and the NHS. Previously, health inequalities have been examined in the context of specific conditions or treatments, not examined across the entire cardiovascular (CVD) pathway. While there are numerous studies on different aspects of health inequalities, the BHF is bringing together data to examine differences in prevention, treatment and outcomes by levels of deprivation in England. We will build on this to include analysis of inequalities in Scotland, Wales and Northern Ireland, where corresponding data are available. We plan to build this into an interactive, data-focussed public resource available on our website.

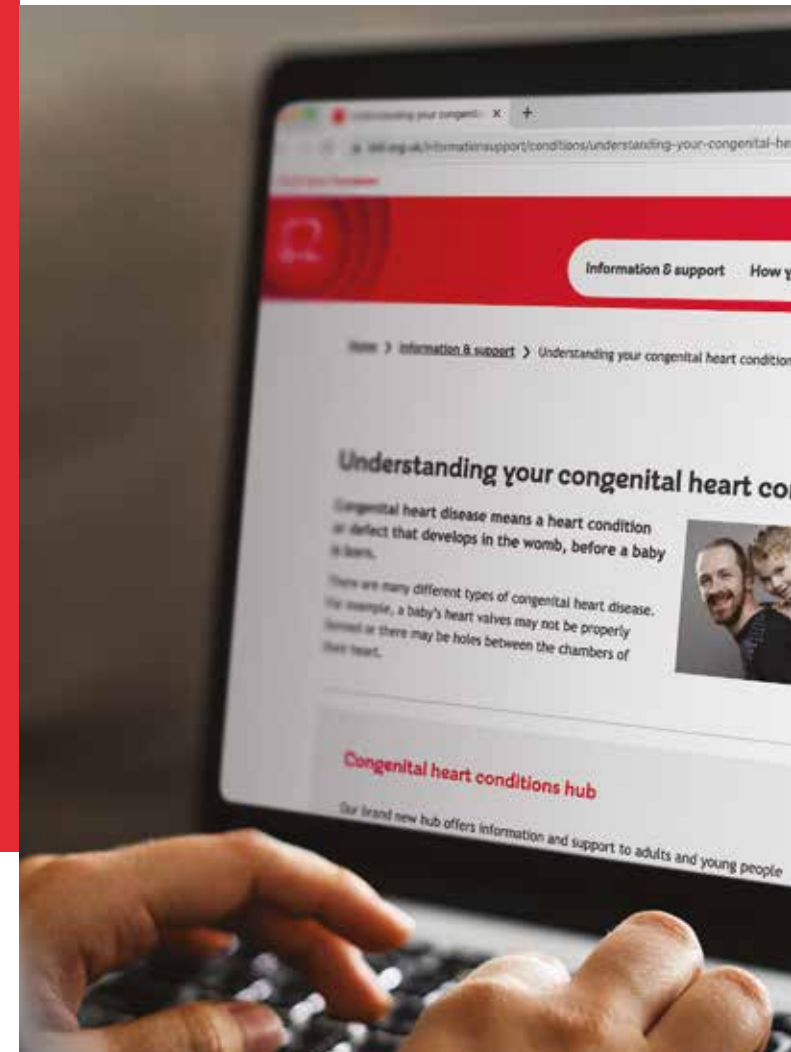


### Coronavirus Hub

Our Coronavirus Hub continued to be a lifeline for people. Our aim was always to go beyond information that was already in the daily news cycle, and to interrogate and interpret content through the lens of someone with a heart and circulatory condition, so that we're always answering the question – 'What does it mean for me?'

The needs of our audience have constantly evolved during the pandemic, through lockdowns, vaccines, boosters, the release of research findings and government announcements. We learned to respond to changes in real time, providing constant updates from our experts.

By 31 March 2022 the hub had received 18m page views. Surveys of our hub users are overwhelmingly positive, with the vast majority (around three quarters) of respondents saying that the content makes it easier to manage their health and that they found the information they were looking for.



### Online hub for people with congenital heart conditions

We've launched a new insight-led online hub to support people living with congenital heart conditions. The purpose of the hub is to empower people with congenital heart disease to know how they'll manage their condition. The content covers support and lifestyle, such as the best questions to ask your doctor, the levels of exercise you can aim for, information about what alcohol can do to your heart and about pregnancy with congenital conditions. We're adding more content for the parental audience who have children with heart conditions, as well as more about the specific conditions.

## Our focus in 2021-22

Highlighting health inequalities.

### Tackling health inequalities

We know that cardiovascular disease and its risk factors are a major cause of health inequalities across the UK, fuelling unacceptable disparities in life expectancy. To give just one example, there is a nine-year life expectancy gap between people living in the most and least deprived areas in England. Cardiovascular disease is the largest contributor to that gap and reduces the life expectancy of people living in the most deprived areas by nearly two years. We created a Health Inequalities Working Group to deepen our understanding of health inequalities, so that we can take considered action to close the cardiovascular health gap.

### Heart Failure: A Blueprint for Change

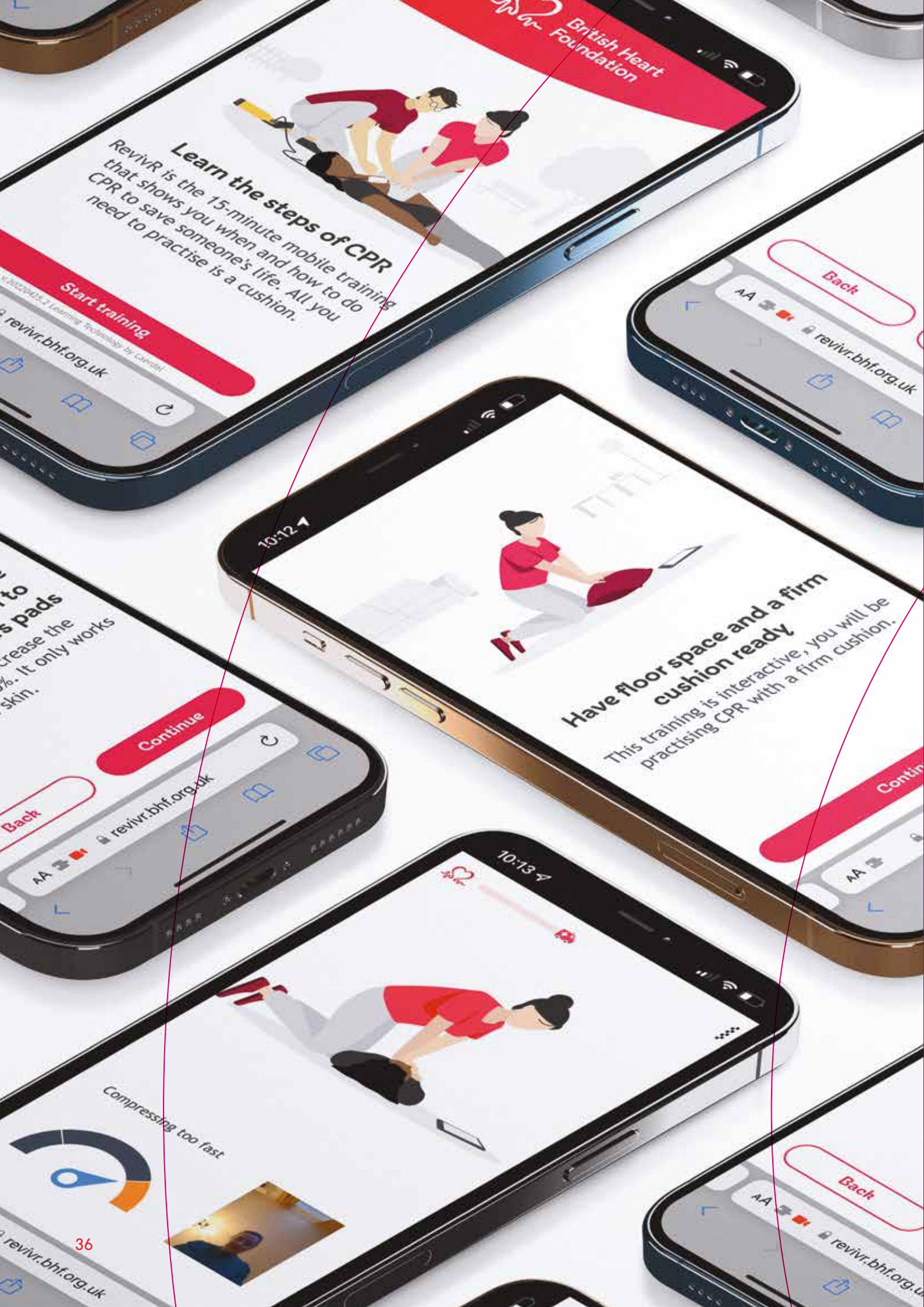
Disjointed and unequal care and support, likely exacerbated by the pandemic, is increasing the burden of heart failure. For the 920,000 people living with heart failure in the UK and the 200,000 diagnosed each year, we can do better. Our report *Heart Failure: A Blueprint for Change* sets out the care and support that people need to live well with heart failure for longer.

There are four key areas that hold the potential to transform services and improve outcomes and experiences for people living with heart failure.

- Reframing heart failure as a long-term condition.
- Focusing on people, not structures.
- Driving change with data.
- Leading across the pathway for heart failure.

By diagnosing people with heart failure early, getting them the specialist care they need and joining up services, it is possible to cut emergency admissions, improve quality of life and give people the opportunity to live well for longer.





### Our focus in 2021-22

Continued working with Laerdal to offer CPR training to millions across the UK, to help improve survival rates from out-of-hospital cardiac arrests.

# RevivR<sup>TM</sup> has lift off

## Our new interactive CPR online tool makes essential lifesaving skills available to everyone, everywhere.

Every year more than 30,000 people in the UK have an out-of-hospital cardiac arrest (OHCA). Sadly, less than 1 in 10 people survive.

We know that CPR and defibrillation can more than double the chances of survival, and bystanders who have the confidence to help can make all the difference - but since social distancing was introduced, most of us have been unable to learn or refresh our CPR skills.

To address this, we have been working with our development partner Laerdal, to create a new digital CPR online tool – RevivR<sup>TM</sup>. This innovative tool will help people to learn lifesaving CPR and how to use a defibrillator. It's free to use, and takes just 15 minutes. All you need is a mobile phone or tablet, some floor space and a firm cushion to practise on.

Many of us will witness a cardiac arrest in our lifetime. With RevivR<sup>TM</sup>, you'll be ready for that day and able to step in and save a life.





## Our focus in 2021-22

Our work on The Circuit: the national defibrillator network and Nation of Lifesavers gathered pace to help improve cardiac arrest survival rates.

**[The circuit]**  
The National Defibrillator Network

## Lifesaving defibrillators are all around us. But medics and bystanders don't always know where to look. The Circuit is showing the way.

There are more than 30,000 out-of-hospital cardiac arrests every year in the UK, but less than 1 in 10 people survive. This is partly because public-access defibrillators are used in less than 1 in 10 of out-of-hospital cardiac arrests, with ambulance services often unaware of their locations.

To help save more lives, the BHF is working with Resuscitation Council UK, St John Ambulance and the Association of Ambulance Chief Executives to urge people to register their defibrillators on a pioneering database. The Circuit: the national defibrillator network is a register of lifesaving devices in offices, shopping centres and a host of other locations.

The Circuit synchronises every 60 seconds with the live dispatch system in the ambulance services allowing them to direct bystanders to the nearest defibrillator in an emergency.

The Circuit could help to save many lives, but only if defibrillator guardians register their defibrillator. Without their help, tens of thousands of defibrillators will remain invisible to the ambulance services.

To find out more visit:  
[www.thecircuit.uk](http://www.thecircuit.uk)



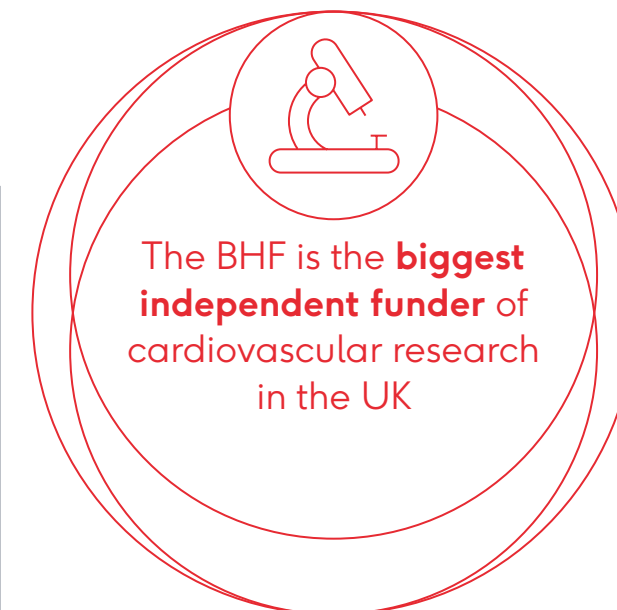
## BHF helps equip 500 Virgin Media engineers with mobile defibrillators

Virgin Media completed one of the UK's largest mobile defibrillator roll outs, through its lifesaving initiative with the British Heart Foundation. More than 500 front-line Virgin Media staff received CPR and defibrillator training from the British Heart Foundation, alongside portable defibrillators for their company vehicles.

Since the project began, several Virgin Media employees have jumped into action and put their skills into practice. Just months after completing his training, field technician Morgan Sherlock resuscitated a man who had suffered a cardiac arrest at the roadside. Morgan used his mobile defibrillator to administer shocks while they waited for an ambulance to arrive. Morgan's quick action, and the mobile defibrillator he was carrying, helped to save the man's life.

## Tesco becomes the UK's first supermarket to join The Circuit

Our long-term partner Tesco has already registered over 2,000 defibrillators onto The Circuit and is in the process of adding even more so that every Tesco store in the UK has one. This will put thousands of additional defibrillators within reach of lifesavers.



Footballer  
Christian Eriksen

## Encouraging CPR adoption after Christian Eriksen's collapse

'The ad we never expected to make': created in just 24 hours, after the extraordinary moment when Danish footballer Christian Eriksen suffered a cardiac arrest at Euro 2020. The purpose of the advert was to emphasise the critical importance of learning CPR to save lives. The ad and related activities helped 140,000 people learn CPR, increased weekly donations by 17% and tripled our sales of defibrillators.



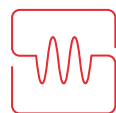
### Our focus in 2021-22

Expanded our peer support offer geographically, and across different age groups, to extend our ability to support people.

## Uniting people with a shared mission

“  
The only wish I have  
is to be fixed and get  
on with my life.

**Alex Martin**  
Heart patient



Around 1.5 million  
people in the UK have  
been diagnosed with  
atrial fibrillation

Over the past year we held 14 peer support events online with a total of 121 attendees. These peer support events helped people feel connected to the BHF and each other, with 98% of attendees reporting reduced feelings of isolation.

Some of these events included inspirational talks and Q&As with our celebrity ambassadors, including Will Njobvu (TV and radio presenter), Fraser Franks (former professional footballer) and James Eder (founder of Student Beans).

We also hosted a peer support event for the parents of teenagers living with a heart condition. And we launched our monthly 'Heart Talk' events for One Beat members (18–30 year olds living with a heart condition). Every month, One Beat members come together to share their experiences of growing up and living with a heart condition. It's a chance to ask questions, provide support to each other and talk openly in a safe space.

### The Ticker Tapes roll on...

We relaunched The Ticker Tapes podcast in April to share stories of heart and circulatory disease patients, their experiences and how they and their families deal with their diagnosis.

# The Ticker Tapes

Alex Martin's hope of joining the army was dashed after a shock diagnosis. In his interview, Alex talks about the physical challenges and emotional strain as he recovers from a major operation and life with a mechanical heart valve.







Sajid Javid MP (left) and David Rutley MP (right)

### Our focus in 2021-22

Continued developing an influential voice with senior decision-makers in the Government so that we can raise the profile of our vital mission.

### When patients can't wait

Hundreds of thousands of people are anxiously waiting for lifesaving heart treatment and care in this country. Without sufficient investment in the NHS recovery across the whole pathway and support for the workforce. We are predicting that the number of people waiting for cardiac care will continue to rise for some time.

Long waits are emotionally distressing and increase the risk of someone becoming more unwell or even dying while they wait for care. You can read more about this in our report Untold Heartbreak.

As part of our campaign, more than 3,000 supporters wrote to their MPs, urging them to visit us at their conferences. Their efforts helped us speak to 135 MPs, including the Health and Social Care Secretary Sajid Javid MP and David Rutley MP about this urgent issue.

“

Each month we see waiting lists for time-critical heart care in England reach record levels, with no signs of slowing. With even lifesaving emergency heart attack care severely disrupted and soaring levels of staff sickness, this tidal wave of pressure on the NHS is costing lives. We urgently need to see a funded and specific plan to deal with the vast and mounting backlog of cardiovascular care.

**Dr Sonya Babu-Narayan**  
BHF Associate medical director and consultant cardiologist

**50%**

Half of heart attacks and strokes are associated with high blood pressure in the UK



### Closing the heart attack gender gap

Women face disadvantages and inequality at every stage of their heart disease journey.

Even though coronary heart disease kills twice as many women as breast cancer in the UK, it is often seen as a condition that only affects men.

This false assumption is costing women their lives.

BHF-funded research suggests that the deaths of at least 8,243 women could have been prevented through equitable cardiac treatment over a ten-year period in England and Wales.

Both UK and Scottish Governments have committed to clinical plans to address health inequalities across the life course faced by women in Scotland and England.

There are an estimated 100,000 women living with heart disease in Wales. Because of our work there is now a commitment from Welsh Government to deliver a Women's Health Quality Statement which addresses inequalities experienced by women with heart disease.

Working with Welsh Government we will ensure that the quality statement seeks to improve outcomes for women with heart disease through improved public awareness, timely diagnosis, equitable treatment and equitable access to cardiac rehabilitation.





Dáithí MacGabhann and his dad Máirtín

### Northern Ireland welcomes organ opt-out scheme

We celebrated a historic moment with the passing of organ donation legislation in Northern Ireland.

The change means that everyone in the UK will be presumed to consent to organ donation unless they opt-out. Families will continue to be consulted, which is why it is referred to as a 'soft' opt-out system. Northern Ireland's campaigning success comes after Wales changed its organ donation system in 2015 to soft opt-out, followed by England and Scotland who made the change in 2020 and 2021 respectively. A fantastic campaigning victory for the BHF.

It is a particularly special moment for the BHF as the new law will be named Dáithí's Law, after five-year-old Dáithí MacGabhann who is waiting on the gift of a new heart. Dáithí and his parents are BHF NI Ambassadors and have worked tirelessly to change the law.

### Nation of Lifesavers

This year we hit a major milestone in our bid to create a Nation of Lifesavers as CPR training and defibrillator awareness becomes a compulsory part of the school curriculum in Northern Ireland. The move came after many years of campaigning by BHF NI and others. Now pupils all over the UK can learn skills to save a life, helping to improve out-of-hospital cardiac arrest survival rates.

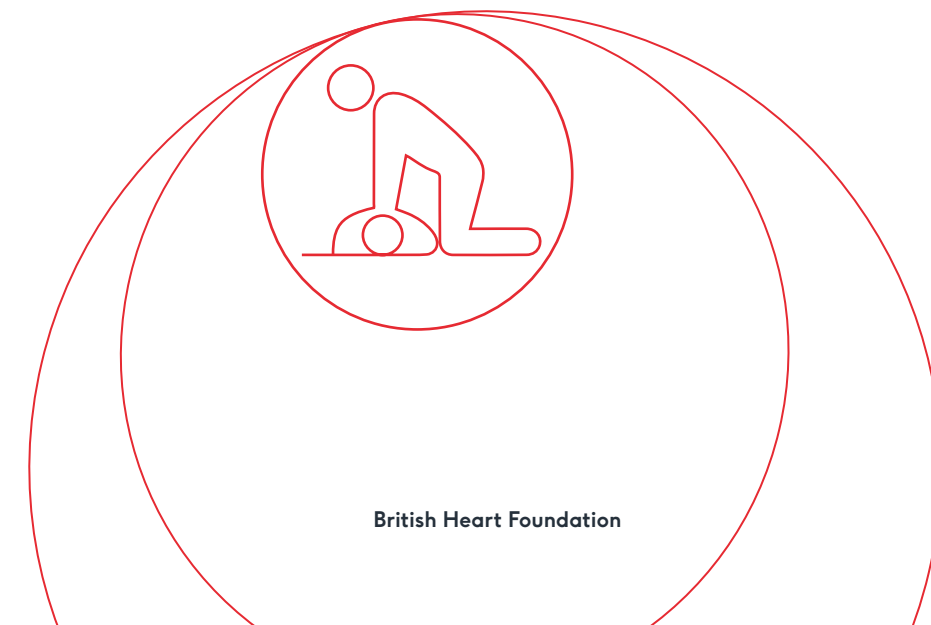
### Helping shape Scotland's heart disease treatment and care

The Scottish Government's new Heart Disease Action Plan includes many BHF recommendations, but is backed by just £2.2m in funding. BHF Scotland believes the Scottish Government must increase investment to fully deliver this plan.

Heart disease remains a major cause of death and disability in Scotland, accounting for around 10,000 deaths each year. Although there have been improvements in survival from heart attacks and other acute events over the last half century, significant challenges remain.

BHF Scotland are involved in the steering group for the implementation of the Heart Disease Action Plan and within the first year have been key contributors to the establishment of a lived experience advisory network, as well as a new cardiac data audit that will support the improvement of heart disease services across Scotland.

BHF Scotland continues to campaign for increased investment to ensure equitable heart treatment and care for the people of Scotland.



British Heart Foundation

### Our focus in 2021-22

Continued working with external partners to improve post-mortem genetic testing for sudden, unexpected deaths (SUDs) so that family members can make informed choices about their health.



Professor Elijah Behr, St. George's, University of London

### Easing the trauma of sudden unexpected deaths (SUDs)

When someone dies unexpectedly, their family is often put through a challenging process involving multiple interactions with coroners, counsellors, doctors, pathologists and the police, all while navigating their grief.

BHF-funded Professor Elijah Behr at St George's, University of London is leading a pilot project that aims to provide better support for bereaved families. This study involves a new partnership between coroners, NHS specialists and other charities including CRY (Cardiac Risk in the Young) to understand the challenges families

face and the support they need. The pilot study started in January 2022, and will run for two years across England. Once the processes are successfully developed, they will be rolled out to the rest of the country.

Professor Behr is also researching the genetic causes of SADS (sudden arrhythmic death syndrome), specifically focusing on family studies to identify faulty or mutated genes that cause an inherited heart condition. These studies could identify other family members at risk from SADS.

Trustees' report: Strategic report





Managing income to drive  
long-term financial stability

# Full speed fundraising

Following months of closures and last-minute cancellations, we were thrilled to reopen the doors to our charity shops and relaunch some of our biggest fundraising events.

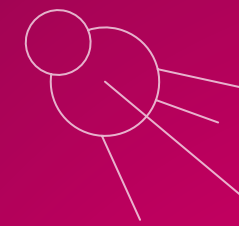
Thanks to the phenomenal efforts of our staff, volunteers, and our supporters – our financial position is positive. As we focus on the future and our epic goals, it's time to accelerate fundraising in a bid to save even more lives.







THIS IS SCIENCE ~~FICTION~~



## Our focus in 2021-22

Recovered and grew our fundraising income by 're-booting' our brand, to help us innovate with urgency.

# Making our work matter more, to more people

**We need to make a bigger impact, heart and circulatory diseases are one the world's biggest killers yet too few people know about our organisation or our ambitious goals.**

The British Heart Foundation and the research we fund is on the frontline of creating a world free from the fear of heart and circulatory diseases. Covid has shone a light on the power of science to save lives, and that's why as we look to recover and grow our income post-Covid, we 're-booted' our brand in December 2021. We need to present ourselves in a more single-minded way that clearly demonstrates who we are and what we do. In doing so, make the British Heart Foundation matter more, to more people inspiring more people to donate time, money or stock to fund lifesaving science.

Our marketing and communications are shifting to focus on the awe-inspiring research that we fund, because these stories demonstrate the power of science to find new cures at the frontier of our knowledge. As part of our This is Science campaign to accompany our re-boot, we celebrate the people who are alive today because of medical advances uncovered by BHF-funded research. This includes people who have benefited from 3D printed hearts being used to guide surgery, miniature balloons being used to open the blocked arteries that cause heart attacks, and AI enabled heart scans that can predict heart attacks. The BHF, quite literally, through its research funding helps turn science fiction into reality.

“

**We are focusing our marketing and communications behind the awe-inspiring research of the BHF, to leave the public in no doubt their support fuels this boundary pushing research, because we know that we can outsmart heart disease through the power of science.**

**Claire Sadler**  
Chief Marketing and  
Fundraising Officer



## Our focus in 2021-22

Celebrated our 60th anniversary to inspire support, including through stories that bring our history to life.



## Celebrating 60 years of lifesaving research, thanks to your support. Your donations, time and tireless fundraising have brought us a long way since 1961.

Today, more than 7 out of 10 people survive a heart attack in the UK. Heart transplants, pacemakers, clot-busting drugs and statins are just a few examples of the countless advances propelled by our world-class medical research. The BHF funds over half of all non-commercial research into heart and circulatory diseases carried out in the UK.

But we've still got so much to do.

Research into heart and circulatory diseases is underfunded compared to many other conditions.

Millions of people across the UK are living with the daily burden of heart and circulatory diseases – diseases that cause a quarter of all UK deaths.

We need to close the gap in funding. We need to recover our income. We need to do more for the millions of people living with life-limiting conditions.

Our challenges are only matched by our ambition. We know, with your support, we will power the science that saves lives.



Tour de Research cyclists



### Out of the lab, into the Lycra

Scottish researchers got on their bikes to raise money for our 60th birthday. The scientists – many of whom are funded by the BHF in universities across Scotland – signed up to take part in the #TourdeResearch. Inspired by our milestone birthday, some committed to cycle 60 miles on the date of the anniversary, while others took on a longer challenge, covering 600 miles throughout July 2021. Together, they raised an astonishing £20,000.

The #TourdeResearch challenge was the idea of BHF Trustee Professor Jill Pell, Director of the Institute of Health and Wellbeing and Professor of Public Health at the University of Glasgow.

### Partners accelerate 60th celebrations

The British Heart Foundation was thrilled to partner with the Stonegate Group during our 60th year. Their staff fundraising was the highlight of the partnership, with intrepid employees taking on wild challenges involving running, cycling, mountain-climbing, head-shaving, quiz-hosting, and paddle boarding, all to support us. In December, Stonegate did a national Santa Dash, with 171 runners covering a total of 855km. Stonegate employees raised an incredible £317,000 from May to December 2021 to fund essential and lifesaving research into heart and circulatory conditions.

Other dauntless partners who took bold leaps to help us recover our income included:

- musicMagpie raised £60,000 for the BHF 60th anniversary.
- F. Hinds and Chapelle supported our 60th anniversary and Heart Month 2022, raising £34,000.
- Through donations via the PayPal Giving Fund we raised £168,000 to support our 60th anniversary and Heart Month 2022.



## Our focus in 2021-22

Recovered our income through our retail and fundraising efforts, doing 'fewer things better for bigger impacts'.

Understood the opportunities to maximise our impact through new and enhanced strategic partnership working.

**From 3D printed models of hearts to beating heart plasters we're proud to see BHF-funded research turn mind-blowing ideas into real-world treatments. All these successes are the result of the combined contribution made by our donors, fundraisers, partners and volunteers. Working together, we power the science that saves lives.**

### Will power delivers record legacies

During our 60th year we received an astonishing £102.6m in legacy income.

There are multiple reasons for this record sum, including a government push to clear a backlog of probate cases, and rising property prices. As always, we've had excellent collaboration from executors who have worked with us to maximise the gifts from generous supporters.

To receive any legacy is truly humbling and a testament to a supporter's generosity and their belief in our ability to change lives. We remember with much gratitude the people who have left us a gift in such a profound way, and thank those who have helped us realise the potential of such generosity.

### Inspiring a healthier nation, one heartbeat at a time

We were delighted to announce a new partnership with PureGym, the UK's leading gym chain, in 2022. This three-year partnership aims to raise £5m to fund essential and lifesaving research into heart and circulatory conditions.

Together we aim to inspire a healthier nation with initiatives focused on preventing, treating and managing heart and circulatory conditions including:

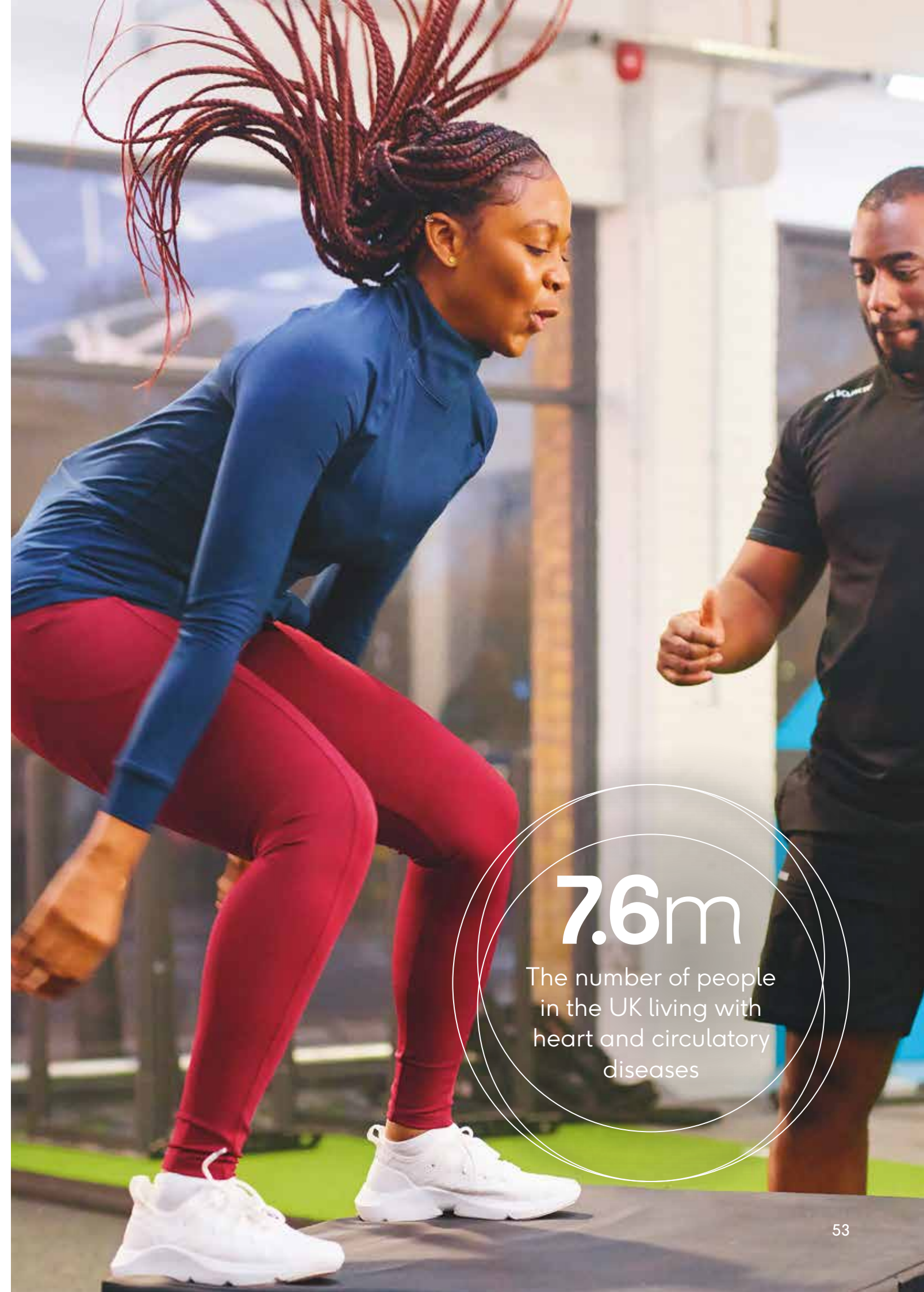
- Healthy Hearts Programme to provide free access to information and support through the award-winning PureGym app.
- Survival programme to give thousands more people lifesaving CPR skills and register hundreds more defibrillators on The Circuit.
- Cardiac rehabilitation programme to give PureGym personal trainers cardiac rehabilitation skills so they can help people recover from heart trauma.

Our partnership is underlined by a shared commitment to accessibility. Each programme will be available for everyone, in PureGym venues across the country, online and through the PureGym app.

### Partnerships accelerating progress

Corporate partners play a huge role in helping us power the science that saves lives. Over the last year we've also received impactful support from the following organisations:

- Croda Foundation made a £25,000 grant to our Patients First programme.
- BAM Construct Ltd have raised £70,000 in the first year of our partnership.
- Travelodge's colleagues and customers continued to support our lifesaving research in 2021, raising £117,000.
- Our incredible three-and-a-half-year partnership with Thales concluded in 2021, raising £305,000.
- Laerdal supported our Heart Hero Awards 2021, helping us recognise our CPR heroes.
- Tesco, who have raised over £20m for the BHF since we started working together in 2015 as part of our sector leading health partnerships.



# 7.6m

The number of people in the UK living with heart and circulatory diseases



# Fantastic fundraising tales...

Over the past year we have been overwhelmed by the ongoing support from fundraisers across the UK. Their extraordinary dedication to powering our science is demonstrated through their epic efforts.



Admiral graduates with Charmaine Griffiths, BHF CEO

## Admiral Graduate Programme

Graduates at financial services company Admiral raised more than £15,000 as part of their ongoing Challenge Admiral scheme for BHF Cymru.

Leigh Manley, Admiral's Graduate Programme Manager, who has arrhythmogenic right ventricular cardiomyopathy (ARVC) said: "Challenge Admiral proved to be a winning concept – a partnership approach that sees Admiral grads developing a host of skills, while providing financial support for charities in Wales."

## Hoppo's Hi 5s

A group from Mold Rugby Club have supported BHF Cymru for over a decade, holding an annual touch rugby tournament in memory of Paul Hopkins who had a heart condition and died suddenly aged 23. In 2021 they raised over £20,000 cycling 220 miles to Buckingham Palace.

## Pedal power

Darren Macken from Leicestershire rode 100 miles in a day, alongside close friends and family, raising over £17,000 for our lifesaving research. Inspired by his granddaughter who was born with a complex heart condition Darren wanted to support the BHF knowing that his granddaughter will require multiple major heart surgeries throughout her life.



Jared Scott



## Jared won't stop

When Jared Scott vowed to spend 2021 fundraising for BHF Scotland, he meant it. Jared, from Aberdeen, lost his mum and brother to heart disease and wanted to do something meaningful in their memory.

For his "Not Stopping for a Year Challenge", Jared moved every day. This involved runs, wild swimming, walking, and hiking up mountains - in the sun, rain, hail and snow. His incredible achievements drew huge support and raised thousands of pounds.

## Malin Head to Brow Head

Jamie English, along with his friends and family and the Level Up Coaching Academy, raised £12,000 by virtually running the length of Ireland on Easter Sunday.

On the day, they managed to cover almost double this target by completing a combined distance of over 500 miles in 24 hours. The marathon fundraising effort was in memory of Jamie's dad, Tommy English, who died suddenly on 16 October 2017 following a suspected cardiac arrest. The sudden loss was devastating for Jamie, his sister Beth, their mum Jacqui, and all those associated with Tommy's beloved family and football club, Lisburn Rangers.

## Remembering Rachael

Rachael Shannon from Ballinamallard passed away after developing sepsis. The 27-year-old was born with a genetic condition called Noonan Syndrome, which meant she had heart defects present at birth (congenital heart disease) and had undergone heart surgery in 2016.

Rachael's death was not connected to her heart condition, but her family wanted to help fund vital heart research for other children born with congenital heart conditions. Rachael's family and friends held a bucket collection at Ballinamallard Football Club and raised £2,300.



“

With my father passing away at 49 and grandfather at 58 from heart and circulatory diseases, I was prescribed beta blockers and statins 30 years ago. Reaching 76, I have no doubt of the value of research into heart disease and its prevention. It feels only right for me to give financial support to the BHF at a time when Covid-19 has had a devastating effect on its resources.

**Mr Richard Burns**  
Supporter of 2021  
student cohort,  
University of  
Edinburgh

# Thanks to the donors who think big...

**Our ability to transform science fiction into cures is entirely dependent on the ongoing generosity of our supporters.**

Philanthropy plays a vital role in powering the future of cardiovascular research. Transformational gifts fund studentships, new research and vital support for patients. This page recognises the generosity of some of our closest supporters, who are ensuring we continue to accelerate progress towards new treatments and better care for patients.

## Recognising generous gifts from

Audrey Wilson Charitable Settlement  
Mr Edward Broster  
Frances and Augustus Newman Foundation  
Mr James and Mrs Margaret Lancaster  
ShareGift  
The Michael Game Charity  
The Peacock Charitable Trust

## Leading support for the next generation

Mr Richard Burns  
Mr Andrew Cripps  
Dr Jonathan and Mrs Georgina de Pass  
Dr Robert Easton  
Masonic Charitable Foundation  
Mr Andrew Spokes

## Leading support for innovation in technology

Dr Doug Gurr

## Leading support for putting patients first

Moondance Foundation

## Leading support for translating discoveries from bench to bedside

Rosetrees Trust

£



A student volunteer at our  
Manchester Piccadilly shop

### Our focus in 2021-22

Recovered retail profits by  
reducing property costs,  
diversifying our online offer,  
innovating stock generation,  
and focusing on empowering  
and equipping our people.

# Retail recovery and resilience...

**The pandemic and Covid-19 restrictions have challenged our 35-year-old retail operation like never before. People were tentative about returning to the high street and we received less donated stock and saw a significant reduction in volunteer numbers.**

### Record recovery

Despite the challenging conditions throughout the year, and thanks to the hard work and incredible commitment of our shop teams and the generous donations from our supporters, we achieved a remarkable £23.9m profit to invest in our lifesaving work, massively ahead of our expectations. The resilience of our retail model is attributable to the combination of four factors:

**Value:** We offer outstanding value – 77% of items sold cost less than £5 and our furniture shops offer exceptional items at a fraction of their original price.

**Choice:** We offer huge choice with constantly changing ranges that encourage frequent visits to discover new items, and our customers love the thrill of discovering the unexpected.

**Community:** We are embedded in community locations and, with the shift in working and shopping patterns away from major centres, have benefited from this desire to shop closer to home.

**Sustainability:** We offer genuine sustainability, not just in extending the life of products we sell but in the social benefits of the jobs and volunteering opportunities we create, the high streets we support, and the funds raised for our lifesaving research. By buying pre-loved items people really do make a difference whilst funding the science that saves lives.

We believe the combination of extraordinary value, choice, and sustainability our shops and online channels provides, allied to the mission of the BHF, makes us increasingly relevant and resilient and we are committed to our future as part of local communities across the UK.



Horley shop

### Home sweet home

Whilst our smaller high street shops were adversely impacted for much of the year by footfall restriction and social distancing, our 184 large Home shops performed exceptionally well, thanks to people investing in the places they live and increasingly work, also boosted by the number of new builds and house moves.

We are hugely grateful to our retail teams, who worked tirelessly to prepare our shops and serve so many eager customers. We are also hugely grateful to the communities who shopped and donated. This ongoing support enables us to fund ground-breaking research into heart and circulatory conditions.

### Stock partnerships

Our shops and online channels can handle almost any type of donation, enabling us to support a wide range of organisations and their environmental, social and corporate governance strategies. During the year we received major stock donations from many retailers including M&S, Amazon, Noble House, Claire's Accessories and Charles Tyrwhitt. These generous donations contributed significantly to our performance, for which we are very grateful.



## Reuse Revolution

Our shops and stores fully reopened in spring 2021, following which we launched our Reuse Revolution campaign, encouraging shoppers everywhere to shop second-hand throughout May.

We joined forces with TV presenter and charity shop fan Miquita Oliver, who explored our shops for vintage items and retro pieces to show off in a photo shoot for Sunday Times Style magazine.

Coronation Street actress Kimberly Hart-Simpson also got involved, sharing her favourite BHF finds with her 135,000 Instagram followers.

Thanks to support from Miquita and Kimberly and fantastic press coverage, our Reuse Revolution web page had 35,000 visits. Following a long period of pandemic closures, the campaign brought to life how BHF shops offer a fabulous fashion range while helping to power our lifesaving science.



Miquita Oliver with some of her BHF finds

## Our focus in 2021-22

Increased our investment in our data capabilities, customer service and customer-facing technology infrastructure. Including the pilot of a new logistics platform to support our growing Home retail business.

## Multichannel retailer

Online will remain at the forefront of our retail growth as we increase investment in our data capabilities, customer service and customer-facing technology infrastructure. Our investment in technology is a key driver of BHF maintaining its position as the UK's largest and most successful charity retailer.

We launched a new in-shop eBay listing tool so that all 691 shops can list and despatch items directly as well as through our central eBay operation in Leeds. The combined efforts of our specialist eBay team in Leeds and our nationwide in-shop teams produced 108% growth in eBay sales, with a further 50% growth forecast for 2022-23.

During the year, we developed our range of Heart Health Products such as defibrillators, blood pressure monitors and portable ECG devices resulting in a 170% increase in sales. Our trusted BHF advice on learning CPR and health information through Heart Matters, is helping our online shop become the go-to place for the sale of defibrillators, with the hope that more lives can be saved in the future by making defibrillators more widely accessible.

ebay

The number of  
items sold last year  
on eBay was  
**236,000**



## Volunteers

We launched a new volunteer platform, MyVolunteer, which gives our generous volunteers the best possible experience. During the first phase of this new system we are improving the process of signing up as a volunteer with us. By streamlining the application, induction and reference checking process, our new volunteers will be part of the team even sooner.

Next year we'll have quality information to understand our volunteers, better helping us to provide a rewarding experience of volunteering with the BHF.

## From recovery to growth

Despite the wider market challenges, including significant cost inflation and the changing High Street, we are confident our diverse retail operation will continue to deliver significant profits to fund our lifesaving work.

We continue to review our shops and stores and the property we invest in and plan to open a further 85 large shops in several improved formats in the next 5 years. As we continue to re-site into larger, better-located units where required, we will also close a similar number of smaller and underperforming shops.

We will also continue to invest in keeping all the shops looking fresh and modern. With new window displays, fixtures, till points and systems, building on the major investments made to our back of house operations, CCTV and till hardware.

Multi-channel will be key to maximising donation value, and we need to stay focused on becoming the retailer of choice for donated items and for heart health products online.

We are still in our recovery, but we are truly grateful to everyone who has shopped with us, donated, or volunteered across our retail outlets. The combination of being the local retailer offering amazing value, choice and sustainability is proving a very powerful and durable attraction to shoppers in the new retail world. That gives us the confidence to continue to invest in our people, systems and shops for the long term. Ongoing innovation in how we develop shops, recruit volunteers, collect stock and sell through the best channels to maximise sales will be key.

Our bounce-back and success after such an extraordinary year is entirely down to the passion and commitment of our teams across retail, our supporters and shoppers. We are deeply grateful for the donations we receive and the commercial partners that support us.

Thank you to you all for powering the science that saves lives.





Reflecting on the huge changes  
we have made this year

# Adapting to our new world

Now that we find ourselves in post-pandemic recovery mode, it's time to look at how we embrace our new world.

The disruption caused by the pandemic has been immensely stressful and challenging to navigate, but the pandemic has also shown us alternative ways to work. For the past twelve months we've been exploring new ways to adapt, and tirelessly planning our return to routine.





## Our focus in 2021-22

Applied the lessons we've learnt during our Covid-19 response to how we work in the future, making sure we maximise the opportunities for improved flexibility, wellbeing and effectiveness – making sure we work in a way that's the best for the BHF and our cause.

## The pandemic made us change. We had to change how we work, where we work and what we prioritise, both personally and professionally.

Much of this change has been positive for individual colleagues, for team performance, and for our organisation. But we've also lost some of the magic that happens when we get together. Our focus now is learning from the pandemic. We've launched a new programme called FlexiblyConnected to help us capture these lessons and give our colleagues new freedom to live and work sustainably. We're eager to support our colleagues at work and at home, while giving everyone the tools and skills they need to deliver our strategy and realise our mission.

With such a diverse workforce working in such varied roles and environments, being FlexiblyConnected is about balancing opportunities with challenges and understanding the breadth of perspectives, priorities and needs that we must address.

Great work happens when we connect the right people with the right ideas and the right tools to get things done. Part of this is about creating spaces, both physical and virtual, that foster connection, promote inclusivity, and support productivity. FlexiblyConnected is a work-in-progress and some of these goals will take time to reach, but we firmly believe this approach offers a sustainable future for everyone at the British Heart Foundation.

In the UK **one third of adults** with diabetes die from a heart or circulatory disease

### Wellbeing at the BHF

One of our five People Experience priorities is to make a safe, healthy and inclusive workplace. This priority includes empowering colleagues to look after their health and wellbeing.

Last year we started implementing our three-year strategic wellbeing plan to develop a safe and inclusive culture to engage and retain staff.

Some of the key initiatives have included:

- People engagement campaigns; Winter Wellbeing, Work of Heart, Do One Thing For Wellbeing.
- Continuing to provide proactive and reactive Covid-related support including specific mental health support and supervision.
- Ensuring our FlexiblyConnected hybrid working programme supports wellbeing.
- Ensuring our performance development process includes wellbeing goals.
- Extended support from our Employee Assistance Providers to our volunteers.
- Trained 39 new Mental Health Ambassadors in Mental Health First Aid.

As we deliver our three-year wellbeing plan, we will amplify our attractiveness as an inclusive employer of choice.



## Our focus in 2021-22

Recognised the varied experiences and difficulties staff and volunteers have, and continue to face, with the pandemic and making sure we have a safe, diverse and inclusive working environment for everyone.



### The Kaleidoscope Group

The Kaleidoscope group is made up of colleagues from across the charity who are passionate about driving diversity and inclusion (D&I) within BHF.

Kaleidoscope meets once a month to discuss topics like celebrating diversity, training opportunities, and how we can ensure our people always feel safe and included. We also have a network of affinity groups that give people the opportunity to celebrate themselves, and listening groups that allow us to learn from people with lived experience.

Kaleidoscope activities cover three themes:

1. Awareness, visibility and understanding – improving colleagues' awareness and understanding of the nature, challenges, and opportunities with D&I.
2. Listening and measuring – improving our ability to understand the experiences of different groups at the BHF and improving our ability to measure progress.
3. Leadership, talent and culture – improving our ability to recruit and retain talent through enhancing leadership capability and creating a culture of D&I.

### Affinity groups

Affinity groups empower, support and provide a safe space for people so they can bring their full selves to work. These groups can also be used to inform organisational policies, such as diversity and inclusion strategy, by providing recommendations to the wider organisation.

Affinity groups can be empowering, spread awareness of social issues, build communities, share information and help to celebrate diversity within the organisation. They can be formed by two or more people.

Affinity groups can be used to:

- Increase inclusion – this may seem counter intuitive, but they provide a way for people to celebrate differences in a safe and inclusive space.
- Provide a clear line of communication to senior leaders to voice concerns or issues and increase awareness of different lived experiences.
- Create an open forum for employees to share what they have in common, helping them to feel accepted and empowered, giving them a voice and confidence that their concerns will be heard.
- Create a space to further develop leadership and management skills.
- Attract new and diverse talent, knowing that there is a group for people who share important parts of their identity.

We currently have the following affinity groups in the BHF, which are established and active:

- Black Affinity Group
- Anti-Racism Affinity Group
- Parents at Work Affinity Group
- Disability Affinity Group (established 2021)
- Jewish Affinity Group
- Muslim Affinity Group
- LGBTQ+ Affinity Group
- Gender Equality Group (established 2021)



### Igniting change

Building on the work of Kaleidoscope over the last few years, we have started several initiatives designed to improve equality, diversity and inclusion, but we now need a more ambitious and holistic view of what needs to change and what our role should be.

Cardiovascular disease is a disease of inequality. Too often, things like where you live, your income, your background, your ethnicity, and your gender determine your chance of developing – and dying from – cardiovascular conditions. With heart and circulatory diseases accounting for a quarter of deaths in the UK every year, these are large, persistent injustices that need addressing.

By bringing together our first cross-BHF roadmap for equality, diversity and inclusion, we hope to provide clarity on what we want to achieve, how we will measure progress and how we can hold ourselves and others to account. The steps we are taking, which are overseen by our Chief Executive and our EDI Steering Group, will help chart our journey to a fairer world for our colleagues, our research community, and people affected by heart and circulatory diseases. Our strategy was launched in May 2022.

## Our focus in 2021-22

Equipped our leaders, managers and colleagues to unlock our people's full potential, inspire a deeper connection to our cause, and create an even stronger community of staff and volunteers supporting the work of the BHF.

### Apprenticeships at the BHF

Apprenticeships offer exciting opportunities and encourage you to enhance your career, increase your knowledge and boost your confidence. Zakir Uneeb, finance systems analyst, completed his apprenticeship last year: "I wanted to get my experience by working, getting hands-on experience, this would be much better than any online course or book that I could've read at school."

### Gender and ethnicity pay report

We continue to publish what we're doing on gender and ethnicity pay at the BHF. The diversity and fulfilment of our brilliant BHF team is inextricably linked to the impact we have.

As further described on pages 91–92, we are determined to ensure we are a fair and inclusive organisation and committed to sharing our progress. We know that improving inclusion and diversity begins with holding ourselves to account. When we reviewed the gender and ethnicity pay data our BHF team were particularly mindful that the Covid-19 pandemic influenced our 2021 colleague data. Despite that, it is heartening to see that overall our median gender pay data shows that the median of female and male pay are similar in 2021, with female pay 1.0% higher than male vs. 4.0% in favour of females in 2020. And when we look at median ethnicity pay data, the median for colleagues from an ethnic minority background is 9.6% higher, noting this base represents a smaller number of colleagues.

Behind these headlines and progress, as an organisation we know that there are specific areas in which we have more work to do.



## Our focus in 2021-22

Further embedded sustainable practices across the BHF and promote them in the wider sector (particularly in charity retail), to make sure we remain a leading force for good in society.

# Sustainable progress...

For an organisation founded on an optimistic view of the future, it's critical that we protect the present and safeguard the planet.

## Protecting tomorrow's world

Our Sustainability Programme challenges us to minimise waste, reduce emissions, and prevent pollution, while also considering how our supply chains impact people and communities.

Governance is provided by the Sustainability Programme Board, led by our Commercial Director, with two dedicated staff supporting. This year we launched a Green Champion network to identify future environmental projects and energy savings, increase understanding of sustainability initiatives, and carry out pilots to drive innovation.

This has been the first fully operational year since the programme launched, with real progress made in all target areas.

## Our commitment to the environment

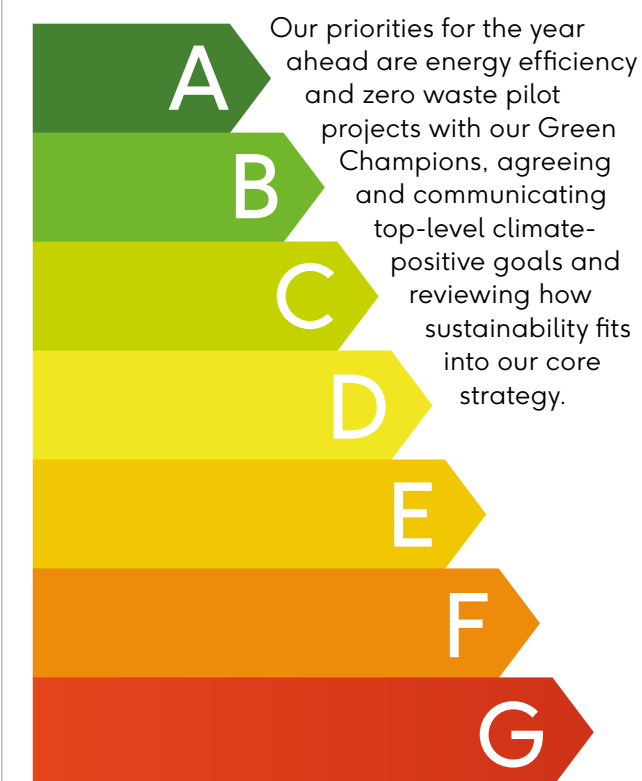
Our plans are built upon five themes, each with goals, ongoing monitoring and measuring. This year we have been broadly on target and in some cases ahead. We have:

- Delivered recycling bins to 99% of BHF shops and offices for cardboard, paper, plastic bottles and cans. This is in addition to our wide range of existing re-use and recycling services for unsold donated items.
- Improved our database tracking where items go for re-use and recycling. We analysed 2,301 donated homewares, toys and media with the University of Surrey to understand material mix and the potential for reducing greenhouse gas emissions by diverting waste.
- Phased out single use plastic where we can. Only 1.4 million plastic bags were issued this year, down from 6.2m in 2019–20. 73% of our shops now only sell our bioplastic carrier bags, made from compostable corn starch.
- Reduced staff travel to 1.6m miles, down 46% from 2.9m miles in 2019–20. While some of this is attributable to a slow return from lockdown, our sustainable travel hierarchy also plays a part.
- Encouraged more sustainable travel, and signed a new contract for company cars, with a focus on electric and hybrid vehicles.
- Developed our ethical sourcing framework. All suppliers and partners have been assessed against this framework with enhanced checks on suppliers and partners in higher risk categories. 36% of BHF's recycling traders are now also certified under the ethical standard TRUST.
- Ongoing monitoring of Streamlined Energy and Carbon Reporting (see pages 76–77). Following the disruption to operations last year, our reported emissions are 19% lower this year than in 2019–20, with our energy usage down 14%. These reductions incorporate ongoing energy efficiency improvements in ways of working across our operations.
- Re-use and recycling through our shops has saved over 57,000 tonnes going to waste, enabling 130,000 tonnes of avoided greenhouse gas emissions.



## Improvement areas

We're proud of what we've achieved and the part our staff and volunteers have played, but recognise there is room for improvement. Transparency is important to us, so we're reviewing our goals to reflect what we can do to improve.





# Financial review

## Overview

After experiencing in 2020–21 one of the most challenging periods in its history, the BHF recovered strongly through the last year. Overall, the BHF generated total net income of £142.1m in 2021–22 (2021: £57.2m), an £84.9m or 148% increase on the prior period. This variance principally reflected the significant bounce-back in retail trading, following the enforced closure through periods of lockdown of our shops and stores for much of the prior year. Consequently, we moved from a £40.5m loss from retail trading activities in 2020–21, to a profit of £23.9m in 2021–22. In addition, 2021–22 was a record breaking year for legacy income, which was up 32% to £102.6m. This performance contributed to the proportion of total income available for charitable purposes increasing from 67% to 81%, substantially exceeding our target of ensuring that at least 70p in every £1 is available to fund our lifesaving work.

During 2021–22 we invested £87.7m (2021: £74.2m) in delivering our charitable mission, including net

investment of £62.4m in medical research (2021: £49.7m). This reflected our strong and ongoing commitment to funding research into all heart and circulatory diseases and their risk factors, with £72.3m of new research grants awarded in the year (2021: £51.9m) and all existing commitments honoured as they fell due.

In addition, £25.3m (2021: £24.5m) was invested in Healthcare Innovation, helping families affected by heart and circulatory disease with support and information. This resulted in an income and expenditure surplus for the year, before investment gains, of £54.4m (2021: a deficit of £17.0m). Overall net income was £68.5m, inclusive of a £14.1m gain on investments, compared to £29.8m in the prior year (inclusive of a £46.8m gain on investments). As set out in the Group Statement of Financial Activities, our total expenditure for this year was £297.3m (2021: £242.3m), of which £178.3m (2021: £140.7m) was directly attributable to our trading activities, primarily our retail business.

## Statement of financial activity – Summary

	2022 £m	2021 £m	Movement %
Legacy income	102.6	77.6	32
Fundraising income <sup>1</sup>	46.0	43.9	5
Retail net profit/(loss) <sup>2</sup>	23.9	(40.5)	159
Investment and other income <sup>3</sup>	3.0	4.6	(35)
<b>Total income (net of retail costs)</b>	<b>175.5</b>	<b>85.6</b>	<b>105</b>
Direct costs of generating funds <sup>4</sup>	(33.4)	(28.4)	18
<b>Net income available for charitable purposes</b>	<b>142.1</b>	<b>57.2</b>	<b>148</b>
<b>% of total income available for charitable purposes</b>	<b>81%</b>	<b>67%</b>	
Research	(62.4)	(49.7)	26
Healthcare Innovation	(25.3)	(24.5)	3
<b>Total charitable expenditure</b>	<b>(87.7)</b>	<b>(74.2)</b>	<b>18</b>
<b>Net income/(expenditure)</b>	<b>54.4</b>	<b>(17.0)</b>	<b>220</b>

### Notes

1. Fundraising income comprises donations of £26.0m (2021: £25.5m), volunteer fundraising of £15.1m (2021: £13.3m) and income from fundraising trading activities of £4.9m (2021: £5.1m).
2. Retail net profit/(loss) comprises retail net profit of £20.6m after Covid-19 government support (2021: net loss of £41.9m) and income from donations received in BHF shops of £3.3m (2021: £1.4m).
3. Investment and other income includes income from charitable activities of £0.3m (2021: £0.1m), investment income of £2.6m (2021: £2.7m), Covid-19 government support (non-trading) of £nil (2021: £1.8m) and other income of £0.1m (2021: £nil).
4. Direct cost of generating funds comprises total fundraising costs of £31.3m (2021: £27.4m) and costs of fundraising trading of £2.1m (2021: £1.0m).



# Financial review

## Net Income

In 2021–22, we generated total income of £175.5m (2021: £85.6m), inclusive of the return generated from our retail trading activities. This represented an increase of £89.9m or 105% on last year, principally reflecting the bounce-back to a profit of £23.9m from retail trading activities, against a prior year loss of £40.5m caused by the extended periods of lockdown closure of our shops and stores.

Legacies remain our largest single source of income and at £102.6m were at the highest level ever, up 32% on the prior year (2021: £77.6m). Legacies exceeded £100m for the first time, reflecting high underlying asset values and the receipt of some significant individual gifts. Income from other fundraising activities increased by £2.1m or 5% in the year to £46.0m (2021: £43.9m), inclusive of a strong performance across several areas including philanthropy, corporate partnerships, community fundraising and individual giving, alongside the return of many events during 2021–22 following Covid-related cancellations in the prior year.

In BHF Retail, we operate the largest charity retailer in the UK and one of the largest eBay charity retailers in the world. The pandemic and the ongoing Covid-19 restrictions challenged our retail operation like never before. Following significant disruption in 2020–21, our shops and stores finally fully reopened early in the new financial year with a record £1m of sales on the first day, and consistently strong performance thereafter. Overall, through the hard work of our retail teams and generosity of our supporters we achieved a profit of £23.9m (2021: net loss of £40.5m), significantly ahead of our expectations.

Gross retail income, including donations received in BHF shops and stores and Covid-19 government support was £200.1m compared to £99.2m in 2020–21, an increase of 102%. Total retail trading costs were £176.2m (2021: £139.7m), a 26% increase on the prior year reflecting the return to more normal levels of trading activity.

As at 31 March 2022, the BHF operated 691 shops (2021: 729), including 507 standard shops (2021: 541) and 184 Home stores (2021: 188). During 2021–22, we opened 2 new Home stores, closed a total of 29 shops and stores and now report 11 Home stores which incorporate a standard shop fashion offer as one site. Whilst we continue to review the store portfolio with an ongoing objective of increasing lease flexibility and reducing fixed cost, we aim to build on the strength of the recovery with plans to open a further 85 large shops in several improved formats in the next 5 years. Our online channels remain fundamental to our growth plans, with total online sales of £9.9m in the year, compared to £4.7m in 2020–21. This includes sales of donated stock via eBay, as well as a growing contribution from a range of heart health products such as defibrillators, blood pressure monitors and portable ECG devices.

During the financial year, investment in the direct costs of generating funds increased by 18% to £33.4m (2021: £28.4m), reflecting the increase in fundraising activity as Covid-19 restrictions were eased. As a result, the BHF generated £142.1m of net income for charitable purposes in the financial year, a 148% increase on the prior year (2021: £57.2m).

## Charitable expenditure

During 2021–22, our charitable expenditure totalled £87.7m, up from £74.2m in 2020–21. The reopening of our retail business and strong performance across all income streams meant that we were able to increase funding for new research by 39% to £72.3m in 2021–22 (2021: £51.9m). We also maintained our commitment to existing grants and continued to offer researchers the opportunity to apply for Covid-19 grant extensions.

After adjusting for cancellations and discounting as outlined below, and including allocated support costs, research expenditure is reported as a total investment of £62.4m (2021: £49.7m). In addition, £25.3m (2021: £24.5m) was invested to fund Healthcare Innovation, covering a range of activities focused on promoting information and support for heart and circulatory disease patients.

As noted above, our five research funding committees awarded 150 new research grants worth £72.3m (2021: £51.9m), including supplements made to new and existing grants. The Chairs and Programme Grants Committee spent £32.2m funding a range of research projects including £10.2m for programme grants and £5.0m for special projects. Total research investment also included £23.5m for fellowships, £12.5m for project grants, £2.8m for clinical studies and £1.3m for translational awards (representing expected payments to the completion of future milestones). During 2021–22, eight grants were awarded costed extensions totalling £0.2m due to the disruption caused by Covid-19. In addition, although the selection process for the Big Beat Challenge (our competition for a £30m research grant to fund a programme that aims to bring transformational patient benefit) progressed successfully in the year, this award will be recognised in the 2022–23 financial year.

The total reported investment in research of £62.4m (2021: £49.7m) is different to the total new grants awarded because it reflects allowances for the experience that the majority of grants are not claimed in full, the application of a discount factor to reflect the long-term nature of the majority of the grant liabilities, as well as relevant BHF staff and support costs.

Beyond our core research funding, investment in Healthcare Innovation totalled £25.3m (2021: £24.5m). This covered a range of activities in support of heart and circulatory disease patients, including our Coronavirus Information Hub, Heart Helpline and new online hub for people with congenital heart conditions. We also continued to invest in innovation through the development of The Circuit, which will help to save more lives from out-of-hospital cardiac arrest by allowing bystanders to be directed by the ambulance service to their nearest defibrillator, and RevivR™, our new digital CPR training tool in partnership with Laerdal. Key activities also included evidence-based policy making and influencing of key government

and health system decision-makers, including a campaign focusing on the record length of waiting lists for time-critical heart care, as well as work on health inequalities using national datasets and qualitative feedback to map cardiovascular health disparities.

## Balance sheet

As at 31 March 2022, total cash, deposits and investments were £285.8m, an increase of £31.2m in the year. This reflected strong operational cash generation, in particular from our retail business and legacies and the continuing recovery in equity markets, which generated a £14.1m gain on investments (2021: £46.8m).

Our cash and investment portfolios are held to help us ensure we are always in the position to settle grant commitments, with an outstanding research grant provision of £282.0m as at 31 March 2022 (2021: £318.9m). Grants awarded are commitments by the BHF to reimburse recipients for expenditure properly incurred in accordance with grant agreements. It is our policy to provide for the total expected commitment at the point a grant is agreed and communicated to the grantee. However, there is often a substantial time lapse between recording a new grant award in our financial statements and its subsequent payment, and the full grant commitment may not be utilised in full. These factors are reflected in the year-end provision.

At the end of the financial year, the BHF Group is reporting total net assets of £117.7m compared to £49.2m last year. Total Unrestricted Funds in the Group balance sheet showed a surplus of £100.2m (2021: £24.6m). The increase in net assets principally reflects the reduction in the grant liability, increase in cash due to income from legacies and retail, and the gain in the value of the equity portfolio.

Although Total Unrestricted Funds have returned to surplus this year end, after careful consideration the Trustees remain of the view that a deficit on reserves is a position that could be maintained in the longer term, taking into



# Financial review

account the relatively long-term nature of the BHF's grant liabilities, our cash and investment portfolio and the considerable diversity of our fundraising activities, including legacies, which provide ongoing cash resources to fund research grant liabilities. Of the total research liabilities of £282.0m, £187.3m are long-term and will be funded, in part, by income generated in future years. As outlined in the reserves policy below, the key measure of sustainability for the BHF is current and future liquidity cover.

### Reserves policy

The Board of Trustees considers the key measure of sustainability for the BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. Consequently, Trustees have set an appropriate reserves policy, which is reviewed annually relating to liquidity, based on the relationship between readily realisable assets and the cash required to settle grant liabilities and sustain the BHF's operations for an anticipated period, as explained below. Trustees have decided that, after an allowance for future income expectations (including an assessment of the potential loss from an extended interruption to retail trade), the BHF should at all times maintain cash and readily realisable assets sufficient to fund between not less than 12 and not more than 24 months of forecast cash outflow to settle grant awards, plus 12 months of non-retail operating costs (excluding direct costs of income generation).

In the event of the BHF facing difficult financial circumstances, these reserves would allow

us to both meet our responsibilities to grant holders and for operations to continue during a period of managed adjustment to these new circumstances. Based on the current grants position, this policy requires us to hold between £115m and £154m in liquid and readily realisable assets.

At 31 March 2022, our total cash, deposits and investments of £285.8m were significantly above the upper end of the reserves range. This represents a remarkable recovery following the significant disruption of Covid-19 to the BHF's operations and income in the prior year. As part of our strategic planning process, the Trustees will continue to consider how these excess reserves can best be applied over the medium term to accelerate our charitable mission.

### Investment policy and performance

The BHF held total cash, deposits and investments of £285.8m as at 31 March 2022, an increase of £31.2m on 2021. The BHF has three portfolios: an equity growth portfolio, a short-dated corporate bond portfolio and a cash portfolio.

The investment objective of the growth portfolio, which was valued at £139.4m as at 31 March 2022 (2021: £124.1m), is to provide real growth over a 5-to-10 year horizon. The growth portfolio consists almost entirely of equities. Overall, the growth portfolio generated a total return, net of fees, for the year ended 31 March 2022 of 13.1%, against a benchmark of 12.4%.

In addition, a short-dated corporate bond portfolio is managed by Royal London Asset Management Limited (RLAM), with £19.4m held

as at 31 March 2022 (2021: £25.3m). The portfolio is constructed such that the coupon and maturity payments generated broadly match the forecast net cash requirements of the BHF's research funding commitments over the medium term. The short-dated corporate bond portfolio generated a total return, net of fees, for the year ended 31 March 2022 of -1.4%. The growth and short-dated corporate bond portfolios included a total of £3.1m of cash held for investment purposes as at 31 March 2022 (2021: £2.8m).

To balance short-term cash requirements and investment risks, we maintain a cash portfolio, with £101.8m held as at 31 March 2022 (2021: £86.1m). During the financial year we transitioned from a segregated portfolio managed by RLAM into RLAM's short-term Money Market Fund. The portfolio of readily realisable investments are reported within the total cash and cash equivalents on the balance sheet of £127.0m (2021: £105.2m). The investment objective of the cash portfolio is to preserve the absolute capital value of the assets, with the return benchmarked against the relevant SONIA (Sterling Overnight Index Average) rate. The RLAM cash portfolio generated a total return for the year ended 31 March 2022 of -0.0%, against the benchmark return of 0.1%.

The total return on investments for the year (including net investment income) was a net gain of £15.6m (2021: £48.6m).

Our investments are governed by investment and treasury policies that are reviewed by the Trustees on an annual basis. The policies are designed to balance the objective of maximising investment returns against the risk and liquidity of the investments, including consideration of environmental, social and governance issues, as further discussed below.

All investment managers are asked to demonstrate effective systems of control, including annual compliance with the requirements of the ICAEW Audit and Assurance Faculty assurance framework (or equivalent) on internal controls.

### Responsible investment policy

The BHF is committed to investing its funds in a responsible manner and for the investment portfolio to be managed in accordance with the BHF's own charitable mission and values. This means having regard to best practice in Environmental, Social and Governance (ESG) issues. The investment managers are expected to encourage good behaviour in the companies in which they invest and should promote sustainability, good business ethics, good employment practices and the transition to a low carbon economy. The BHF currently employs Schroder Investment Management Limited and Royal London Asset Management Limited to manage the investment portfolio. Both firms are signatories to the Principles for Responsible Investment (PRI), integrate ESG and engagement fully into their investment processes and produce regular ESG reports. There is a formal exclusion on investment in tobacco (defined as a company deriving more than 5% of turnover from the manufacture of tobacco or tobacco related products) and the investment portfolio is regularly monitored for its resilience to ESG and carbon risks.

### Pensions

The BHF UK Retirement Plan, a defined contribution scheme, is available for employees to join at any time. Contributions made to the Plan during the financial year totalled £4.6m (2021: £4.8m). In addition, the Charity retains a funding obligation to the BHF UK-defined benefit pension scheme ('the Scheme'), which was closed to new entrants from 30 June 2001 and to future accrual from 31 May 2016. The Scheme remains subject to a formal triennial funding valuation, with the most recently completed being as at 1 July 2020. This showed a funding surplus of £2.0m, such that no additional employer contributions are currently required. The actuary carries out a separate annual valuation of the Scheme in accordance with 'FRS 102: Employee Benefits', in which different funding assumptions are applied. The FRS 102 valuation as at 31 March 2022 showed a surplus of £10.9m (2021: £10.5m). In accordance with FRS 102, this surplus is not recognised as an asset, on the basis that future economic benefits

### Reserves and grant commitments

	2022 £m	2021 £m
Equity growth portfolio (including cash held for investment purposes)	139.4	124.1
Short-dated corporate bond portfolio	19.4	25.3
Cash and cash equivalents	127.0	105.2
<b>Total cash and investments</b>	<b>285.8</b>	<b>254.6</b>
<b>Grants – year end provision</b>	<b>282.0</b>	<b>318.9</b>
<b>Unrestricted funds</b>	<b>100.2</b>	<b>24.6</b>
<b>Total funds</b>	<b>117.7</b>	<b>49.2</b>



# Financial review

are not deemed available to the BHF in the form of a reduction in future contributions or a cash refund. This is further explained in note 14 to the financial statements.

### Charitable activity in Scotland

The BHF has charity shops in Scotland and receives income from other fundraising activities undertaken in Scotland. In 2021–22, 32 research grants totalling £7.5m were awarded to the Universities of Aberdeen, Edinburgh, Glasgow, Glasgow Caledonian, Dundee, Heriot Watt, St Andrews, Stirling and Strathclyde.

The Charity is registered in England, Wales, Scotland and Northern Ireland. Further information on our activities in each nation is available at [bhf.org.uk](http://bhf.org.uk).

### Activity in the Isle of Man

The BHF is registered as a charity in the Isle of Man and has a fundraising group there. During 2021–22, fundraising continued with the support of the community and £20k was raised (2021: £21k).

### Trading subsidiaries

The British Heart Foundation has three wholly owned trading subsidiary undertakings: British Heart Foundation Ventures Limited, BHF Shops Limited and London to Brighton Bike Ride Limited (dormant). The profit distributed to the Charity in the year from the subsidiaries was £15.2m (2021: £2.0m). Profits of trading subsidiaries are detailed in note 13 to the accounts.

### Streamlined energy and carbon reporting

The BHF is reporting for the third time under the Streamlined Energy and Carbon Reporting regulations. This requires an annual report on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial

control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement. The carbon figures have been calculated using the BEIS 2021 carbon conversion factors for all fuels, other than the market-based electricity, which has been taken from EDF as the UK supplier. The intensity metric that the BHF uses to normalise emissions for annual comparison is tCO2e per £1m turnover, this is considered the most appropriate metric for the nature of BHF activities and operations.

BHF's location based emissions increased by 99% between 2020–21 and 2021–22, largely as a result of reduced consumption in 2020–21 caused by shop and office closures for extended periods during the year due to Covid-19 restrictions. In comparison to 2019–20, during which the pandemic had limited impact, location based emissions in 2021–22 were 19% lower. These reductions incorporate ongoing energy efficiency improvements in ways of working across our operations. The BHF recognises the threats posed by climate change, pollution and resource depletion. Our Sustainability Programme is the framework we use to shape our medium-term approach and monitor and improve our performance, with progress on key initiatives reported on pages 68 and 69.

### Going concern

The Trustees have reviewed our financial position and financial forecasts, taking into account the levels of investment reserves and cash, and the systems of financial control and risk management. As a result of this review, the Trustees believe that we are well placed to manage operational and financial risks successfully. Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. As a consequence, the Trustees continue to support the going concern basis in accounting in preparing the annual accounts.

### UK Carbon Footprint Data 2021–22

Scope	Description	2022	2021
		tCO2e <sup>1</sup>	tCO2e
Scope 1	Combustion of fuel on site and transportation	1,308	962
Scope 2	Purchased energy (electricity)		
	Location based – UK grid	4,328	2,404
	Market based	174	121
Scope 3	Supply chain emissions		
	Location based – UK grid	3,255	1,098
	Market based	2,078	756
Total location based		8,891	4,464
Total market based		3,560	1,839
Intensity Ratio	tCO2e/£1m turnover	Location based	25.3
		Market based	10.1
			19.8
			8.2

### Energy usage

		2022	2021
Total consumed		kWh <sup>2</sup>	kWh
Electricity		20,382,178	10,311,605
Natural gas		4,774,955	4,003,163
Vehicle fuel		5,800,590	2,068,023
Gas oil		-	27,038
Electric vehicle		499	-
Total		30,958,222	16,409,829
Electricity	Carbon 0%	96%	95%

1. Tonnes of carbon dioxide equivalent  
2. Kilowatt hour



# Principal risks and uncertainties

## Internal control

The Trustees are responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the strategic and operational risks the Charity is, and could be, exposed to.

Processes in place regarding risk management and internal controls include the following:

- A BHF Risk Management Framework which meets the Charity Commission’s requirements and follows good practice from the Institute of Risk Management (IRM).
- An Internal Audit function supported by BHF’s internal audit partner Crowe UK, which delivers a risk-based audit programme approved by our Audit and Risk Committee. The Audit and Risk Committee reviews internal audit follow up by BHF management, as well as more detailed reports from senior management on key areas of risk.
- All major programmes and projects are scrutinised by the Executive Group and monitored through an Operations Board to ensure they are properly planned and implemented.

## Risk management

The Risk Management Framework sets out the process that we use to identify and manage risks in all our activities. This process is supported by individual Directorate Risk Registers and an overarching BHF Corporate Risk Register (CRR).

In March 2022, the Trustees completed their annual review of the CRR. In the course of this review, the Board has considered:

- the high and significant risks to which the BHF is exposed,
- the potential impact and probability associated with each risk,
- existing internal controls, and
- mitigating actions to reduce each risk to a level that the Board considers to be acceptable.

In addition to the Trustees’ annual review, the CRR is reviewed by the Executive Group and reported to Audit and Risk Committee on a quarterly basis.

Risk	Management
<b>Income &amp; Expenditure</b> External factors significantly reduce income or increase costs, impacting on our ability to deliver our charitable mission.	<p>Following the unprecedented impact of Covid-19 in 2020–21 on both our income and planned charitable expenditure, the BHF has since recovered strongly, with cash and investment reserves almost back to pre-pandemic levels. This performance reflected excellent cash generation from key income sources, including legacies and retail trading, together with the continued impact from principal risk mitigations, including:</p> <p><b>Increasing income and reducing expenditure:</b></p> <ul style="list-style-type: none"><li>• Where necessary, we made use of the Coronavirus Job Retention Scheme and other government Covid-19 grant funding schemes. This support was particularly important for our Retail operations, which were unable to open for extended periods through the prior year.</li><li>• Given trading restrictions, we sought and received financial and other support from our landlords and other suppliers and partners.</li><li>• We successfully accelerated development of online platforms to support both our fundraising and Retail activities, as well as launching a Coronavirus Information Hub to provide up-to-date information and support for people with cardiovascular disease.</li></ul> <p><b>Monitoring, review and management of the financial impact of Covid-19 impact on BHF finances:</b></p> <ul style="list-style-type: none"><li>• Regular monitoring and reforecasting of financial performance throughout the year.</li><li>• Adjustments to our cash and investment reserves portfolio to prioritise liquidity, so as to ensure all research commitments are settled on a timely basis.</li><li>• The preparation of long-term financial forecasts aligned to the BHF’s strategy to 2030 that target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends.</li></ul> <p><b>Ensuring we get most value out of the spend we have already committed to as well as ensuring new awards are the most impactful:</b></p> <ul style="list-style-type: none"><li>• Introducing a framework for considering costed and no-cost research grant extensions and introducing an additional prioritisation process for grant awards</li><li>• Advocating for the Government to safeguard research in the UK by adopting the Life Sciences – Charity Partnership Fund.</li><li>• Use existing BHF-funded infrastructure to address urgent Covid-related research questions through our national Flagship Projects.</li></ul>
<b>Pandemic</b> Ongoing impact of Covid-19 (Coronavirus) on our people and operations.	<ul style="list-style-type: none"><li>• Invoking the Crisis and Business Continuity Plan, incorporating managing our Covid-19 response through a gold, silver and bronze response group structure.</li><li>• Horizon scanning and scenario planning to ensure we were prepared for potential future developments and restrictions.</li><li>• Coordinating internal and external communications to ensure alignment with developing government guidance.</li><li>• Introducing Covid-safe measures in all shop and office locations when permitted to open.</li><li>• Wellbeing &amp; Support Workstream was established to support managers and staff whilst working remotely to provide emotional and practical support, including the extension of Employee Assistance Programme to volunteers.</li><li>• Business Continuity Planning and monitoring the capacity of all teams to continue to deliver core activities.</li><li>• Monitoring and testing of technology resilience.</li><li>• Agile audits to understand the impact and lessons learned from key activities.</li></ul>



# Principal risks and uncertainties

Risk	Management
<b>Cyber threats</b> A breach of BHF's IT infrastructure or services results in loss of data or denial of service.	<p>BHF retains a specialist Information Security team who are delivering a comprehensive information security programme which ensures cyber risks are regularly reviewed and counter measures prioritised. Key risk mitigations include:</p> <ul style="list-style-type: none"><li>• The deployment of multi-factor authentication and privileged identity management.</li><li>• Data classification and data loss protection.</li><li>• Firewall, proxy and anti-virus protection measures, with associated vulnerability monitoring and penetration testing.</li><li>• Installation restrictions, patch management and end-of-life monitoring.</li><li>• The development of a Technology Disaster Recovery Management framework.</li></ul>
<b>Adverse Events</b> Incidents that damage reputation and/or negatively impact operations (including, serious fraud, supply chain disruption, major health and safety incidents, safeguarding and internal process failures).	<ul style="list-style-type: none"><li>• Proactive detection, monitoring, reporting and whistleblowing arrangements to enable investigation of potential adverse events and incidents.</li><li>• Proactive and reactive media management in place, including ongoing digital and traditional media monitoring.</li><li>• Dedicated specialist resource is applied in key areas such as health and safety, risk and assurance, procurement, safeguarding and legal that support organisation-wide events and operations.</li><li>• Monitoring of key suppliers, including financial, ethical and other due diligence checks.</li><li>• Continuing programme of health and safety improvement training is being delivered to strengthen our safety management system.</li><li>• Continuing programme to drive IT improvements and strengthening of infrastructure and cyber security to protect BHF assets.</li><li>• Review and reissue of safeguarding policy, procedures and training.</li><li>• Review and testing of incident management framework, business continuity and disaster recovery plans.</li></ul>
<b>Regulatory environment</b> Changes in government policy, regulatory requirements and/or Charity Sector guidance negatively impact on the BHF's strategy and activities.	<ul style="list-style-type: none"><li>• BHF risk management, legal and fundraising compliance teams monitor public policy and the regulatory environment to ensure potential risks can be proactively managed.</li><li>• Active programmes of advocacy, influencing and senior level engagement to ensure our views are shared.</li><li>• Senior BHF and partner representation at key events and forums to help shape the research agenda.</li></ul>
<b>BHF Strategy</b> Strategic objectives and activities are not properly or sufficiently focused in order for the charity to deliver its mission.	<ul style="list-style-type: none"><li>• The BHF's Strategy to 2030 sets out how we aim to play a leading role in achieving significant improvements in heart and circulatory health.</li><li>• Our 3-year Strategic Plan outlines the key milestones in the medium term for the successful delivery of the Strategy, which are monitored and reviewed by the Executive Group and Trustees.</li><li>• The development of supporting programmes and operational plans are informed by internal and external subject matter experts.</li><li>• Scrutiny and approval of research funding applications by international expert committees.</li></ul>
<b>Investments</b> The BHF is exposed to financial risk and market movements through its cash and investment portfolios, and via the assets and liabilities of a defined benefit pension scheme.	<ul style="list-style-type: none"><li>• Expert financial advice informs investment and treasury policies that ensure our portfolio is adequately diversified and managed.</li><li>• Oversight of investment performance by our Investment Committee, who monitor compliance and effectiveness of our investment and treasury policies.</li><li>• The Trustees of the defined benefit scheme (closed to new members and future service accrual), in consultation with the BHF as sponsoring employer, ensure expert advice informs the Scheme's investment and liability management policies.</li><li>• Ensuring our investment reserves are invested in a responsible manner, having regard to best practice in Environmental, Social and Governance (ESG) issues, and in accordance with the BHF's own charitable mission and values.</li></ul>

Risk	Management
<b>Our People</b> Attracting, developing and retaining talented staff and volunteers in a competitive employment market.	<ul style="list-style-type: none"><li>• Targeted communication during the uncertainties of Covid-19 to keep employees and volunteers engaged.</li><li>• An active communication programme using our intranet site to ensure staff and volunteers are always informed on the BHF's strategy and the progress being achieved.</li><li>• Monitoring of trends in an increasingly competitive and dynamic employment market with regular benchmarking of compensation and benefits.</li><li>• Introduction of our FlexiblyConnected programme to enable staff to have more flexibility in their work patterns and help maintain a healthy work-life balance.</li><li>• Responding to the impact of Covid-19 on our existing volunteer base by running targeted campaigns to attract younger skilled volunteers, as well as improving the volunteer recruitment and on-boarding process.</li><li>• Ethnicity and Gender Pay Gap monitoring and reporting.</li><li>• Development of our EDI strategy and engagement programme.</li><li>• Talent management, development and succession planning programmes.</li></ul>
<b>Normalising Change</b> Delivering effective change management through major process improvement programmes in support of the BHF Strategy.	<ul style="list-style-type: none"><li>• Application of portfolio management processes for effective requirements capture, supplier selection and project delivery.</li><li>• Operations Board and Executive Group review, monitor and support all key change programmes ensuring appropriate governance and resourcing priorities are addressed.</li><li>• Independent programme assurance of key change programmes.</li></ul>
<b>Collaborative Research</b> The impact of Britain's withdrawal from the European Union has a negative impact on the research sector, our ability to attract researchers, or collaborate with European research institutions.	<ul style="list-style-type: none"><li>• We have made bilateral agreements with European and global institutions.</li><li>• Engaging with BHF-funded researchers to better understand the impact.</li><li>• Engaging with relevant government and umbrella organisations to advocate and influence in the interest of our beneficiaries.</li><li>• Monitoring the impact of actual or perceived barriers on the UK's ability to attract research talent, such as visa and associated costs.</li></ul>
<b>Environment and sustainability</b> Our supporters expect us to conduct our activities in a responsible and sustainable way. Failure to progress our sustainability programme could damage our reputation, introduce higher costs and impact our ability to deliver our charitable mission.	<ul style="list-style-type: none"><li>• Developing and monitoring a Sustainability Programme that challenges us to minimise waste, reduce emissions, and prevent pollution, while also considering how our supply chains impact people and communities.</li><li>• Ensuring our investment reserves are invested in a responsible manner, having regard to best practice in Environmental, Social and Governance (ESG) issues.</li><li>• Exploring opportunities through influence and engagement to reduce the environmental impact of the research we fund and the wider research environment.</li></ul>



# Legal structure and governance

**The British Heart Foundation is a company limited by guarantee, incorporated in England on 28 July 1961, and registered at Greater London House, 4th Floor, 180 Hampstead Road, London NW1 7AW. Our Articles of Association were last amended on 31 March 2016 and provide for a limitation of member liability to £1. The BHF is a registered charity in England and Wales (charity number 225971), in Scotland (charity number SC039426) and on the Isle of Man (charity number 1295).**

The Board of Trustees is responsible for the governance and strategy of the BHF. The Board is made up of up to 14 Trustees, comprising a mix of medically-qualified and lay members. The Trustees have full legal responsibility for the actions of the BHF, are appointed for a renewable term of three years and are the directors of the company for the purposes of the Companies Act 2006.

The Board meets on a quarterly basis and delegates day-to-day responsibility for the running of the BHF to the Executive Group.

The Board also delegates specific responsibilities and activities to various sub-committees, including the Audit & Risk, Investment, Retail, Nominations and Remuneration & People committees. Our investment in research is overseen by five medical committees with responsibility for specific areas of research including the review of grant applications and other scientific award proposals. An organisation chart listing all our current committees can be found on page 83.

### Our Board and Committee Structure

Our committees and groups are arranged into one of three streams – Governance, Operational and Advisory. The BHF’s governance structure has continued to operate effectively throughout the pandemic, with all Board, committee and other management meetings taking place as planned again this year. During the pandemic we moved primarily to online meetings, but as restrictions have lifted, the Board and committees have gradually returned to meeting in person or hybrid meetings.

### Governance stream

The Trustees have the ultimate responsibility for running the Charity, their principal duties being to set the strategic direction of the Charity and ensure that the Charity is solvent, properly run and delivers its charitable purposes. To ensure that all decisions are informed and appropriate, and where it is beneficial to the BHF, the Trustees have delegated certain tasks to directly accountable committees. These ‘Governance Committees’ are comprised of members with relevant specialist knowledge. There are currently three Governance Committees – Audit & Risk, Nominations and Remuneration & People – each of which has members who are independent of the Trustees and are experts in areas appropriate to their committee’s work.

### Operational stream

The operational committees review and make decisions on key operational matters on behalf of the Board of Trustees in the following areas:

- i) Grants – members of our five research funding committees review and assess applications for grants for scientific, medical, clinical studies or translational research grants for work that will assist BHF to carry out its charitable activities. They also review the output and performance of grants throughout the lifetime of those awards.
- ii) Investment – the Investment Committee recommends investment strategies and oversees investment performance in line with the BHF’s aims, objectives and risk appetite.

Each operational committee operates within clearly defined delegated authority and budgetary limits set by the Board to further the strategic aims of the Charity.

### Advisory communities

The BHF advisory communities cover specific areas of expertise, each designed to support BHF’s strategy to 2030. Working with supporters, specialist advisers, patient representatives and other key stakeholders these groups:

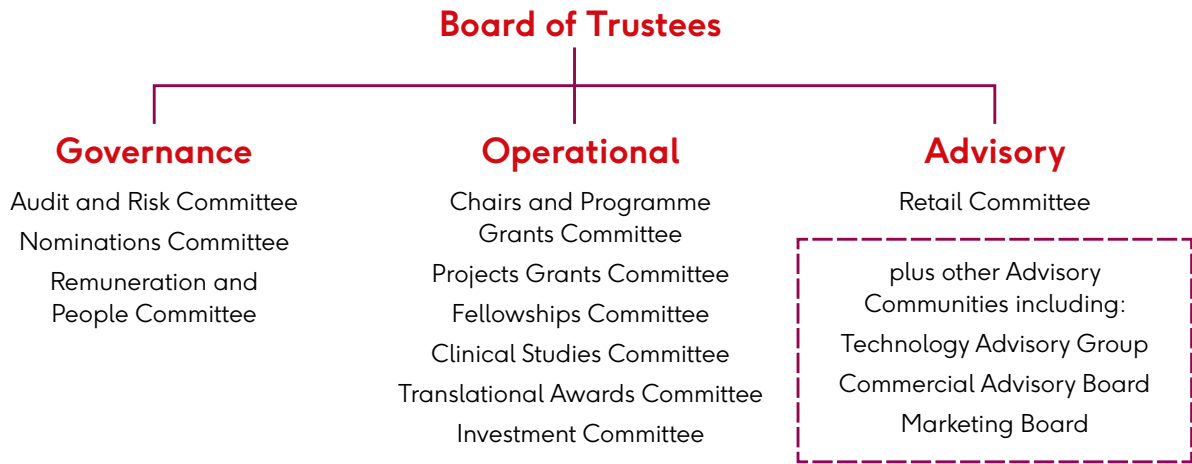
- provide tailored, expert support and advice to the Board and Executive Group,
- keep the Board apprised of major issues and concerns, and
- provide a forum for stakeholder involvement and consultation to inform the BHF’s work.

The advisory communities currently include as part of the formal board structure, a Retail Committee,

and among other specialist advisory groups, a Technology Advisory Group, a Commercial Advisory Board and Marketing Board. Each is made up of independent experts who provide advice on our operations and insight on the wider commercial and technology environment.

### Charity Governance Code

The Board supports the principles of good governance as set out in the Charity Governance Code and has reviewed and will regularly revisit the Code’s key principles to support continuous improvement and ensure the highest standards of governance. As recommended by the Code, every three years the Board commissions an independent review of its performance, and in the intervening years it undertakes a self-evaluation process. This is led by the Deputy Chair, and any agreed actions are overseen by the Nominations Committee. During 2021 a self-evaluation process was carried out.





# Legal structure and governance

## Board of Trustees

Trustees act as the company directors of the BHF, and under charity law they have legal duties and responsibilities as Trustees.

We are pleased to welcome two new Trustees, Sir John Hood, and Dr Annalisa Jenkins, who joined the Board of Trustees this year. The Board of Trustees is grateful to all our committee members for their support during another challenging year,

but our particular thanks go to Professor Sussan Nourshargh, and Professor Sir Kent Woods, our Deputy Chair, who retired from the Board of Trustees this year, having played a huge role in the direction of the BHF during their tenures.

The membership of the Board of Trustees, and their involvement on other Governance Committees is as follows:

Trustees	Year of Trustee appointment	Audit & Risk Committee	Nominations Committee	Remuneration & People Committee
Dr Doug Gurr (Chair)	2015		C	M
Dr Sarah Clarke (Deputy Chair+)	2018		M+	M+
Daryl Fielding	2017	M		
Mark FitzPatrick	2020	C		
Karen Frank	2019			
Sir John Hood	2021			
Timothy Howe QC	2018	M		
Professor John Iredale	2016			
Dr Annalisa Jenkins	2021			
Professor David Lomas	2016		M	
Professor Sussan Nourshargh	2015			
Peter Phippen	2017			
Professor Sir Munir Pirmohamed	2020			
Professor Jill Pell	2020			
Professor Sir Kent Woods (Deputy Chair*)	2015		M*	M*

### Key

C Chair

M Member

E Ex-Officio

+ from 12 October 2021

\* to 12 October 2021

### Changes to the Board of Trustees in this financial year

- Sir John Hood joined the Board of Trustees on 26 April 2021
- Dr Annalisa Jenkins joined the Board of Trustees on 12 October 2021
- Professor Sussan Nourshargh retired on 12 October 2021
- Professor Sir Kent Woods retired on 12 October 2021

Trustee biographies are available at:

[www.bhf.org.uk/what-we-do/our-people/our-trustees](http://www.bhf.org.uk/what-we-do/our-people/our-trustees)

## Trustee recruitment, induction and training

The Nominations Committee is responsible for recruiting members of the Board of Trustees and its sub-committees. One of its key aims is to ensure a broad mix of skills, experience, knowledge and diversity including gender and ethnicity. The Nominations Committee meets regularly to review the composition of the Board of Trustees and its committees, and all new appointments are evaluated against the existing skills, experience, knowledge and backgrounds. Trustee and committee vacancies are advertised as necessary and for recent appointments the BHF has extended its search and taken advice from specialist agencies to enhance and broaden the pool of candidates. The BHF will also approach individuals thought to have the right skills.

New Trustees undertake a comprehensive induction programme and are invited to spend time with individual members of the Executive Group. This is a chance to learn about the BHF and identify opportunities to become more involved with our work. Trustees are also invited to attend regular research site visits to learn more about BHF research, and additional training and updates are provided as appropriate.

## Trustees' Duties in relation to Section 172 of the Companies Act 2006

The Trustees, as company directors of the BHF, must act in accordance with a set of general duties as detailed in Section 172 of the Companies Act 2006, which includes a duty to promote the success of the company, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment, and
- the desirability of the company maintaining a reputation for high standards of business conduct.

## Our governance processes

Throughout this report, we have summarised our governance framework, our values and behaviours, and how we have engaged with stakeholders during the year. The Trustee Board has considered the views and needs of key stakeholders in Board discussions and decision making. It also believes that a balance of skills, experience, knowledge and diversity in the broadest sense is vital to providing a variety of different perspectives to its discussions and enhancing the Board's decision-making. The following paragraphs are not intended to be an exhaustive list, but are illustrative of how the Trustees have fulfilled these duties during the year.

## The likely consequences of any decision in the long term

BHF's long-term ambition is to see a world free from the fear of heart and circulatory disease. Our Strategy to 2030 is a blueprint for achieving these goals and has informed the Board's decisions and likely consequences of these in the long term. As part of their induction, the Trustees are briefed on their role and duties, which are fulfilled partly through the governance structure detailed on pages 82–83. The Board's discussions have been informed by detailed reports on specific subjects from the Executive Team and quarterly performance reporting to provide assurance and assist the Trustees in their decision making. In addition to this, a detailed Risk Management Framework is used to identify and manage risks in all our activities.

During 2021–22 the pandemic has continued to create obstacles and we are still operating in an uncertain environment where prompt, informed decision making has been essential. The Board has continued to receive monthly operational updates, to support business-critical decisions and has undertaken a detailed review of BHF's Strategy to 2030 to assess the short and longer term impact of the pandemic on the delivery of BHF activities, and on staff, volunteers and other key stakeholders.

For further details on our Risk Management Framework and principal risks and uncertainties please refer to pages 78–81.



# Legal structure and governance

## Engaging with our stakeholders

Our stakeholders	How we engage with them
<b>Patients and those affected by heart and circulatory disease</b> It is vital that we understand the experiences, needs and priorities of those affected by heart and circulatory disease to inform our research strategy, help us identify where policy changes are most needed to improve care and to provide relevant and accessible information.	<ul style="list-style-type: none"><li>• The Board of Trustees has recognised the disproportionate effect of the pandemic on people affected by heart and circulatory diseases and is agreed that tackling health inequalities and the provision of information and support for the people who need us are critical priorities.</li><li>• We regularly consult and work with patients and the public to work for better health and care.</li><li>• We are using data, insights and feedback to ensure we are effectively supporting the people who need us.</li><li>• We have launched a new sight-led online hub to support people living with congenital heart conditions.</li><li>• This year 14 million users turned to our Covid-19 Hub for support and our Heart Helpline remains a lifeline for thousands of patients and their families.</li><li>• In the past year we've held 14 online peer support events to help people feel connected to BHF and each other.</li><li>• For further details on how we have engaged with patients and those affected by heart and circulatory disease please refer to pages 32–45.</li></ul>
<b>Research and clinical community</b> As the largest independent funder of cardiovascular research in the UK, supporting a thriving research community and fostering future talent is vital to our mission.	<ul style="list-style-type: none"><li>• We currently support 1,200 researchers across the UK, and the research training and fellowships we provide are a key part of BHF's prominent contribution to the UK cardiovascular research effort.</li><li>• Our focus in 2021–22 has been to use our partnerships and engage with other international research funders to coordinate multinational clinical trials to maximise public investment and patient benefit.</li><li>• We also continued to support a positive research culture and promote a fair and open research ecosystem by implementing the principles of the San Francisco Declaration on Research Assessment (DORA).</li><li>• For further details on the impact on the BHF's research please refer to pages 12–31.</li></ul>
<b>Our supporters</b> Building lasting relationships with our supporters is vital to our long-term mission. We need to provide the right opportunities for people to support us and the level of customer service they would expect.	<ul style="list-style-type: none"><li>• Following months of closures and cancellations we were able to reopen our shops and relaunch some of our biggest fundraising events this year.</li><li>• This year's brand re-boot is another step in the evolution of the BHF brand and will help us to inspire more people to help us turn science fiction into reality.</li><li>• We have invested in technology to support our retail business and customer services to provide the best possible supporter experience.</li><li>• We would like to thank all our supporters for their continued support, donations and tireless fundraising this year.</li><li>• For further detail on our fundraising activities please refer to pages 46–57.</li></ul>

## Engaging with our stakeholders (continued)

Our stakeholders	How we engage with them
<b>Our staff and volunteers</b> As an organisation we know we need to recruit, develop and support the best people to help us achieve our goals. In order to do this we need to understand what support, information and development opportunities our people need from us.	<ul style="list-style-type: none"><li>• We strive to promote a culture whereby everyone at the BHF is treated equally, with respect, is safe from abuse or harm and is able to give of their best.</li><li>• We undertake regular staff and volunteer engagement surveys to understand and take into account any concerns.</li><li>• This year we provided additional wellbeing support to colleagues with regards to the impact of Covid-19 and the ongoing conflict in the Ukraine.</li><li>• We introduced our FlexiblyConnected programme to support colleagues at work and at home as we explore new and alternative ways of working.</li><li>• We also launched a new volunteer platform, MyVolunteer which helps us care for our volunteers and provide the best possible volunteering experience.</li><li>• Our Kaleidoscope and affinity groups provide a forum for raising awareness, listening and improving our understanding of the experiences of different groups at BHF, and outputs from these groups are fed back to the Remuneration &amp; People Committee.</li><li>• The Board is assisted in fulfilling its governance duties in relation to staff and volunteers by the Remuneration &amp; People Committee, and part of this Committee's remit is to review regular reports on safeguarding, learning and development, employee and volunteer engagement and initiatives relating to wellbeing and safety, equality, diversity and inclusivity. Any concerns around culture or policy or people compliance are brought to the attention of the Trustees.</li><li>• For further details on how we engage with our staff and volunteers please see pages 90–91.</li></ul>
<b>Policy and key opinion leaders</b> Strong and effective relationships with policy makers and other medical research charities is key to furthering our objectives in support of the prevention, treatment and care of heart patients.	<ul style="list-style-type: none"><li>• Throughout the year, the BHF has continued to develop and maintain strong and effective relationships with communities, key opinion leaders, the NHS and Government in each of the four Nations to further our objectives in support of the prevention, treatment and care of heart patients.</li><li>• We have also worked closely with other medical research charities in pursuing shared policy outcomes.</li></ul>



# Legal structure and governance

## Engaging with our stakeholders (continued)

Our stakeholders	How we engage with them
<b>Business relationships with suppliers, customers, partners, landlords and others</b> The delivery of our charitable aims and objectives is dependent on a range of relationships with universities, suppliers and other business partners.	<ul style="list-style-type: none"><li>• We are extremely grateful for the advice and direct financial support received from our business partners, landlords and other service providers during the past year. The Board has encouraged management to develop and maintain trusted partnerships with each and expects our partners to be aligned with the values of the BHF. We seek always to act with honesty and integrity in all that we do to deliver the best value for money in our goal to beat heartbreak forever.</li><li>• Partner organisations are expected to comply with the requirements of any professional standards, or trade bodies, depending on their activities, and all applicable laws, statutes, regulations and codes of practice relating to anti-bribery and anti-corruption.</li><li>• The BHF has a zero-tolerance approach to modern slavery and we strive to act ethically and with integrity in all of our business dealings and relationships to ensure that modern slavery is not taking place anywhere in our own business or in any of our supply chains. We will also ensure that our approach to this issue is clear to our partner organisations. The BHF also has a zero-tolerance policy on harm and abuse and this year has added provisions in relation to Safeguarding in our Code of Practice for suppliers.</li><li>• Through building trusted partnerships and working with others we believe great progress can be made towards our vision of a world free from the fear of heart and circulatory diseases. In 2021–22 some of these partnerships have provided financial and practical support through a range of initiatives aimed at reducing any Covid-19 impacts.</li><li>• Full details of our policies in relation to our business relationships with companies, suppliers, customers and others, including our supplier Terms &amp; Conditions, statement on Modern Slavery, and Feedback &amp; Complaints policy can be found at: <a href="http://www.bhf.org.uk/what-we-do/our-policies">www.bhf.org.uk/what-we-do/our-policies</a></li></ul>
<b>Sustainability and Environmental Impact</b> The threats posed by climate change, pollution and resource depletion will affect us all, and we recognise the need to address this threat through effective and ethical decision making.	<ul style="list-style-type: none"><li>• We have a programme of activities in support of our new Sustainability Policy with a series of commitments to ensure that our environmental, social and economic impact are considered.</li><li>• Further information on our sustainability initiatives can be found on pages 68–69, and our Streamlined Energy and Carbon Reporting on pages 76–77.</li></ul>

## Public benefit

In reviewing our aims and objectives, and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the BHF.

As highlighted earlier in this report, some of our health promotion, care and communications initiatives are specifically targeted at those population groups most at risk of heart and circulatory diseases, due to ethnic, social or economic factors. However, by their very nature, all our charitable activities are undertaken for the benefit of the public.

## BHF Fundraising

The BHF is registered with the Fundraising Regulator and we, along with all fundraising partner organisations are committed to meeting the standards set out in the Code of Fundraising Practice:

[www.fundraisingregulator.org.uk/code](http://www.fundraisingregulator.org.uk/code)

Fundraising activity and overall strategy is regularly addressed by the Board of Trustees in exercise of their duties under CC20 Charity Commission guidance. They, together with our Audit and Risk Committee, monitor significant risks and ensure they are being properly addressed.

## Fundraising on our behalf

Public fundraising including doorstep, private site and community based activities resumed following the Covid-19 pandemic in line with UK Government guidelines. Additional safety measures were implemented, such as the requirement to maintain social distancing and the wearing of masks, together with innovations like a contactless donation route for doorstep and private site fundraisers. We will continue to monitor all public fundraisers through our dedicated mystery shopping, training evaluation, doorstep shadowing and telephone call monitoring programme in line with the requirements set out in The Charities (Protection and Social Investment)

Act 2016. Since our Fundraising activities were resumed in April 2021 we have continued to monitor that BHF fundraising staff deliver formal fundraising training to all agency partners throughout the year.

## Vulnerable people

The BHF recognises our responsibility and are committed to acting appropriately and with compassion when engaging with vulnerable or potentially vulnerable people. Our Vulnerable Supporters Policy applies to all our fundraising activities and ensures that we are protecting the public from undue pressure to donate, as well as identifying people in vulnerable circumstances.

## Complaints

From the millions of contacts we have with supporters each year, in 2021–22 we received 574 complaints about our fundraising practices (2020–21: 139 complaints). We take all complaints very seriously and respond according to our Complaints Policy. We received no complaint investigations via the Fundraising Regulator in 2021–22 (2021: nil).

Our Board of Trustees receives the 'Voice of the Customer Report' which includes results of the latest online surveys in order to understand the views and concerns of our customers and supporters across all our activities.

## Grant award policies

We only award science research grants after a formal, detailed application process and a comprehensive peer review. For in-depth information on research expenditure, the grant-award process and application guidelines, visit: [www.bhf.org.uk/for-professionals/information-for-researchers](http://www.bhf.org.uk/for-professionals/information-for-researchers)



# Legal structure and governance

## Executive Group

The Executive Group is responsible for the day-to-day running of the BHF under authority delegated to it by the Board of Trustees. It proposes to the Board of Trustees where the BHF should invest its time, money and expertise, including an annual discussion of strategy supported by financial forecasts. It proposes an annual operating budget to the Board of Trustees for approval and monitors financial performance accordingly. The Executive Board members are detailed below:

### Chief Executive

Dr Charmaine Griffiths

### Medical Director

Professor Sir Nilesh Samani

### Chief Technology Officer

Alex Duncan (from May 2022)

### Chief Financial Officer

Martin Miles FCA

### Chief Marketing and Fundraising Officer

Claire Sadler

### Chief People Officer

Kerry Smith

### Commercial Director

Mike Taylor

## Departed during the year

### Chief Technology Officer

Ursula Dolton (to December 2021)

## Company Secretary

### Head of Legal & Governance and Company Secretary

Sam Ryan

Executive Group biographies are available at:

[www.bhf.org.uk/what-we-do/our-people/our-executive-group](http://www.bhf.org.uk/what-we-do/our-people/our-executive-group)

## Our staff and volunteers

None of our life-saving work would be possible without the dedication and hard work of our volunteers, supporters and staff.

At 31 March 2022 we had a paid workforce of 4,117, spread right across the UK (3,341 of whom are employed in our retail operation). The full-time equivalent headcount is detailed within note 4 to the accounts on page 107.

To many people across the UK, volunteers are the public face of our charity. We are extremely grateful to our c.16,500 retail and fundraising volunteers for their continued support during this challenging period. Throughout the year we have continued to respond to the evolving Covid-19 situation swiftly and decisively placing the health, safety and wellbeing of our staff and volunteers at the forefront of our decision-making.

As a listening organisation we've used colleague feedback to steer our approach every step of the way especially as we've started to welcome colleagues back to our locations as restrictions have eased and we've navigated new ways of working for staff. We've taken a holistic approach; looking at space, ways of working, how we lead and manage, technology for the future and how we create a new, agile and vibrant way of working that is uniquely BHF.

Increased communication and engagement with staff and volunteers as we began to emerge from the pandemic has helped to ensure that organisational trust and dedication have remained high. We've continued to foster a culture that empowers colleagues to Live well and Work well through a range of support, including a comprehensive programme of online webinars, promotion of external sources of support and encouraging social connection through our coffee chat initiatives. We continued to expand our Mental Health Ambassador network and promote our Employee Assistance Providers accordingly.

The BHF is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of gender, ethnicity, religion, sexual orientation, age, employment status, disability or marital status.

The BHF gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities.

All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by the BHF. We do not condone or tolerate any form of discrimination in our recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities, and are accountable for the impact of their own behaviour and actions.

During the year, regular communications are provided to our staff and volunteers, including updates on the Charity's progress. In addition, one of our values is to encourage our staff and volunteers to speak out and express their views and opinions. Staff and volunteer forums are used, as well as engagement surveys and regular all-staff updates. Employee suggestion schemes, webchats with directors and senior managers, and informal opportunities to express views as well as our 'concern at work' email for any anonymous reporting, support the priority for open and transparent engagement at all times. All new employees attend BHF induction events attended by our Chief Executive and members of our Executive Group.

## Executive pay

We have a detailed Reward Policy, which sets out our guiding principles for reward at the BHF. The remuneration for the Executive Group is set, monitored and reviewed by the Remuneration & People Committee, which is chaired by an independent senior human resources specialist.

The BHF is committed to a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, behaviours and capabilities required for satisfactory performance in each role whilst also demonstrating appropriate use of charitable donations. Salaries are benchmarked against the voluntary sector and, where appropriate, other relevant job markets. More information on our executive pay policy can be found on our website at:

[www.bhf.org.uk/what-we-do/our-policies/our-statement-on-senior-salaries](http://www.bhf.org.uk/what-we-do/our-policies/our-statement-on-senior-salaries)

The annual pay review, awarded on 1 April of each year was not given in 2020–21, but reinstated for 2021–22 and was paid later on 1 October 2021. Our Chief Executive's annual salary at 31 March 2022 was £198,450.

## Gender and ethnicity pay gap

The average gender pay gap at the BHF is 3.7% in favour of men, compared to a national average of 15.4%. We continue to dedicate our organisation to taking more steps to narrow the gap even further, and we're proud to be an organisation where over half of our senior leaders are women. As part of our diversity and inclusion commitments we have continued to report on our ethnicity pay gap. Our mean ethnicity pay gap is 7.6% in favour of our colleagues from ethnic minority backgrounds, although this was mainly attributable to a number of higher paid roles within the Technology Directorate being filled by people from ethnic minority backgrounds. Creating a more diverse workforce, including at senior leadership level, remains a priority. The steps we are taking will help make progress towards closing both our ethnicity and gender pay gaps, particularly by removing potential recruitment barriers. Some of the key actions we are continuing to implement include:

- All our job advertisements have been screened to ensure there is no bias in the language used.
- We provide recruitment skills training for hiring managers to minimise the impact of unconscious bias.



# Legal structure and governance

- We encourage hiring managers to seek out diversity by demonstrating how it aids team innovation, productivity and creativity.
- Our career site has been refreshed with an inclusivity page detailing our commitments and during 2021 new Accessibility software was launched on the BHF's career site.
- Our recruitment system has been enhanced to facilitate anonymous CVs.

## Trustees' indemnity

As permitted by the Articles of Association, each of the Trustees has the benefit of an indemnity which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

## Patron

We were deeply saddened by the death of His Royal Highness The Prince Philip, Duke of Edinburgh last year and honoured to have been invited to join members of the Royal Family and representatives of His Royal Highness's many charities and interests at a Service of Thanksgiving at Westminster Abbey in March this year. We remain extremely grateful to have had Prince Philip's continued support as patron of the BHF since the Charity was founded in 1961. Prince Philip was a remarkable advocate for the power of research to save and improve lives from heart and circulatory diseases and his contribution will forever be remembered.

## Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue to act as auditors.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 9 August 2022.



**Sam Ryan**  
Head of Legal & Governance  
and Company Secretary  
9 August 2022

# Statement of Trustees' responsibilities

**The Trustees (who are also directors of the British Heart Foundation for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.**

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (which together form United Kingdom Generally Accepted Accounting Practice). 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019),
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate 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 the group, 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 charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware:

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



**Dr Douglas Gurr**  
Chair  
9 August 2022



# Independent auditors' report to the members and Trustees of British Heart Foundation

## Report on the audit of the financial statements

### Opinion

In our opinion, British Heart Foundation's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the group and charity balance sheets as at 31 March 2022; the group statement of financial activities (incorporating a group income and expenditure account), the group statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

### Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also 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.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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



# Independent auditors' report to the members and Trustees of British Heart Foundation

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

Based on our understanding of the group and parent charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the Trustees with regard to actual and potential fraud and non-compliance with laws and regulations;
- reviewing minutes of meetings of the Board of Trustees and the Audit and Risk Committee meetings to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing terms and conditions of significant contracts;
- enquiry of the in-house legal team to identify material claims and litigation;
- reviewing correspondence with regulators including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;

- understanding and evaluating management's controls in place to prevent and detect irregularities;
- testing of journal entries where we identified particular risk criteria;
- obtaining independent confirmations of cash and investment balances at the year end and testing management's year end bank reconciliations;
- reviewing accounting estimates for bias and evaluating whether circumstances producing any bias, represent a risk of material misstatement due to fraud; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and Trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the

Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### 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:

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

We have no exceptions to report arising from this responsibility.



**Sandeep Dhillon**

(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

London,

9 August 2022



# Group statement of financial activities for the year ended 31 March 2022

(Incorporating a Group income and expenditure account)

Company reg. number: 699547

	Note	2022			2021		
		Unrestricted funds	Restricted and endowment funds	Total funds	Unrestricted funds	Restricted and endowment funds	Total funds
		£m	£m	£m	£m	£m	£m
<b>Income from</b>							
Donations and legacies	2	140.5	6.5	147.0	111.3	6.5	117.8
Charitable activities		0.3	-	0.3	0.1	-	0.1
Investments		2.6	-	2.6	2.7	-	2.7
Other income		0.1	-	0.1	-	-	-
Government support – Covid-19 (other)		-	-	-	1.8	-	1.8
<b>Total fundraising income</b>		143.5	6.5	150.0	115.9	6.5	122.4
<b>Expenditure on</b>							
Raising funds: donations and legacies	4	(30.2)	-	(30.2)	(26.4)	-	(26.4)
Investment management fees	4	(1.1)	-	(1.1)	(1.0)	-	(1.0)
<b>Total fundraising costs</b>		(31.3)	-	(31.3)	(27.4)	-	(27.4)
<b>Fundraising contribution</b>		112.2	6.5	118.7	88.5	6.5	95.0
Trading income	3	200.2	-	200.2	71.3	-	71.3
Government support – Covid-19 (trading)	3	1.5	-	1.5	31.6	-	31.6
Trading costs	3/4	(178.3)	-	(178.3)	(140.7)	-	(140.7)
<b>Contribution from/(to) trading activities</b>		23.4	-	23.4	(37.8)	-	(37.8)
<b>Net income available for charitable purposes</b>		135.6	6.5	142.1	50.7	6.5	57.2
<b>Charitable expenditure</b>							
Research	4	(49.2)	(13.2)	(62.4)	(42.2)	(7.5)	(49.7)
Healthcare Innovation	4	(24.9)	(0.4)	(25.3)	(23.6)	(0.9)	(24.5)
<b>Total charitable expenditure</b>		(74.1)	(13.6)	(87.7)	(65.8)	(8.4)	(74.2)
<b>Net income/(expenditure) before gain on investments</b>		61.5	(7.1)	54.4	(15.1)	(1.9)	(17.0)
<b>Represented by</b>							
Total income		345.2	6.5	351.7	218.8	6.5	225.3
Total expenditure		(283.7)	(13.6)	(297.3)	(233.9)	(8.4)	(242.3)
<b>Net income/(expenditure) before gain on investments</b>		61.5	(7.1)	54.4	(15.1)	(1.9)	(17.0)
<b>Net gain on investments</b>		14.1	-	14.1	46.8	-	46.8
<b>Net income/(expenditure)</b>		75.6	(7.1)	68.5	31.7	(1.9)	29.8
<b>Other recognised gains/(losses)</b>							
Actuarial gain/(loss) on defined benefit pension scheme	14	-	-	-	-	-	-
<b>Net movement in funds</b>		75.6	(7.1)	68.5	31.7	(1.9)	29.8
<b>Reconciliation of funds</b>							
Funds balances brought forward at 1 April	5	24.6	24.6	49.2	(7.1)	26.5	19.4
<b>Total funds carried forward</b>	5	100.2	17.5	117.7	24.6	24.6	49.2

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations. Gross income for the year for the parent charity is £334.2m (2021: £169.9m) and gross expenditure is £279.8m (2021: £186.9m). The notes on pages 101 to 122 form an integral part of these financial statements.

# Balance sheets as at 31 March 2022

Company reg. number: 699547

	Note	Group		Charity	
		2022	2021	2022	2021
		£m	£m	£m	£m
<b>Fixed assets</b>					
Tangible assets	6	30.8	37.6	30.8	37.6
Investments	7	158.8	149.4	158.8	149.4
<b>Total fixed assets</b>		189.6	187.0	189.6	187.0
<b>Current assets</b>					
Inventories		6.0	6.5	-	-
Debtors	8	111.2	93.9	127.1	102.5
Cash and cash equivalents		127.0	105.2	115.6	102.7
<b>Total current assets</b>		244.2	205.6	242.7	205.2
<b>Creditors and provisions: amounts falling due within one year</b>					
Provision for research and other grant awards	9	(94.7)	(106.2)	(94.7)	(106.2)
Other creditors	10	(29.2)	(19.8)	(27.7)	(19.4)
<b>Total current liabilities</b>		(123.9)	(126.0)	(122.4)	(125.6)
<b>Net current assets</b>		120.3	79.6	120.3	79.6
<b>Total assets less current liabilities</b>		309.9	266.6	309.9	266.6
<b>Creditors and provisions: amounts falling due after more than one year</b>					
Finance lease creditor		(0.7)	(0.3)	(0.7)	(0.3)
Provision for research and other grant awards	9	(187.3)	(212.7)	(187.3)	(212.7)
Provision for liabilities and charges	11	(4.2)	(4.4)	(4.2)	(4.4)
<b>Total provisions due after more than one year</b>		(192.2)	(217.4)	(192.2)	(217.4)
<b>Net assets excluding pension liability</b>		117.7	49.2	117.7	49.2
Defined benefit pension liability	14	-	-	-	-
<b>Net assets including pension liability</b>		117.7	49.2	117.7	49.2
Represented by:					
<b>Endowment funds</b>	5	7.5	7.5	7.5	7.5
<b>Restricted income funds</b>	5	10.0	17.1	10.0	17.1
<b>Unrestricted funds</b>					
General funds	5	100.2	24.6	100.2	24.6
Pension reserve	14	-	-	-	-
<b>Total unrestricted funds</b>		100.2	24.6	100.2	24.6
<b>Total funds</b>		117.7	49.2	117.7	49.2

The Charity's net movement in funds for the year was an increase of £68.5m (2021: increase of £29.8m).

The financial statements on pages 98 to 122 were approved by the Board of Trustees on 9 August 2022, and signed on its behalf by:



Dr Douglas Gurr  
Chair



Mark FitzPatrick  
Chair of the Audit & Risk Committee

Members of the Board of Trustees

The notes on pages 101 to 122 form an integral part of these financial statements.



# Group statement of cash flows for the year ended 31 March 2022

	2022 £m	2021 £m
<b>Cash flows from operating activities</b>		
Net cash flow from operating activities	18.3	(45.9)
<b>Cash flows from investing activities</b>		
Investment income	2.6	2.7
Purchase of investments	(63.2)	(47.4)
Proceeds from sale of investments	67.9	134.1
Purchase of tangible fixed assets	(3.7)	(7.2)
Proceeds from sale of tangible fixed assets	0.2	0.1
<b>Net cash inflow from investing activities</b>	3.8	82.3
<b>Cash flows from financing activities</b>		
Repayment of obligations under finance leases	(0.3)	-
<b>Net increase in cash and cash equivalents</b>	21.8	36.4
Cash and cash equivalents at 1 April	105.2	68.8
<b>Cash and cash equivalents at 31 March</b>	127.0	105.2

Reconciliation of net cash flow from operating activities:

<b>Net income</b>	68.5	29.8
Add/(less):		
Depreciation	11.0	9.5
(Decrease)/increase in provision for impairment of fixed assets	(0.2)	0.1
Loss on disposal of fixed assets	0.2	0.2
Investment income	(2.6)	(2.7)
Net gain on investments	(14.1)	(46.8)
Decrease/(increase) in inventories	0.5	(0.4)
(Increase) in debtors	(17.3)	(1.9)
Increase/(decrease) in creditors	9.4	(4.7)
(Decrease)/increase in provisions for liabilities and charges	(0.2)	0.1
Decrease in provision for research grant and other awards	(36.9)	(29.1)
<b>Net cash inflow/(outflow) from operating activities</b>	18.3	(45.9)

Analysis of changes in net debt

	at 1 April 2021	Cash flows	New Finance leases	Other non-cash changes	As at 31 March 2022
<b>Cash and cash equivalents</b>					
Cash	19.1	6.1	-	-	25.2
Short term deposits	86.1	15.7	-	-	101.8
Cash and cash equivalents	105.2	21.8	-	-	127.0
<b>Borrowings</b>					
Finance leases	(0.5)	0.3	(0.7)	(0.1)	(1.0)
<b>Total</b>	104.7	22.1	(0.7)	(0.1)	126.0

The notes on pages 101 to 122 form an integral part of these financial statements.

# Notes to the accounts

## 1. Accounting policies

### Statement of compliance

The Group and Charity financial statements have been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (SORP) issued on 2 October 2019 and the 'Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102). They also comply with the reporting requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charities Act 2011. The BHF constitutes a public benefit entity as defined by FRS 102.

### Basis of preparation

The Group and Charity financial statements have been prepared on a going concern basis (see below), under the historical cost convention, as modified by the revaluation of listed investments. The principal accounting policies applied in the preparation of the Group and Charity financial statements are set out below. These policies have been consistently applied to all the years presented.

### Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2022, the Trustees are required to consider whether the BHF can continue in operational existence for the foreseeable future.

The Trustees have reviewed our financial position and financial forecasts, taking into account the levels of investment reserves and cash, and the systems of financial control and risk management. As a result of this review, the Trustees believe that we are well placed to manage operational and financial risks successfully. Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to

continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. As a consequence, they continue to support the going concern basis in accounting in preparing the annual accounts.

### Reporting period

The financial statements for the year ended 31 March 2022 incorporate the trading results of our Retail operations for the 52 week period ended 26 March 2022 (2021: 52 week period ended 27 March 2021).

### Basis of consolidation

The financial statements of the BHF and its subsidiary companies are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. The Charity has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of financial activities.

### Statement of cash flows

The Charity has taken advantage of the exemption in FRS 102 from preparing a statement of cash flows, on the basis that it is a qualifying entity and the Group statement of cash flows included in these financial statements includes the cash flows of the Charity.

### Income

Income is recognised and included in the statement of financial activities when the Group has entitlement to the income, it is probable that the income will be received and the amount can be measured reliably. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

- **Donations** are recognised when income has been received. Gift Aid income on donations is accrued when there is a valid declaration from the donor.
- **Retail income** is recognised at point of sale. Goods donated for sale are included as income at

the point of sale. Gift Aid income claimed under the UK Retail Gift Aid scheme is estimated and accrued at the point of sale.

- **Legacy income** is recognised in the statement of financial activities when the BHF has entitlement to the income, receipt is probable and the income can be reliably measured. For the majority of legacies, entitlement is determined when probate has been granted. Where the BHF has been notified of a legacy but probate information is not available or probate is not required to execute an estate, our entitlement is estimated with consideration to the date we are notified of the legacy, our history of similar legacies and any other information available for a specific estate. Revisionary interests involving a life tenant are not recognised unless the life tenant has passed away. Income is estimated based on the best available information at the time. Where estate accounts or notification of expected income have not been received for an estate, income is estimated using a portfolio approach based on historical experience of income from similar legacies. Historical legacies of a material value are excluded from our legacy portfolio valuation model.
- For **event income**, entitlement is counted at the date of the event. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued.
- Income from **government grants**, is recognised when the Charity has entitlement to the funds and any performance conditions attached to the grants have been met.
- **Investment income:** interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity. Dividends are recognised once the dividend has been declared and the right to receive payment has been established.



# Notes to the accounts

- **Gifts in kind and donated services** are included in income and expenditure, if a value can be reliably measured, at the estimated value to the Charity. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers, including professional services provided directly by volunteers.

## Expenditure

Expenditure is recognised when there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds (donations and legacies) comprise costs incurred in generating donation and legacy income, including fundraising staff costs and fundraising marketing costs.
- Trading costs comprise costs associated with operating our Retail operations together with costs of running trading activities conducted to generate fundraising income, such as events and lottery costs.
- Charitable expenditure includes costs of grant awards and other direct costs incurred towards achieving the BHF's charitable objectives. Grant expenditure is recognised in the year of award and when communicated to recipient in line with the SORP (see 'awards' for more detail on individual grant types).

Direct costs, including directly attributable salaries, are allocated on an actual basis to each expenditure heading.

Shared costs are allocated, where appropriate, across different expenditure headings. It has been estimated that 6% (2021: 6%) of the content of our fundraising material provides educational information that furthers the BHF's charitable objectives. Accordingly 6% of costs in generating fundraising material

have been allocated to charitable expenditure (2021: 6%).

Governance costs relate to the management of the BHF's assets, organisational administration and compliance with constitutional and statutory requirements. Support costs are costs incurred which are not directly attributable to our charitable, fundraising or retail activities, including for example head-office finance, human resources and legal costs. Governance and support costs have been allocated to expenditure headings on the basis of time spent.

Costs arising from service contracts to use cloud-based software are recognised as an expense in the Statement of Financial Activities.

Irrecoverable VAT is included within the expense items to which it relates.

## Awards

Grants awarded are included within charitable expenditure when the award of the grant has been communicated to the recipient.

Grants awarded are commitments by the BHF to reimburse grant recipients for expenditure incurred, up to the value of the grant award. Grant payments are made to recipients retrospectively when invoiced by the recipient and when supporting evidence of costs incurred has been provided. Grants are recognised as a provision, reflecting the uncertainty of the timing and value of payment for grants. To calculate the grants award provision, the timing and value of grant payments is estimated using a portfolio approach based on historical experience of similar grant awards. The expected underspend against award value reflected within the grant provision range from zero to 13.4% of award value and at 31 March 2022 reflects 6.9% (2021: 7.0%) of the grant award value for open grants.

All grant provisions in excess of one year are discounted to net present value. The discount rate used to determine the net present value is calculated with reference to UK Gilt yields at the balance sheet date, weighted to reflect the expected

phasing of future grant payments. The discount rate applied at 31 March 2022 was 1.37% (2021: 0.19%).

## Chairs of BHF Professors

Awards are subject to a quinquennial site visit and review. For new chairs, an initial five-year award is recognised in the financial statements, with a further five years disclosed as a contingent liability and recognised as a provision in the financial statements only on satisfactory completion of the quinquennial site visit and review. For chairs awarded before this policy changed, a contingent liability is recognised from the end of the current five-year award up to the date of retirement.

## Programme grants

Awards run initially for five years with a two-and-a-half-year review and can be extended for a further period of five years subject to Committee approval. On the basis of experience, it is assumed that the overwhelming majority of applicants will be successful at the mid-term review and therefore provision is made in the financial statements for expected future payments required to settle BHF's five year commitment.

## Other Research grants

Where grants are conditional upon the successful achievement of project milestones the total award value is disclosed as a contingent liability and expected payments to the next milestone performance review are recognised as a grant provision in the financial statements. For unconditional grants, provision is made in the financial statements for expected future payments required to settle grant awards.

## Healthcare Innovation grants

Grants are made in furtherance of the BHF's objective to work with patients and the public for better health and care. On award of a grant, provision is made in the financial statements for the expected future payments required to settle the grant award.

## Fund accounting

Unrestricted funds comprise funds that are available for use at the Trustees' discretion in furtherance of the BHF's objectives. Restricted funds are subject to restrictions imposed by the donor. Endowment funds, which are permanent, represent amounts for which the capital must be retained and invested. Restricted and endowment funds assets are held as investments, pooled together with general reserve investments, until expenditure is incurred.

## Tangible fixed assets

Tangible assets are stated at cost which includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight line basis. The costs of fixed assets are written off over their estimated useful lives at the following rates:

**Freehold property:**  
over 50 years

**Short leasehold property:**  
over the life of the lease

**Shop fittings:**  
over 7 years

**Plant, equipment and vehicles:**  
over 3–4 years

**IT equipment and software:**  
over 3–5 years.

The BHF only capitalises items costing more than £1,000. However, if components of equipment (e.g. office furnishings or personal computers) are acquired with individual unit costs below the capitalisation threshold but with collective costs exceeding £1,000 and anticipated asset lives in excess of two years, then these groups of assets are collectively capitalised at the time of purchase. The holding values and estimated useful lives of assets are regularly reviewed for impairment and where deemed appropriate, are written down.

## Investments

Investments are a form of basic financial instrument and are initially recognised at transaction value and subsequently measured at fair

value as at the balance sheet date using the closing market bid price. The statement of financial activities includes the net unrealised gains and losses arising on revaluation and realised gains and losses arising from disposals throughout the year. Realised gains and losses are calculated as the difference between sale proceeds and the opening carrying value or the purchase value if acquired in the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the opening carrying value or purchase value if acquired in the financial year.

## Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the statement of financial activities.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash held in current accounts with UK banks and readily realisable short term fixed interest investments managed on behalf of the BHF by Royal London Asset Management Limited.

## Inventories

Inventories purchased for sale are valued on a weighted average cost basis and carried at the lower of cost and net realisable value. Provision is made to reduce carrying values to net realisable value for slow moving, obsolete and defective stock. The provision at 31 March 2022 was £0.4m (2021: £0.4m). Inventories does not include goods donated for sale as it is impractical to measure the fair value of these donated items reliably.

## Pension costs

The BHF's defined benefit scheme was closed to future accrual on 31 May 2016. The BHF employee costs include the net pension finance income or costs, together with the expenses of running the Scheme. Actuarial gains and losses are recognised immediately on the face of the statement of financial

activities. Where the pension scheme valuation shows a net deficit, this is reported separately on the face of the balance sheet and within reserves. Where the valuation shows a net surplus, an asset ceiling is applied to the extent that future economic benefits are not available to the Charity in the form of a reduction in future contributions or a cash refund. The detailed assumptions relating to the valuation of the defined benefit scheme can be found in note 14.

For defined contribution schemes, the amount charged to the statement of financial activities for pension costs is the total contributions payable in the year. This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

## Operating leases

Rents payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term. Benefits received as a lease incentive are credited to the statement of financial activities, to reduce the lease expense, on a straight-line basis over the lease term.

## Finance leases

A lease is classified as a finance lease if it transfers substantially all of the risks and rewards of ownership of the leased asset to the Group. Assets acquired under finance leases are reported within fixed assets and are capitalised when acquired at fair value or, if lower, at the present value of the minimum lease payments. These assets are subsequently depreciated over the shorter of the estimated useful economic life of the asset or the lease term. The payment obligations arising from the future lease payments are discounted and recorded as a liability in the balance sheet.

## Taxation

As a registered charity the BHF is entitled to certain exemptions from corporation tax on profits from investments and any trading activities carried on in furtherance of the Charity's primary objectives.



# Notes to the accounts

The subsidiary companies make qualifying donations of all taxable profits to the BHF and thus do not incur corporation tax. Costs are recorded net of recoverable VAT as the Group is able to reclaim a proportion of VAT paid, because of its trading activities, using the partial exemption method.

### Significant areas of estimation and judgement

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation.

### Critical accounting judgements

In the event that the FRS 102 valuation of the defined benefit pension scheme identifies a net surplus, judgement is applied regarding the extent to which any such surplus is available to the BHF in the form of a reduction in future contributions or a cash refund. Where such a surplus is not deemed available to the BHF, an asset ceiling is applied, as further discussed in note 14.

### Sources of estimation uncertainty

• Accrued legacy income is estimated based on the best information available at the balance sheet date. Historical average legacy income is used to provide an estimated valuation where no specific information is available. An increase/(decrease) to the average legacy value of 5% would result in an increase/(decrease) to accrued legacy income of £0.4m (0.4%). In calculating the accrued value of each estate we apply an estimated deduction of 5% to reflect the costs and uncertainty of administering the estate. An increase/(decrease) of 1% to the provision for legacy administration would result in an increase/(decrease) to accrued legacy income of £0.8m (0.9%).

- Grant provisions are estimated based on expected future cash flows and the expected utilisation against original award values, calculated based on historical grant payment profiles and utilisation rates. The non-current liability is then discounted based on expected future cash flows. A 1% increase/(decrease) to the utilisation rate applied to grant awards would result in a £3.8m (1.3%) increase/(decrease) in the provision for research and other grant awards. A 1% increase/(decrease) to the discount rate used would result in a £4.2m (1.5%) decrease/(increase) in the provision for research and other grant awards.
- The BHF recognises and discloses its defined benefit pension obligation in accordance with 'FRS 102– Employee Benefits'. The valuation, prepared by a qualified actuary, reflects a number of judgements and estimations including the expected return on assets, the discount rate, cost inflation and life expectancy. Changes in these assumptions have a significant effect on the value of the defined benefit pension obligation.
- Provisions for liabilities and charges (see note 11) represents the best estimate of the liability at the balance sheet date of future unavoidable lease costs in respect of loss-making stores and an estimate of the probable future costs of restoring rented properties to their required condition at the ultimate expiry of the lease. The actual liability will be dependent on future events including whether a relevant property lease is renewed on expiry. Expectations are revised at each period end until the actual liability arises, with any difference accounted for in the period in which revision is made.

## 2. Donations and legacies

	Unrestricted funds £m	Restricted funds £m	2022 Total funds £m
Legacies	100.6	2.0	102.6
Donations	21.6	4.4	26.0
Donations received in BHF Shops	3.3	-	3.3
Volunteer fundraising	15.0	0.1	15.1
Total income from donations and legacies	140.5	6.5	147.0

	Unrestricted funds £m	Restricted funds £m	2021 Total funds £m
Legacies	76.1	1.5	77.6
Donations	21.0	4.5	25.5
Donations received in BHF Shops	1.4	-	1.4
Volunteer fundraising	12.8	0.5	13.3
Total income from donations and legacies	111.3	6.5	117.8

The Charity has received notification of 340 legacies (2021: 315) with an estimated value of £9.1m (2021: £9.4m) which are not included in legacy income. This includes legacies which are subject to a life interest, legacies which have not yet been granted probate, and contentious legacies.



### 3. Trading activities

	Income/direct costs	Support cost allocation	2022 Total
	£m	£m	£m
Retail income*	195.3	-	195.3
Government support – Covid-19 (trading)	1.5	-	1.5
Retail costs	(172.1)	(4.1)	(176.2)
Retail net profit	24.7	(4.1)	20.6
Income from fundraising trading activities	4.9	-	4.9
Costs of fundraising trading	(2.1)	-	(2.1)
Net fundraising trading income	2.8	-	2.8
Contribution from trading activities	27.5	(4.1)	23.4
Represented by:			
Total trading income	200.2	-	200.2
Government support – Covid-19 (trading)	1.5	-	1.5
Total trading costs	(174.2)	(4.1)	(178.3)
Contribution from trading activities	27.5	(4.1)	23.4
	Income/direct costs	Support cost allocation	2021 Total
	£m	£m	£m
Retail income*	66.2	-	66.2
Government support – Covid-19 (trading)	31.6	-	31.6
Retail costs	(135.4)	(4.3)	(139.7)
Retail net (loss)	(37.6)	(4.3)	(41.9)
Income from fundraising trading activities	5.1	-	5.1
Costs of fundraising trading	(1.0)	-	(1.0)
Net fundraising trading income	4.1	-	4.1
Contribution to trading activities	(33.5)	(4.3)	(37.8)
Represented by:			
Total trading income	71.3	-	71.3
Government support – Covid-19 (trading)	31.6	-	31.6
Total trading costs	(136.4)	(4.3)	(140.7)
Contribution to trading activities	(33.5)	(4.3)	(37.8)

\*2022 includes income of £49.0m (2021: £16.1m) representing donations from our supporters on which Gift Aid has been claimed from sale of goods through the Retail Gift Aid Programme.

### 4. Gross expenditure

	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2022
	£m	£m	£m	£m	£m
<b>Expenditure on raising funds</b>					
Costs of raising funds	-	17.2	9.4	3.6	30.2
Investment management fees	-	-	1.1	-	1.1
Total fundraising costs	-	17.2	10.5	3.6	31.3
<b>Expenditure on trading activities</b>					
Retail costs	-	66.5	105.6	4.1	176.2
Other trading costs	-	-	2.1	-	2.1
Total trading costs	-	66.5	107.7	4.1	178.3
<b>Expenditure on charitable activities</b>					
Research	59.7	1.3	0.6	0.8	62.4
Healthcare Innovation	(0.6)	4.1	18.0	3.8	25.3
Total charitable expenditure	59.1	5.4	18.6	4.6	87.7
Support cost allocated	-	9.8	2.5	(12.3)	-
Total expenditure	59.1	98.9	139.3	-	297.3
	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2021
	£m	£m	£m	£m	£m
<b>Expenditure on raising funds</b>					
Costs of raising funds	-	18.0	4.6	3.8	26.4
Investment management fees	-	-	1.0	-	1.0
Total fundraising costs	-	18.0	5.6	3.8	27.4
<b>Expenditure on trading activities</b>					
Retail costs	-	65.9	69.5	4.3	139.7
Other trading costs	-	-	1.0	-	1.0
Total trading costs	-	65.9	70.5	4.3	140.7
<b>Expenditure on charitable activities</b>					
Research	47.0	1.2	0.6	0.9	49.7
Healthcare Innovation	(0.1)	6.4	14.2	4.0	24.5
Total charitable expenditure	46.9	7.6	14.8	4.9	74.2
Support cost allocated	-	9.0	4.0	(13.0)	-
Total expenditure	46.9	100.5	94.9	-	242.3

#### Support costs included in gross expenditure

The BHF adopts a policy of allocating costs to the respective cost headings throughout the year, and this allocation includes support costs where they are directly attributable.

Support costs are allocated to activities on a basis relevant to the nature of the underlying cost, including headcount, time spent or in proportion to resources used.



# Notes to the accounts

## 4. Gross expenditure (continued)

Analysis of support costs	Fundraising	Trading	Charitable expenditure		Total
			Research	Healthcare Innovation	2022
	£m	£m	£m	£m	£m
CEO, strategy and legal	0.4	0.2	0.1	0.6	1.3
Information technology	1.0	2.5	0.2	1.2	4.9
Finance, risk and procurement	0.8	0.8	0.2	0.6	2.4
Human resources	1.1	0.4	0.3	1.2	3.0
Facilities management	0.1	0.1	-	0.1	0.3
Governance costs	0.2	0.1	-	0.1	0.4
Total Support Costs	3.6	4.1	0.8	3.8	12.3

Analysis of support costs	Fundraising	Trading	Charitable expenditure		Total
			Research	Healthcare Innovation	2021
	£m	£m	£m	£m	£m
CEO, strategy and legal	0.4	0.4	0.1	0.6	1.5
Information technology	1.0	2.4	0.2	1.2	4.8
Finance, risk and procurement	0.9	0.8	0.3	0.7	2.7
Human resources	1.2	0.5	0.3	1.3	3.3
Facilities management	0.1	0.1	-	0.1	0.3
Governance costs	0.2	0.1	-	0.1	0.4
Total Support Costs	3.8	4.3	0.9	4.0	13.0

Support costs are made up of:	2022	2021
	£m	£m
Staff costs	9.8	9.0
Other costs	2.5	4.0
Total Support Costs	12.3	13.0

## 4. Gross expenditure (continued)

Gross expenditure for the year is stated after charging /(crediting):	2022	2021
	£m	£m
Operating lease rentals (land and buildings)	27.2	28.6
Loss on disposal of fixed assets	0.2	0.2
Depreciation charge for the year	11.0	9.5
Provision for impairment	(0.2)	0.1
Auditors' remuneration(*)		
Audit fee	0.1	0.1

\*Auditors' remuneration comprises £93,635 (2021: £91,748) for the audit of the charity and £26,283 (2021: £27,936) for the audit of subsidiary undertakings. In addition £10,925 (2021: £9,700) was incurred in respect of British Heart Foundation Staff Pension Scheme and £nil (2021: £6,500) in respect of non-audit services. All numbers exclude VAT.

Staff and Trustee information	2022	2021
Staff costs	£m	£m
Wages and salaries	85.0	86.3
Social security costs	7.1	7.1
Pension costs (see note 14)	4.7	5.0
Other benefits	0.6	0.8
Other staff costs	1.5	1.3
Total staff costs	98.9	100.5

Wages and salaries include redundancy costs of £0.3m (2021: £1.4m) arising from restructuring activities completed during the year. Redundancy costs are recognised and accrued when the employee has been notified of the planned redundancy.

All staff are employed by the BHF. The average number of staff, employed in the year, was:	2022	2021
	number	number
Head office	598	645
Regions	80	90
Shops	3,412	3,494
Total number of staff	4,090	4,229

Reflecting:		
Full time staff	2,439	2,578
Part time staff	1,651	1,651
Total number of staff	4,090	4,229

Full time equivalent average headcount	3,347	3,479
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The following numbers of staff have emoluments above £60,000:	2022	2021
Between £60,000–£70,000	42	47
Between £70,001–£80,000	21	20
Between £80,001–£90,000	19	24
Between £90,001–£100,000	4	5
Between £100,001–£110,000	2	3
Between £110,001–£120,000	2	1
Between £120,001–£130,000	1	2
Between £130,001–£140,000	1	2
Between £140,001–£150,000	-	1
Between £150,001–£160,000	1	1
Between £160,001–£170,000	1	-
Between £170,001–£180,000	1	-
Between £180,001–£190,000	-	1
Between £190,001–£200,000	1	1

The key management personnel of the BHF are the members of the Executive Group, further details of the membership and function of which is provided on page 90. The total employee benefits of the Executive Group in the year was £1.1m (2021: £1.4m).

Trustee costs: no Trustees received any remuneration for services as members of the Board of Trustees and one Trustee (2021: no trustees) were reimbursed for travelling expenses to and from meetings at a cost of £119. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £20,430 (2021: £15,680). Total Donations from Trustees amounted to £103,310 (2021: £46,000).



# Notes to the accounts

## 5. Statement of funds

	Note	Balance 1 April 2021 £m	Income £m	Expenditure £m	Net investment gain £m	Actuarial gain £m	Balance 31 March 2022 £m
<b>Endowment funds (Group and Charity)</b>							
Chair endowment trusts	a	7.1	-	-	-	-	7.1
G M Yule bequest	b	0.1	-	-	-	-	0.1
Dr John A Gordon memorial trust	c	0.3	-	-	-	-	0.3
Total endowment funds		7.5	-	-	-	-	7.5
<b>Restricted funds (Group and Charity)</b>							
Research	d	4.4	3.9	(4.1)	-	-	4.2
Healthcare Innovation	e	0.4	0.6	(0.4)	-	-	0.6
Unallocated legacies	f	2.5	1.0	(0.8)	-	-	2.7
Oxford IDRM	g	7.4	-	(5.0)	-	-	2.4
Regenerative medicine	h	2.4	1.0	(3.3)	-	-	0.1
Total restricted funds		17.1	6.5	(13.6)	-	-	10.0
Unrestricted funds (Group)		24.6	345.2	(283.7)	14.1	-	100.2
Unrestricted funds (Charity)		24.6	327.7	(266.2)	14.1	-	100.2
Total Group funds		49.2	351.7	(297.3)	14.1	-	117.7
Total Charity funds		49.2	334.2	(279.8)	14.1	-	117.7

## 5. Statement of funds (continued)

	Note	Balance 1 April 2020 £m	Income £m	Expenditure £m	Net investment gain £m	Actuarial gain £m	Balance 31 March 2021 £m
<b>Endowment funds (Group and Charity)</b>							
Chair endowment trusts	a	7.1	-	-	-	-	7.1
G M Yule bequest	b	0.1	-	-	-	-	0.1
Dr John A Gordon memorial trust	c	0.3	-	-	-	-	0.3
Total endowment funds		7.5	-	-	-	-	7.5
<b>Restricted funds (Group and Charity)</b>							
Research	d	2.8	4.0	(2.4)	-	-	4.4
Healthcare Innovation	e	0.7	0.6	(0.9)	-	-	0.4
Unallocated legacies	f	2.3	0.7	(0.5)	-	-	2.5
Oxford IDRM	g	7.4	-	-	-	-	7.4
Regenerative medicine	h	5.8	1.2	(4.6)	-	-	2.4
Total restricted funds		19.0	6.5	(8.4)	-	-	17.1
Unrestricted funds (Group)		(7.1)	218.8	(233.9)	46.8	-	24.6
Unrestricted funds (Charity)		(7.1)	163.4	(178.5)	46.8	-	24.6
Total Group funds		19.4	225.3	(242.3)	46.8	-	49.2
Total Charity funds		19.4	169.9	(186.9)	46.8	-	49.2

### Notes

- a. The Chair endowment trusts represent permanent endowments returned to the BHF by certain universities (see below). The interest earned on the money held is restricted and expended on the BHF's Chairs of Cardiovascular Medicine.
- b. Income from the G M Yule bequest is available for the general activities of the charity.
- c. Income from the Dr John A Gordon memorial trust fund is restricted to expenditure on Healthcare Innovation activities.
- d. Income where the donor has specified that the donation should be expended on the BHF's research activities.
- e. Income where the donor has specified that the donation should be expended on the BHF's Healthcare Innovation activities.
- f. Restricted legacy donations are received for both research and Healthcare Innovation. In some cases we are unable to distribute funds fully according to the specific terms of the bequest in the year of receipt and expenditure takes place in future years.
- g. Includes income collected towards a target of £10m to contribute to the build of a world-leading centre for stem cell technology, the Institute of Developmental and Regenerative Medicine (IDRM), at Oxford University.
- h. Includes income from the Mending Broken Hearts ("MBH") 50th anniversary appeal, expended on the BHF's charitable activities.

### Endowment of Chairs of BHF Professors

The BHF has 27 Chairs of BHF Professors as at 31 March 2022. Of this number, 3 universities hold endowments and 6 previously returned endowments are held on the BHF balance sheet as permanent endowment funds with the income being used to part fund the ongoing cost of the chairs.



## 5. Statement of funds (continued)

### Analysis of Group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	30.8	-	-	<b>30.8</b>
Investments	158.8	-	-	<b>158.8</b>
Current assets	226.7	10.0	7.5	<b>244.2</b>
Current liabilities	(123.9)	-	-	<b>(123.9)</b>
Long-term liabilities	(192.2)	-	-	<b>(192.2)</b>
<b>Total net assets as at 31 March 2022</b>	<b>100.2</b>	<b>10.0</b>	<b>7.5</b>	<b>117.7</b>

### Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	30.8	-	-	<b>30.8</b>
Investments	158.8	-	-	<b>158.8</b>
Current assets	225.2	10.0	7.5	<b>242.7</b>
Current liabilities	(122.4)	-	-	<b>(122.4)</b>
Long-term liabilities	(192.2)	-	-	<b>(192.2)</b>
<b>Total net assets as at 31 March 2022</b>	<b>100.2</b>	<b>10.0</b>	<b>7.5</b>	<b>117.7</b>

### Analysis of Group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	37.6	-	-	<b>37.6</b>
Investments	149.4	-	-	<b>149.4</b>
Current assets	181.0	17.1	7.5	<b>205.6</b>
Current liabilities	(126.0)	-	-	<b>(126.0)</b>
Long-term liabilities	(217.4)	-	-	<b>(217.4)</b>
<b>Total net assets as at 31 March 2021</b>	<b>24.6</b>	<b>17.1</b>	<b>7.5</b>	<b>49.2</b>

### Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	37.6	-	-	<b>37.6</b>
Investments	149.4	-	-	<b>149.4</b>
Current assets	180.6	17.1	7.5	<b>205.2</b>
Current liabilities	(125.6)	-	-	<b>(125.6)</b>
Long-term liabilities	(217.4)	-	-	<b>(217.4)</b>
<b>Total net assets as at 31 March 2021</b>	<b>24.6</b>	<b>17.1</b>	<b>7.5</b>	<b>49.2</b>

## 6. Tangible assets

Group and Charity	Freehold property	Short leasehold property	Shop fixtures and fittings	Vehicles	Furniture and equipment	IT equipment and software	Assets under construction	Total
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Cost</b>								
At 1 April 2020	2.4	34.6	29.5	2.6	13.0	25.0	9.9	<b>117.0</b>
Transfers	-	-	-	-	-	13.6	(13.6)	<b>-</b>
Additions	-	0.7	1.3	-	0.4	0.5	4.6	<b>7.5</b>
Disposals	-	(1.0)	(1.0)	(0.6)	(0.3)	(5.3)	-	<b>(8.2)</b>
At 31 March 2021	2.4	34.3	29.8	2.0	13.1	33.8	0.9	<b>116.3</b>
Transfers	-	-	-	-	-	0.6	(0.6)	<b>-</b>
Additions	-	1.6	0.8	-	0.1	0.7	1.2	<b>4.4</b>
Disposals	-	(0.8)	(1.1)	(0.3)	(1.4)	(0.2)	-	<b>(3.8)</b>
At 31 March 2022	2.4	35.1	29.5	1.7	11.8	34.9	1.5	<b>116.9</b>

### Accumulated depreciation and impairment

At 1 April 2020	0.5	21.5	22.4	1.6	11.1	19.9	-	<b>77.0</b>
Depreciation charge	-	2.4	2.0	0.4	0.9	3.8	-	<b>9.5</b>
Provision for impairment	-	0.1	-	-	-	-	-	<b>0.1</b>
Disposals	-	(1.0)	(0.8)	(0.5)	(0.3)	(5.3)	-	<b>(7.9)</b>
At 31 March 2021	0.5	23.0	23.6	1.5	11.7	18.4	-	<b>78.7</b>
Depreciation charge	0.1	2.2	1.9	0.2	0.7	5.9	-	<b>11.0</b>
Provision for impairment	-	(0.2)	-	-	-	-	-	<b>(0.2)</b>
Disposals	-	(0.7)	(0.9)	(0.3)	(1.3)	(0.2)	-	<b>(3.4)</b>
<b>At 31 March 2022</b>	<b>0.6</b>	<b>24.3</b>	<b>24.6</b>	<b>1.4</b>	<b>11.1</b>	<b>24.1</b>	<b>-</b>	<b>86.1</b>

### Net book values

<b>At 31 March 2022</b>	1.8	10.8	4.9	0.3	0.7	10.8	1.5	<b>30.8</b>
At 31 March 2021	1.9	11.3	6.2	0.5	1.4	15.4	0.9	<b>37.6</b>

The net carrying amount of assets held under finance leases included in IT equipment and software is £1.3m (2021: £0.5m).

There are no future capital expenditure commitments on specific projects for the Group (2021: £nil).



# Notes to the accounts

## 7. Investments

Group and Charity	2022	2021
Analysis of movement	£m	£m
Market value at 1 April	149.4	189.3
Purchase of investments at cost	63.2	47.4
Disposal proceeds	(67.9)	(134.1)
	144.7	102.6
Net gain on investments	14.1	46.8
Market value at 31 March	158.8	149.4
Original cost	124.5	113.2
Represented by:		
Listed investments: equities	136.3	121.7
Short dated corporate bonds	19.4	24.9
Cash held for investment purposes	3.1	2.8
Total investments at 31 March	158.8	149.4

Listed investments include overseas investments of £127.2m (2021: £113.5m).

No material shareholdings were held by the Charity in any one company. The Trustees consider the value of investments to be supported by their underlying assets, as appropriate.

The Charity holds 100% shareholdings in the three (2021: three) subsidiary undertakings within the Group; these are valued at cost of £6 (see note 13).

For investments sold during the financial year, the realised gain against historic cost was £16.1m (2021: £28.3m).

## 8. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£m	£m	£m	£m
Amount owed by subsidiary undertakings	-	-	16.9	8.8
Sundry debtors	3.7	2.6	2.9	2.5
Tax recoverable	5.3	0.4	5.3	0.4
Prepayments	10.1	9.9	10.0	9.9
Accrued income	1.3	8.8	1.2	8.7
Accrued legacies	90.8	72.2	90.8	72.2
Total debtors	111.2	93.9	127.1	102.5

Some accrued legacy income may be received after more than one year, but this has not been estimated due to uncertainty in the timing of receipt of such income.

## 9. Provision for research and other grant awards

Group and Charity	Healthcare Innovation	Research	2022	2021
	£m	£m	£m	£m
Provision for research and other grant awards				
Grants awarded during the year	-	72.3	72.3	51.9
Movement in estimated future grant underspend	(0.6)	(7.6)	(8.2)	(4.8)
Decrease in grant discount	-	(5.0)	(5.0)	(0.2)
Net research grant awards as recognised in the statement of financial activities	(0.6)	59.7	59.1	46.9
Payments made during the year	(1.3)	(94.7)	(96.0)	(76.0)
Net movement in provision during the year			(36.9)	(29.1)
Grant provision at 1 April			318.9	348.0
Grant provision at 31 March			282.0	318.9
Awards falling due within one year			94.7	106.2
Awards falling due after more than one year			187.3	212.7
Grant provision at 31 March			282.0	318.9

### Research and other grant awards commitments

Total grants awarded and unpaid at 31 March, including conditional grant awards (total grant commitments)	339.9	374.6
Less conditional translation awards and Chairs grants*	(6.1)	(6.7)
Total unconditional grant awards outstanding at 31 March	333.8	367.9
Less estimated future grant award underspend*	(45.9)	(48.1)
Less grant discount	(5.9)	(0.9)
Grant provision at 31 March	282.0	318.9

### Notes

\*The BHF has a contingent liability of £52.0m (2021: £54.8m) including £6.1m (2021: £6.7m) for awards conditional upon the favourable outcome of scientific reviews and £45.9m (2021: £48.1m) representing the expected future underspend against grant awards.

The Charity has discounted its long-term liabilities, both for Research and Healthcare Innovation grants. A discount rate of 1.37% (2021: 0.19%) has been applied to both amounts recognised in the financial statements as grant creditors and grant commitments (not applied to the financial statements). The discount rate applied is the Gilt under 10 years rate. The gross discount value included in total liabilities for Research grant awards is £5.9m (2021: £0.9m) and for Healthcare Innovation grant awards £0.0m (2021: £0.0m).

# Notes to the accounts

## 9. Provision for research and other grant awards (continued)

The Charity occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees in senior research capacities. All grants are made to institutions, and a list of awards made during the year is available in the Charity's website at:

[www.bhf.org.uk/research/information-for-researchers/previous-awards](http://www.bhf.org.uk/research/information-for-researchers/previous-awards) (this is unaudited).

The top 50 grants made in 2021–22 are listed below.

			2022
Institution	Activity	Number of grants	£m
University of Oxford	Research	10	9.8
Imperial College London	Research	6	5.8
University College London	Research	6	4.2
University of Edinburgh	Research	5	3.5
King's College London	Research	4	3.8
University of Cambridge	Research	3	2.7
University of Manchester	Research	3	2.3
Queen Mary, University of London	Research	2	1.0
University of Bristol	Research	2	1.4
University of Leeds	Research	2	1.4
British Cardiovascular Society	Research	1	1.7
Cardiff University	Research	1	0.7
The Academy of Medical Sciences	Research	1	0.5
University of Glasgow	Research	1	0.4
University of Leicester	Research	1	0.4
University of Nottingham	Research	1	0.5
University of Strathclyde	Research	1	0.7
Total		50	40.8
Other grants paid to institutions	Research		31.5
<b>Total grants and awards</b>			<b>72.3</b>

## 10. Other creditors

	Group		Charity	
	2022	2021	2022	2021
	£m	£m	£m	£m
Sundry creditors	5.3	1.8	4.9	1.7
Finance lease creditor	0.3	0.2	0.3	0.2
Taxes and social security	1.8	1.5	1.8	1.5
Accruals	17.6	12.8	16.7	12.5
Deferred income	2.5	2.0	2.3	2.0
Holiday pay accrual	1.7	1.5	1.7	1.5
<b>Total other creditors</b>	<b>29.2</b>	<b>19.8</b>	<b>27.7</b>	<b>19.4</b>

	Group		Charity	
	2022	2021	2022	2021
	£m	£m	£m	£m
Deferred income at 1 April	2.0	1.5	2.0	1.5
Released during the year	(2.0)	(1.5)	(2.0)	(1.5)
Income received during the year to be deferred	2.5	2.0	2.3	2.0
<b>Deferred income at 31 March</b>	<b>2.5</b>	<b>2.0</b>	<b>2.3</b>	<b>2.0</b>

Deferred income relates to events where income is received in advance.

## 11. Provisions for liabilities and charges

	Group		Charity	
	2022	2021	2022	2021
	£m	£m	£m	£m
Provision at 1 April	4.4	4.3	4.4	4.3
Provision utilised in year	(0.8)	(2.0)	(0.8)	(2.0)
Provision accrued in year	0.6	2.1	0.6	2.1
<b>Provision at 31 March</b>	<b>4.2</b>	<b>4.4</b>	<b>4.2</b>	<b>4.4</b>

The provision comprises the estimated future unavoidable lease costs of £0.1m (2021: £0.1m) in respect of loss-making stores and an estimate of the probable future costs of restoring rented properties to their required condition at the ultimate expiry of the lease of £4.1m (2021: £4.3m) based on the dilapidation costs required, provided the lease is not renewed. The provision is expected to be utilised between 2021 and 2039 as leases terminate. Prior to confirmation of the payment amount and date, values are estimated based on historical data, the ongoing monitoring of lease contracts, and advice from property advisers.

## 12. Operating leases

At 31 March 2022 the Group had total commitments under non-cancellable operating leases as follows:

	2022	2021
	£m	£m
Payment due:		
Within one year	24.5	26.6
Between two and five years	66.9	70.1
After five years	26.8	28.3
<b>Total operating lease commitments</b>	<b>118.2</b>	<b>125.0</b>



# Notes to the accounts

## 13. Subsidiary undertakings

The British Heart Foundation has three wholly owned non-charitable subsidiary undertakings registered in England and Wales, all of which are consolidated. The registered address for all the subsidiary undertakings is Greater London House, 4th Floor, 180 Hampstead Road, London NW1 7AW.

Company name	Registered company number	Activity
British Heart Foundation Ventures Limited	02767880	Making commission arrangements and sponsorship agreements
BHF Shops Limited	02472513	Retailing new (non-donated) goods online and in BHF shops
London to Brighton Bike Ride Limited	02672643	Dormant, has not traded since 31 March 2020. An application to voluntarily wind up the company was completed post year end.

The share capital of each subsidiary is as follows - British Heart Foundation Ventures Limited (3 ordinary shares of £1), BHF Shops Limited (2 ordinary shares of £1) London to Brighton Bike Ride Limited (1 ordinary share of £1).

The taxable profits of these undertakings is paid to the Charity (parent) each year as Gift Aid.

	British Heart Foundation Ventures Limited	BHF Shops Limited	2022	2021
	£m	£m	£m	£m
Turnover	1.0	35.0	36.0	13.5
Cost of sales	-	(17.5)	(17.5)	(8.7)
Gross profit	1.0	17.5	18.5	4.8
Other income	-	1.0	1.0	0.4
Other costs	-	(4.3)	(4.3)	(3.2)
Net taxable profit	1.0	14.2	15.2	2.0
Distribution to parent	(1.0)	(14.2)	(15.2)	2.0
Assets	1.1	17.2	18.3	9.3
Liabilities	(1.1)	(17.2)	(18.3)	(9.3)
Net assets	-	-	-	-

## 14. Pensions

The BHF operates a defined contribution scheme and a defined benefit scheme for its employees.

The total pension cost for the financial year was:

Pension costs	2022	2021
	£m	£m
Defined contribution scheme	4.6	4.8
Defined benefit scheme	0.1	0.2
Total pension costs	4.7	5.0

### i) Defined contribution scheme

The BHF operates a defined contribution scheme for certain eligible employees, the total cost of which for the year ended 31 March 2022 was £4.6m (2021: £4.8m). From 1 August 2013, all employees have been automatically enrolled into the defined contribution scheme and BHF contributes between 2% and 25% of pensionable salaries.

### ii) Defined benefit scheme

The BHF operates a defined benefit scheme, the assets of which are held in a separate Trustee-administered fund. The scheme closed to new entrants from 30 June 2001 and to service accrual on 31 May 2016, such that from this date the pension benefit for the remaining active members will be of a defined contribution type.

The last valuation of the scheme was carried out as at 1 July 2020 and issued in March 2021. The market value of the scheme's assets at that date was £75.5m and it showed a funding surplus of £2.0m. For this reason, no further contributions to the Scheme are currently anticipated but the BHF will continue to separately settle the cost of running the Scheme. The next valuation is due as at 1 July 2023.

In accordance with the requirements of the relevant accounting standard (FRS 102), the full actuarial valuation of the defined benefit scheme dated 1 July 2020 has been updated at 31 March 2022 by a qualified actuary. This reflects the application of broadly consistent assumptions to the actuarial valuation, with the exception of the discount rate, where a less conservative rate is required by FRS 102. On the FRS 102 basis, the Scheme has a surplus at 31 March 2022 of £10.9m (2021: surplus of £10.5m). In accordance with FRS 102, this surplus is not recognised, as future economic benefits are not deemed available to the BHF in the form of a reduction in future contributions or a cash refund.

The major assumptions used for the actuarial valuation were:

	2022	2021	2020	2019	2018
	%	%	%	%	%
Salary growth	3.7	3.4	2.6	3.6	3.5
Pension increases in payment – Limited Price Indexation	3.6	3.3	2.0	2.6	2.5
Pension increases in payment – guaranteed	5.0	5.0	5.0	5.0	5.0
Discount rate	2.7	2.0	2.3	2.4	2.6
Inflation – RPI	3.7	3.4	2.6	3.6	3.5

### Mortality

The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

	2022 years	2021 years
Male	86.9	86.9
Female	89.3	89.3

The average life expectancy in years of a pensioner retiring at age 65 twenty years after the balance sheet date is as follows:

	2022 years	2021 years
Male	88.3	88.2
Female	90.8	90.7

# Notes to the accounts

## 14. Pensions (continued)

### Major categories of plan assets as a percentage of total scheme assets

	Asset categories as a percentage of plan assets	
	2022	2021
	%	%
Corporate bonds	80.0	79.0
Liability Driven Investment (LDI) funds	19.0	20.0
Cash/other	1.0	1.0

### Analysis of amount charged to the Statement of Financial Activities under FRS 102

	2022	2021
	£m	£m
Current service cost	-	-
Expenses	0.1	0.2
Past service cost	-	-
Total operating charge	0.1	0.2
Interest income on pension scheme assets	(1.4)	(1.6)
Interest on pension scheme liabilities	1.2	1.2
Interest effect of the asset ceiling	0.2	0.4
<b>Total amount charged to the Statement of Financial Activities</b>	<b>0.1</b>	<b>0.2</b>

### Analysis of actuarial gain/(loss) and effect of asset ceiling

Actuarial gain/(loss) before consideration of asset ceiling	0.2	(5.4)
Amounts not recognised due to effect of asset ceiling	(0.2)	5.4
<b>Total actuarial gain/(loss) and effect of asset ceiling</b>	<b>-</b>	<b>-</b>

### Analysis of changes in the present value of defined benefit obligations and fair value of assets

	Present value of defined benefit obligation		Fair value of scheme assets		Asset ceiling		Net liability recognised in the balance sheet	
	2022	2021	2022	2021	2022	2021	2022	2021
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Scheme (liabilities)/assets at the start of the year</b>	<b>(59.2)</b>	<b>(53.5)</b>	<b>69.7</b>	<b>69.0</b>	<b>(10.5)</b>	<b>(15.5)</b>	<b>-</b>	<b>-</b>
Interest cost	(1.2)	(1.2)	-	-	-	-	(1.2)	(1.2)
Interest income on assets	-	-	1.4	1.6	-	-	1.4	1.6
Actuarial gain/(loss)	5.0	(5.7)	(4.8)	0.3	-	-	0.2	(5.4)
Benefits paid	1.5	1.2	(1.5)	(1.2)	-	-	-	-
Interest effect of the asset ceiling	-	-	-	-	(0.2)	(0.4)	(0.2)	(0.4)
Remeasurement of the asset ceiling	-	-	-	-	(0.2)	5.4	(0.2)	5.4
<b>Scheme (liabilities)/assets at the end of the year</b>	<b>(53.9)</b>	<b>(59.2)</b>	<b>64.8</b>	<b>69.7</b>	<b>(10.9)</b>	<b>(10.5)</b>	<b>-</b>	<b>-</b>

## 14. Pensions (continued)

### Analysis of pension scheme assets and liabilities for the previous four financial years

	2022	2021	2020	2019	2018
	£m	£m	£m	£m	£m
Defined benefit obligation (DBO)	(53.9)	(59.2)	(53.5)	(55.8)	(52.6)
Fair value of pension scheme assets (including asset ceiling)	53.9	59.2	53.5	55.8	50.5
Pension deficit	-	-	-	-	(2.1)
Experience gain/(loss) on pension scheme assets	0.2	(5.4)	6.0	0.7	3.7
Adjustments as a percentage of pension scheme assets	0%	(9%)	11%	1%	7%

### Analysis of change in the effect of the asset limit

	2022	2021
	£m	£m
Opening effect of the asset limit	10.5	15.5
Interest effect of the asset limit	0.2	0.4
Remeasurement of the asset limit	0.2	(5.4)
Closing effect on the asset limit	10.9	10.5

## 15. Financial instruments

	Note	Group		Charity	
		2022	2021	2022	2021
		£m	£m	£m	£m
<b>Financial assets at fair value through statement of financial activities</b>					
Investments	7	158.8	149.4	158.8	149.4

### Financial assets that are debt instruments measured at amortised cost

Amount owed by subsidiary undertakings	8	-	-	16.9	8.8
Sundry debtors	8	3.7	2.6	2.9	2.5
Accrued income	8	1.3	8.8	1.2	8.7
Accrued legacies	8	90.8	72.2	90.8	72.2
Cash and cash equivalents		127.0	105.2	115.6	102.7
		222.8	188.8	227.4	194.9

### Financial liabilities at fair value through statement of financial activities

Grants provision	9	282.0	318.9	282.0	318.9
		282.0	318.9	282.0	318.9

### Financial liabilities that are debt instruments measured at amortised cost

Sundry creditors	10	5.3	1.8	4.9	1.7
Accruals	10	17.6	12.8	16.7	12.5
		22.9	14.6	21.6	14.2



# Notes to the accounts

## 16. Related Party Transactions

Donations received from and expenses reimbursed to Trustees and the total employee benefits of the Executive Group of the Charity are disclosed in note 4. Transactions by the Charity with its defined benefit pension scheme are set out in note 14. There were no other transactions during the year that come within the FRS 102 definition of 'related party transactions'.

As set out in note 9 on pages 115 to 116, the Charity occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees in senior research capacities. All such grants are made to institutions. A summary of the top 50 grants is provided on page 116. In certain cases, a BHF Trustee holds a senior position in the institutions we fund. In this context, the grant funding is regarded as being between related parties, as the individuals concerned holds a position of influence in both parties to the transaction. Such instances are set out below, although in no case was the Trustee involved in either the grant funding decision or the grant application process:

- Professor John Iredale is a Trustee of the Charity and Pro Vice-Chancellor of University of Bristol and since January 2022 has been on secondment to the Medical Research Council as interim Executive Chair. The University of Bristol received £2.4m of grant funding during the year ended 31 March 2022 (2021: £3.0m) and the Medical Research Council received £0.2m in during the year ended 31 March 2022.
- Professor David Lomas is a Trustee of the Charity and Vice Provost of University College London, which received £6.4m of grant funding during the year (2021: £3.2m).
- Daryl Fielding is CEO of The Marketing Academy Foundation. During the year, the Charity paid £11,047 to The Marketing Academy Foundation for recruitment and training services.

For the year the Charity received income of £14.2m (2021: £1.2m) from BHF Shops Limited and £1.0m (2021: £0.8m) from British Heart Foundation Ventures Limited, being a corporate Gift Aid payment to the parent charity. In addition BHF Shops Limited reimbursed the Charity £3.8m (2021: £2.9m) for services and other expenses incurred on its behalf.

At the year end, the Charity was due £15.9m (2021: £8.0m) from BHF Shops Limited, £1.0m (2021: £0.8m) from BHF Ventures Limited and £nil (2021: £nil) from London to Brighton Bike Ride Limited.

## 17. Post balance sheet events

BHF announced the winner of the Big Beat Challenge on 29 July 2022, which is expected to lead to a £30 million award in the 2022-23 financial year (more details of the research are set out on page 22).

# Legal and administrative details

## Registered office

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Registered charity number: 225971

Scottish registered charity number: SCO39426

Isle of Man charity number: 1295

## Bankers and principal advisers

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