



British Heart
Foundation

SE CORONARY HEART DISEASE
HIGH BLOOD PRESSURE
CHRONIC KIDNEY DISEASE
LARGE BLOOD VESSELS
CONGENITAL HEART DISEASE
HEART FAILURE
ENLARGED HEART
HYPERTROPHIC CARDIOMYOPATHY
DILATED CARDIOMYOPATHY
HEART ATTACK
HEART ATTACK
HEART ATTACK
STROKE
STROKE
STROKE
CARDIAC ARREST
CARDIAC ARREST

Annual Report and Accounts 2023



**British Heart
Foundation**

Heart and circulatory
diseases are all connected.
So must we be.

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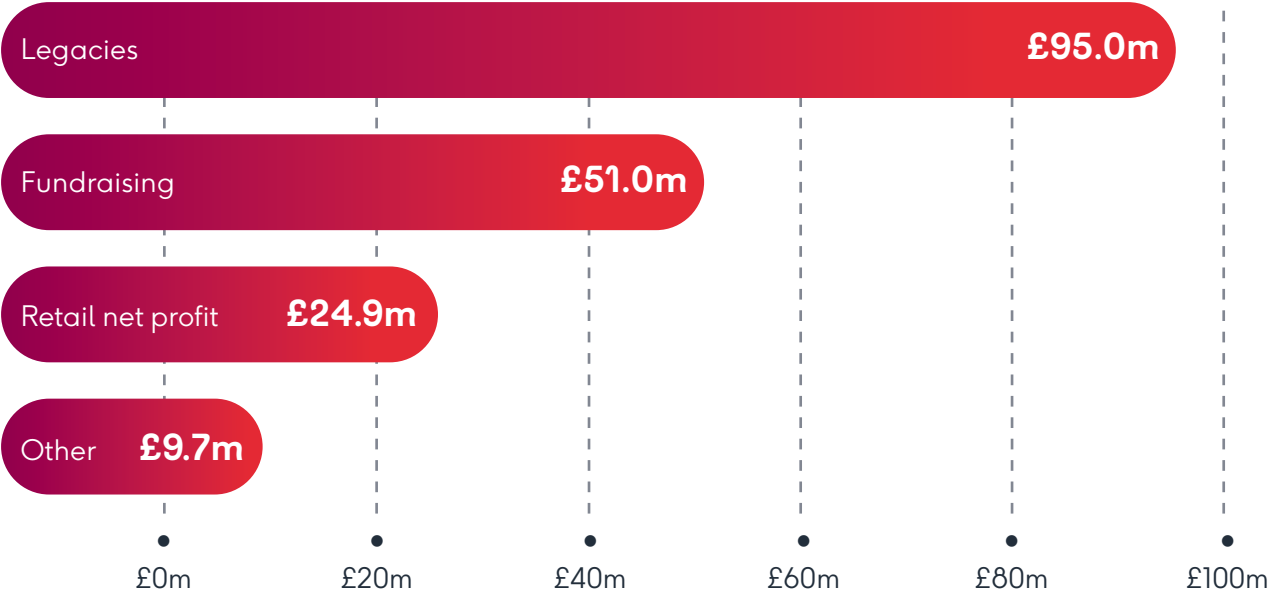
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Where our money came from in 2022-23

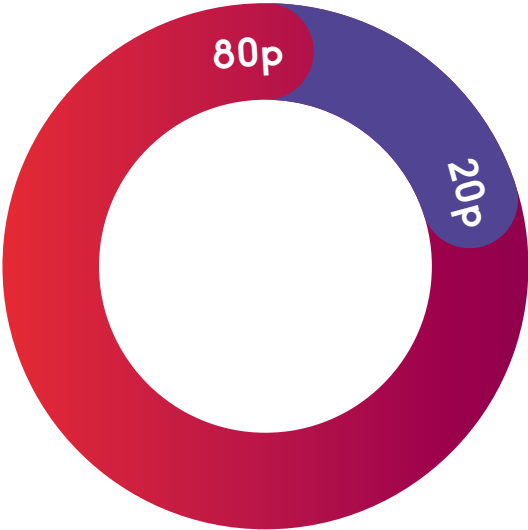


How your money was spent in 2022-23

Investment in growing our income was £36.3m meaning 80% of total income (net of retail costs) was available to beat heart and circulatory diseases. This is well above our target range of ensuring that at least 70p in the £1 is available to spend on our lifesaving work.

Of every £1 raised

- Available for charitable purposes
- Invested to generate further income



How we delivered our mission in 2022-23


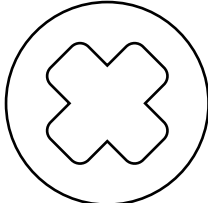


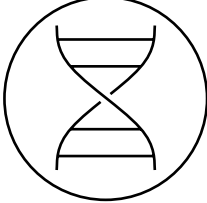



*£115.6m of research grant awards, less accounting adjustments. See page 88 for more information. See our Financial Review on page 86 for more detail on all of the numbers above.

Funding world leading science

British Heart Foundation is the biggest funder of non-commercial research into heart and circulatory diseases carried out in the UK, with £437m of BHF-funded research underway.

£437m

 <p>£116m</p> <p>Grants awarded</p>	 <p>720</p> <p>Active research grants</p>
 <p>464</p> <p>Principal Investigators</p>	 <p>248</p> <p>Students currently supported</p>
 <p>1,100</p> <p>Research staff</p>	 <p>48</p> <p>Research institutions across UK</p>

Letter from our Chair



Joining an organisation as ambitious and fast-paced as British Heart Foundation (BHF) is a challenge akin to boarding a moving train. Thankfully, I have had the kindness, generosity and warmth of the entire BHF family to welcome me aboard. Since becoming your Chair in October, my first few months have been spent learning about every aspect of our organisation and asking hundreds of questions. I have noticed that my own curiosity is reflected in the inquisitive nature of our organisation. In every department, our volunteers, partners and colleagues keep their eyes and minds open to opportunities and are always keen to apply new approaches to old challenges. Curiosity is one of our greatest strengths.

As I have learned about our organisation and the world-class research that we fund, I am struck by just how much BHF is needed by all of us. Thousands of people look to us for information and support, as well as the hope we offer to people living with heart and circulatory diseases. The UK currently faces a mammoth backlog of heart health care, with hundreds of thousands of people waiting for treatment. Covid has exacerbated waiting times and compounded the threat to heart patients. Our health-impacting and lifesaving research has never been more needed.

At the same time, the difficult macroeconomic situation makes raising funds harder than ever, which demands even more creativity from our colleagues and volunteers – something I am confident they will continue to deliver. Our retail operation stands out as a highlight, as well as a powerful way to connect to communities across the nation. Our stores are often the first place we introduce ourselves to the public, and they are home to incalculable selflessness and generosity, whether in the form of time, donations, money or creativity.

BHF is at once a national treasure and a global powerhouse. Our organisation has a unique perspective on the world's biggest killers, a perspective that is increasingly recognised and valued around the world. This gives us the ability and the responsibility to bring together organisations and governments from around the world who are committed to improving heart health.

Thinking about our future, I will prioritise our ongoing commitment to impact in our operations, strategy and resilience. This solid foundation is essential to empower the bold thinking that can unlock heart health transformations, leveraging assets like the BHF Data Science Centre and our exceptional network of scientists. Our big ambitions require ambitious support, so the Board will also focus on expanding our financial model, investing in our retail operations, and developing our philanthropy income. Thank you to our volunteers, fundraisers, colleagues, partners and researchers for your support in helping us unlock the next generation of breakthroughs. And a huge thank you to my predecessor, Doug Gurr, for creating an exemplary blueprint for this role, albeit one that will be tough to follow.

Wendy Becker
Chair of Trustees

Letter from our CEO

At a time of such immense challenge and change, I am deeply grateful to our incredible family of supporters, colleagues, volunteers, and partners. It has also been a great pleasure to welcome our new Chair of Trustees, Wendy Becker, to help drive forward our mission. It takes every single person to power the progress of British Heart Foundation to save and improve lives.

Over the last year people with heart and circulatory conditions continued to face unprecedented disruptions to care and treatment. We remain deeply committed to tackling the worrying increase in health inequity through our Igniting Change strategy that sets out the change we want to see in health, research and who we are as a team. And for now, we continue to be proud to be there for the millions of people who turned to us for support, for information and for hope.

And despite the challenges, every day we turn to research for hope. Each of the thousands of researchers we fund brings us the hope of turning today's science fiction into tomorrow's advances in diagnosis, treatment and care for countless patients and their loved ones around the world. CureHeart is an astonishing example of this, with the winning team of our £30m Big Beat Challenge aiming to cure inherited cardiac conditions that affect around 30 million people worldwide within a generation.



As ever, we can only fund such world-changing work with partnerships, and are grateful to our strategic partners including Omaze, PureGym, Royal Mail and Tesco who made an enormous contribution to our work.

We approach the challenges of the year ahead with determination, confident that we can grow our impact. We know that heart and circulatory diseases affect most families across the UK, just as they have my own, and that BHF holds a special place in people's hearts. We're so inspired to be connecting with ever more people across the UK who share our hope and vision to make a difference for others. And this year saw some of the youngest and oldest members of our BHF family do just that.

Just like nine-year-old Ollie Banks (living with a heart defect) who ran a half marathon in Cardiff, raising more than £1,000. And little Dáithí Mac Gabhann and his family changed the world by tirelessly campaigning for soft opt-out organ donation, ensuring Dáithí's Law took effect in Northern Ireland. And this year our incredible 106-year-old supporter, Joan Willett, received the Points of Light Award for her extraordinary fundraising efforts. It is a great privilege of my job to meet and thank them – they are all remarkable reminders of why what we do every day matters so much to so many people.

And so I offer my heartfelt thanks to every one of our supporters, volunteers, colleagues and partners who make BHF such a special organisation, working to save and improve lives, every day.

Dr. Charmaine Griffiths
Chief Executive

Inspiring support, accelerating breakthroughs, saving lives, our strategy to 2030

**BHF has never been more needed.
But we're poised and ready to meet this moment.**

In the wake of the pandemic, we've recovered our income, supported thousands of families in their time of need, and made history by funding more ambitious research than ever before.

We have so much to be proud of. But we know we're just scratching the surface of our true potential. And the challenges we face are as grave as ever.

There is nothing more precious than our hearts. But the tragic reality is that millions of people's hearts are at risk. Mounting numbers of people face an agonising wait for care, while many more live in hope of treatments and cures that could save or improve their lives.

At the same time, we stand at the precipice of revolutionary scientific advances. Our researchers are on the cusp of turning science fiction into reality in so many ways – from unleashing the power of AI and Data

Science which could stop heart attacks and strokes to finding revolutionary gene editing cures to end sudden cardiac death.

But we need more support to make these breakthroughs a reality.



Rise to the challenges

As a BHF team, we have everything we need to meet this moment. **To realise our ambitions we need a razor sharp focus on the things that will make the biggest impact for people with heart and circulatory diseases.**

Over the coming years:

We will **inspire more support** by leaving people in no doubt about the preciousness of their heart. We will inspire and engage our supporters more. And we will ignite a reuse revolution that raises millions of pounds for research while helping to protect our planet.

We will **accelerate breakthroughs** by funding more ground-breaking science than ever before, by initiating cutting-edge partnerships, and by speeding up the translation of our findings into new diagnostics, treatments, and potential cures.

And we will **save lives** through the power of our discoveries, through expanding our life changing influence, information and support, and through making immediate CPR and defibrillation the norm for people who suffer cardiac arrests.

Lifesaving progress powered by our people

At the heart of achieving this is enabling our **incredible BHF team to realise their full potential**. This means embracing the flexibility that emerged during the pandemic; using cutting edge technology and data to optimise every area of our operations and investing in our leaders so they can inspire their teams to do truly lifesaving work.

Finally, we will ensure that Equality, Diversity & Inclusion (EDI) is at the heart of our mission. We need to ignite change that creates a fairer and more inclusive world for our colleagues and volunteers, for the cardiovascular research community, and for everyone affected by heart and circulatory diseases.

Make no mistake, millions of families are relying on us. It's time to show what we can really do.

[We fund **research** to
save and improve lives]

Connecting the dots in research

Research requires connections – and bold initiatives. This year, we committed £116m of new funding to research, including a once-in-a-generation £30m research grant to CureHeart. This global team of pioneering researchers seeks the world's first cures for inherited heart muscle diseases. This is just one of the incredible research projects we've funded over the past twelve months. And it demonstrates how much can be achieved when brilliant people come together.



Members of the CureHeart team



Research

Our commitment to funding lifesaving research has grown thanks to significant income recovery from retail, fundraising and legacies.

We identified five key areas to focus on in 2022-23. Read more on pages 14-21 about how the research we funded last year will save and improve lives.

- Growing and diversifying the research community – *page 14*
- Working with others to develop and deliver a strategic research agenda – *pages 16-17*
- Investing in world-class research across the spectrum of heart and circulatory diseases – *page 19*
- Strengthening the implementation of research outcomes for patient benefit – *page 20*
- Communicating the impact of the research we fund to inspire more support – *page 21*



Growing and diversifying the research community

Fibroblast cells

Our 2022 Equality, Diversity and Inclusion (EDI) strategy, Igniting Change, outlined clear commitments to addressing inequalities within the research ecosystem, both in the communities that participate in research studies but also in career progression for researchers themselves.

As a step towards encouraging inclusive research design, we have now rolled out a new section to relevant BHF research funding application forms, asking for information on sex representation in the proposed study, and whether and how factors such as age, sex,

gender or ethnicity have been considered as part of the design of the project.

Signing the Declaration on Research Assessment (DORA) also supports our EDI ambitions. Our first phase of DORA reforms includes consolidating guidelines for good practice in expert review, ensuring these principles are embedded in our funding committees' procedures, and being clearer about how we assess research applications.

Supercharging research

We were awarded £3.7 million funding from the Department for Science, Innovation and Technology following our campaign calling on Government to safeguard charity-funded research as the sector recovered from the impact of the Covid-19 pandemic. This vital boost will help BHF support 37 researchers in the early stages of their careers for one year, including Clinical Research Training Fellows. Overall, the scheme, with a total investment of £50m will support over 1,200 early career researchers across the sector.

Medical research charities play a unique role in the UK's research and development ecosystem, investing in high quality research which not only saves lives but also boosts the economy. This funding is not only an investment in the researchers of today – it will also help to safeguard the research workforce of tomorrow who can build on the strength of UK science, supercharging research to find the treatments and cures of the future.

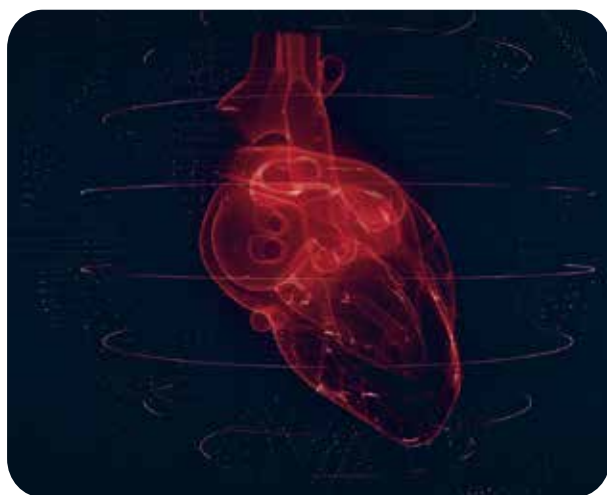
Working with others to develop and deliver a strategic research agenda

Global Cardiovascular Research Funders Forum (GCRFF)

Founded in 2018, the GCRFF is a partnership of 12 of the largest funders of cardiovascular research around the world, seeking to promote transformational research efforts into heart, stroke and circulatory diseases at a global scale. The Forum is developing its activities across three main fronts.

The GCRFF Multinational Clinical Trials Initiative provides an expert-led assessment mechanism designed to help investigators from different countries to collaboratively design and apply for funding of ambitious, practice-changing trials, where an international scale is much more likely to lead to actionable results that benefit patients.

Member organisations are also working on ways to share knowledge and best practice more effectively. This includes, for instance, the creation of a shared grant database to allow the precise mapping of the international cardiovascular research landscape, helping to avoid duplication of funding across organisations and to identify research gaps and opportunities for international cooperation.



Finally, as part of its ambition to help set the global cardiovascular research agenda, the Forum aims to draw attention and support to areas of unmet need where an international scale will accelerate the path to impact. To this end, the GCRFF has identified health equity as an initial priority and has recently launched the Women's Cardiovascular Health Research Initiative. The joint work will set out clear principles and practices to help research funders around the world tackle persisting and widespread sex/gender-related cardiovascular health inequities. Additionally, through the launch of an international funding challenge, this initiative will also directly address specific problems in this area by supporting the work of international networks of researchers.

BHF-DZHK-DHF International Cardiovascular Research Partnership Awards

As part of our ongoing, highly successful, joint funding partnership with the German Centre for Cardiovascular Research (DZHK) and the Dutch Heart Foundation (DHF), four new collaborative projects involving research teams in the UK, Germany and the Netherlands were selected, totalling close to £5m. The 2022-23 call was aimed at mid-career investigators on a trajectory towards becoming future leaders in cardiovascular research, allowing them to develop innovative research through the opportunity to forge new international collaborations. To date, the partnership has led to 12 projects with close to £16m of investment, enabling research that would not be possible to carry out in any single country, and helping our funds to generate more impact. A fifth edition of the competition is currently underway.



The four newly awarded projects will seek to understand new aspects related to heart failure and atherosclerosis (the leading cause of heart attacks and strokes), as well as to develop new approaches to predict cardiovascular disease risk.

Specifically, the PLAK-TALK study will investigate how T-cells, a type of immune cell, communicate with other cells in fatty plaques developing in arteries. In this process, T-cells cause inflammation that can increase the risk of developing "fatty plaques" that are more likely to rupture, which can cause blood clots and then result in heart attacks and strokes. Insights from this work could inform treatments to prevent plaques from breaking off in patients with atherosclerosis.

The PROMETHEUS project seeks to understand genetic differences in people with pulmonary arterial hypertension (PAH), a condition where blood pressure in lung arteries is dangerously high. Failure of the right side of the heart to adapt to abnormally high pressure in PAH

patients results in heart failure and is the leading cause of death. This study will help understand why some people's hearts are able to adapt to this increased pressure and help find new ways to reduce PAH-associated mortality.

Another project, Prot4CVD, will employ state-of-the-art instrumentation and innovative computational analyses to measure up to 7,000 proteins in blood samples from 200,000 people, and combine it with genetic and clinical data. Through this approach, the teams hope to improve cardiovascular disease risk prediction, and help to develop novel therapeutic targets.

Lastly, in a study called MegaCardiocyte, researchers will investigate the relationship between heart failure with large vessels being affected and abnormal function of small blood vessels, which researchers believe may be related to poorly functioning blood platelets—a component of blood required for clotting. The study may lead to novel heart failure treatments targeting blood platelets.

Investing in world-class research across the spectrum of heart and circulatory diseases

We've enhanced knowledge of cardiovascular diseases, including coronary artery disease, heart failure, stroke and vascular dementia.

Working with others to develop and deliver a strategic research agenda

A research project led by Professor Christopher Gale and part funded by BHF, revealed a 72% increase in the number of people living with atrial fibrillation (AF) over the last 20 years. In the largest study into AF, University of Leeds researchers analysed medical data from 3.4 million people in England. The study also found that people from the most deprived communities are 20% more likely to have AF.

Hope for first treatment for strokes linked to dementia

A clinical trial we funded has found that two existing drugs could be an effective and affordable treatment for people who experience a type of stroke linked to nearly half of all dementia cases. Lacunar strokes affect at least 25,000 people in the UK each year and have devastating effects that include impaired cognitive and motor skills, as well as dementia.

The new trial shows that isosorbide mononitrate and cilostazol, both used to treat other heart and circulatory diseases, could help improve the debilitating effects of lacunar strokes. The trial team now plan to carry out a larger scale trial to confirm these promising results.

Anti-ageing gene shown to rewind heart age by 10 years

Scientists from the University of Bristol and the MultiMedica Group in Italy are researching an anti-ageing gene discovered in centenarians. The healthy mutant genes have been shown to rewind the heart's biological age by ten years.

They found that a single administration of the mutant anti-ageing gene halted the decay of heart function in middle-aged mice. And their research has confirmed that the gene can reverse the decline of heart performance in older people. The team is now investigating if the treatment can be delivered as a protein rather than a gene, something that could improve safety.



Strengthening the implementation of research outcomes for patient benefit

Improving diagnosis of myocarditis

A team led by BHF Professor Federica Marelli-Berg and colleagues at Queen Mary University London (QMUL) discovered that T-cells expressing a molecule called cMet in the blood strongly indicates that a person has myocarditis. Because this can be detected through routine blood tests, their finding could improve diagnosis, accelerate treatment, and reduce the risk of developing complications.

Intravenous iron to treat heart failure

A team led by Professor Paul Kalra (University of Glasgow) found that an intravenous iron infusion can safely and effectively reduce the risk of hospitalisation for heart failure. By reducing the need for hospitalisations, this could help tackle the UK's heart care backlog.

Preventing heart failure after heart attacks

A team led by Professor Mauro Giacca (King's College London) used innovative screening technology to identify three proteins that prevented cell damage and preserved heart function in mice after a heart attack. The team intends to further develop the innovative treatment in a clinical setting.

Communicating the impact of the research we fund to inspire more support



Creating connections at the BCS Annual Conference

In June 2022, the British Cardiovascular Society (BCS) celebrated its 100th anniversary at its conference in Manchester. Highlights include recognition for BHF Intermediate Clinical Research Fellow, Dr. Thomas Treibel, winning the Michael Davies Early Career award; Professor Marianna Fontana being awarded BHF Fellow of the Year; and five lectures from Her Royal Highness The Princess Royal.

European Society of Cardiology Congress

In 2022 we took part in The European Society of Cardiology (ESC) Congress, the world's largest cardiovascular conference. Our conference highlights include BHF-funded researcher and Vice-Chair of BHF Translational Awards Committee, Professor Stefan Neubauer (University of Oxford), giving the Paul Hugenoltz Lecture in Innovation; and a BHF part-funded study led by Professor Colin Baigent (University of Oxford) which shows

that while statins are associated with a small increase in risk of muscle pain or weakness, they do not cause the majority of symptoms commonly associated with them.

Evaluating our research

In November 2022, we published the latest Research Evaluation Report, which highlighted, among other achievements, that BHF researchers attract £2.29 of further investment for every £1 of BHF funding.

Spreading the word with Live & Ticking

Our Research Engagement Team produced 12 Live & Ticking virtual events throughout 2022-23. The monthly sessions give supporters a free opportunity to connect with us and learn about our work. Since the series started we have seen over 14,000 people register for our events, with over 4,000 attending live, and 38,000 people watching recordings on YouTube.



Side by side Healing Hearts

Inderdeep and her two sons have an inherited heart muscle disease called hypertrophic cardiomyopathy. Maninder had his rugby career ended because of his symptoms; his younger brother Manvir may need a heart transplant.

"I couldn't believe it when I heard the words 'You're the carrier'."

Inderdeep Birk, heart patient

Every week in the UK, we lose 12 people under the age of 35 to sudden cardiac death. Many of these tragic deaths are connected to inherited heart muscle diseases, or genetic cardiomyopathies, conditions that can be passed down through families.

CureHeart's researchers from the UK, the US and Singapore are developing gene therapy technologies that could silence or correct the faulty genes affecting one in 250 people worldwide. By backing CureHeart, we're giving hope to millions of people.

"After 30 years of research, we know many of the genes responsible for cardiomyopathies. We believe we will have a gene therapy ready for early clinical testing in the next five years. The £30m from BHF helps to turbo-charge our progress."

Professor Hugh Watkins, BHF Professor of Cardiovascular Medicine and Lead Investigator of CureHeart with Dr. Christine Seidman of Harvard Medical School



Our future focus

BHF 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 will continue to fund world-class research to save and improve lives. We will focus on:



Helping the cardiovascular research ecosystem recover and grow by:

- Progressing our ambitions around equality, diversity and inclusion in cardiovascular research
- Monitoring and addressing the increase in costs of research through targeted changes to our ways of funding
- Working with partners, including the National Institute for Health and Care Research (NIHR), to further support clinical research

Enhancing knowledge of cardiovascular diseases, through:

- Implementing partnership initiatives to address unmet need e.g. with the UK Dementia Research Institute, Medical Research Council (MRC) and Innovate UK
- Supporting the work of the CureHeart team
- Optimising the funding model for our Research Excellence Awards
- Developing new strategic research initiatives

Seeing more BHF-funded research discoveries being translated into patient and public benefit by:

- Developing a research translation strategy, to increase the commercial exposure and translation of BHF-funded research towards patient benefit
- Enhancing our ability to track and monitor the impact of our research with new software

[We work with patients and the public for better health and care]

Heart health matters

More than seven million people live with heart and circulatory diseases in the UK today. Millions more have risk factors for these conditions, such as high blood pressure, raised cholesterol, and type 2 diabetes. Given the immense scale of this public health challenge, what can we do to ensure that everyone has access to the personalised, optimised, prioritised care they need?

Our analysis into the impact of the pandemic shows that the cardiovascular workforce is one of the most important factors affecting patient care and something heart patients want to see addressed.





Patients

The growing backlog of care, diagnostics and treatment is causing additional health concerns and anxiety for heart patients and their families. We will not stop until people get the information, support and treatments they need.

We identified four key areas of focus for 2022-23. Read more about how we promoted information and support for heart and circulatory disease patients on pages 30-42.

- Engaging more people with our patient information and support services – *page 30*
- Increasing the scale and diversity of patient and public involvement and meeting the needs of everyone affected by heart and circulatory diseases – *page 31*
- Tackling the major risks to heart health of high blood pressure, obesity and health workforce constraints through partnerships and influencing activities – *pages 33-35*
- Aligning all our community resuscitation activities to improve survival rates from out-of-hospital cardiac arrest – *pages 36-38*



Empowering with information

We offer people the information they need to manage cardiovascular conditions.

BHF recently joined the Patient Information Forum (PIF) scheme to promote high-quality and trustworthy health information that has been developed with patients. We can now proudly display the PIF TICK to demonstrate our commitment, alongside other health charities such as Cancer Research UK, Macmillan, MIND, and RNIB.

Our valued information and support continue to reach a wide audience. Our high-risk condition website pages are the most popular of all health related BHF content. From 1 April

2022 to 31 March 2023 there were 15.3 million users and 25.3 million unique page views to our health information web pages.

We also launched the Let's Talk service to help pharmacy professionals give better information and support to anyone living with, or at risk of developing, heart and circulatory disease, cancer, and type 2 diabetes. This health charity partnership with Tesco Pharmacy, Cancer Research UK, and Diabetes UK brings specialist training to Tesco pharmacists and their colleagues.

People-powered change

Patient and public involvement in research.



As an organisation founded to help all people affected by heart and circulatory diseases, it's vital that we involve a wide group of people in our Patient & Public Involvement (PPI) activities, across our research portfolio. We must hear from a diverse group of people so that we understand the variety of experiences and perspectives of people affected by these conditions.

With this in mind, we are seeking partnerships with community organisations to improve the diversity of those we involve in shaping our research activities. Our plan is to build relationships and test approaches to help us reach new audiences. We are also working to improve the ways we capture and manage equality, diversity and inclusion (EDI) data for Heart Voices, our PPI network.

We will shortly be introducing a PPI Payment Policy. Offering payments to patient representatives (e.g., patients, carers or family members) for sharing their time, knowledge and experience helps to remove a potential financial barrier to involvement. This is an important part of ensuring that our PPI is meaningful and can draw on a diverse range of perspectives to inform and shape our work.

We have also created a new patient panel to inform our policy and influencing work. The Lived Experience Advisory Forum (LEAF) formalises our approach to seeking the views of people affected by heart and circulatory conditions.



Dáithí Mac Gabhann and his family, Chief Executive Charmaine Griffiths and Head of BHF Northern Ireland Fearghal McKinney.

Pushing for progress

Creating a future free from the fear of heart and circulatory disease demands urgent action at the highest levels of government.

Shining a light on heart health

In the face of rising waiting lists for cardiovascular care, long waits for ambulances, and poor management of cardiovascular disease (CVD) risk factors, our Chief Executive Dr. Charmaine Griffiths spoke at the Westminster Health Forum. She set a challenge for leaders across the UK Government, the NHS and research organisations to “work together to save countless lives from heart disease for generations to come”.

And in August 2022, BHF joined over 30 other heart foundations and organisations at the European Heart Network Conference to share learning and strategies, at which Dr. Charmaine Griffiths was appointed President.

Advocating for change

Northern Ireland hosted a reception at Stormont in September 2022, where a presentation was made to our heart hero Dáithí Mac Gabhann and his family. We’ve campaigned with the family at Stormont and at Westminster where we met with MPs ahead of the historic vote in February which led to Dáithí’s Law – a soft opt-out system for organ donation.

Partnering with policymakers

Sharing our knowledge, experience and expertise with policymakers is essential to drive systemic change.

Our Policy and Public Affairs teams attended all the major political party conferences across the UK. And our Chief Executive Dr. Charmaine Griffiths spoke at a Conservative Party Conference fringe event alongside the then Public Health Minister, about levelling-up the

UK’s cardiovascular health. She reinforced the urgent need for action to prevent the causes of ill-health across the UK.

Influencing politicians across the UK

During party conference season, we engaged with key political stakeholders including the then UK Government and Shadow Health Secretaries and 125 MPs. In Scotland we met with the First Minister and key cabinet secretaries. We had the support of all party leaders in Scotland for our RevivR reception at Scottish Parliament. In Wales we engaged with all MSs and took part in a main stage debate at the Plaid Cymru conference, highlighting the need to invest in research in Wales. In the absence of a functioning Assembly in Northern Ireland, our political engagement with all parties has continued.

BHF-led Non-Communicable Disease (NCD) Alliance in Scotland published their ‘Preventing Harm through Action’ report. This led to securing commitment from the Scottish Government to legislate on high fat, salt and sugar foods (HFSS) price promotions, expected later this year.



Throughout the year we have made consistent progress on some of the most pressing heart health issues. As we reflect on our successes, we must also highlight the urgent need to do more for people affected by heart and circulatory diseases.

a close-up snapshot of hundreds of endothelial cells—the cells which line all blood vessels—growing on the surface of a bead.

Prioritising action



Hypertension

We began the year by commissioning modelling to better understand how salt reduction could reduce hypertension, coronary heart disease and stroke. We shared this report with key stakeholders (including multiple UK government agencies) to raise awareness of this potentially devastating issue.

We have produced over 7,000 of our hypertension data reports for GPs across England. We used a version of the resource for September's party conferences, alongside our modelling report, to ask MP's to act on this issue.

We also developed an Integrated Care System (ICS) quality improvement tool. This offers context to local blood pressure data, as well as a guide to ensure a comprehensive approach to hypertension is implemented at ICS level.

Obesity

As a leading member of the Obesity Health Alliance, in April 2022 we celebrated the passing of legislation to introduce restrictions on promotions of foods high in fat, salt and sugar and a 9pm watershed on junk food advertising on television. However, we continue to make the case for immediate implementation of these policies following their delay to October 2023 and October 2025 respectively. We have also advocated for a levy to be introduced by the Government that will

encourage industry to reduce high levels of salt and sugar in certain products.

Workforce

We initiated a policy research project to better define the cardiovascular workforce, and to help focus our influencing work on NHS cardiovascular care needs. This project is in partnership with the British Cardiovascular Society, relevant Royal Colleges and Societies, and NHS England's Clinical Policy Unit. We continue to engage and input into UK Government and NHS England consultations on workforce, highlighting the need for comprehensive and long-term NHS workforce planning.

The Government's Autumn statement committed to publishing long-term health workforce plans, something that BHF and partners have been advocating for. We successfully ran a pilot census of 10 NHS trusts, assessing the feasibility of data collection about the cardiologist and specialist cardiac nurse workforce, and are now working to roll this out across the wider NHS in England. Our project to map out the cardiovascular research workforce is also underway, commissioning the Career Research and Advisory Centre to analyse data on non-clinical and clinical researchers and cardiac research nurses.



Help on hand

Our database of defibrillators is accelerating access to these vital lifesaving devices, to help people faster when every second could mean the difference between life and death.

The Circuit: The National Defibrillator Network has now been rolled out to all 14 ambulance services across the UK so that ambulance services can quickly direct bystanders to their closest defibrillator in the event of a cardiac arrest.

As of 31 March 2023, there were 62,954 defibrillators registered on The Circuit. We have consistently maintained an average of around 500 new registrations every week, putting us on track to meet our target of 100,000 defibrillators by 2024-25.

Our partners are making a huge contribution to this effort. PureGym has installed a defibrillator in every club across the UK and aims for them all to be live on The Circuit in 2023.



Virgin Media O2 has added more than 200 defibrillators to their UK stores, and trained hundreds of colleagues and customers on how to use a defibrillator and perform CPR using RevivR.

Virgin Media O2 has also zero-rated data charges to BHF website, meaning O2 customers can access RevivR, as well as our other health advice and information, without using their mobile data allowance. Gareth Turpin, Chief Commercial Officer, Mobile at Virgin Media O2 said:

[We're using our national network of high street stores to improve access to lifesaving defibrillators and make a real difference to the communities we serve. We've trained hundreds of our people in lifesaving CPR and zero-rated the BHF website, so millions more people can learn vital skills or offer help in an emergency without using any of their data.]



[The circuit]
The National Defibrillator Network

RevivR™

RevivR is our free, interactive, online CPR training tool. It teaches vital lifesaving techniques in just 15 minutes. All you need is a phone and a cushion, visit bhf.org.uk/revivr to learn CPR today.

During the year we've reached thousands of people with this fast and simple lifesaving tool. As of Spring 2023 over 200,000 people engaged with RevivR training and 55,000 people completed all of the training modules. Partners like Royal Mail, Travelodge and Tesco have significantly accelerated and amplified the reach of RevivR.

Additional partners are beginning to roll out RevivR to their employees, including E.ON and BT. Portsmouth University used the occasion of a Portsmouth FC game to encourage their 28,000 staff and students to learn lifesaving skills.

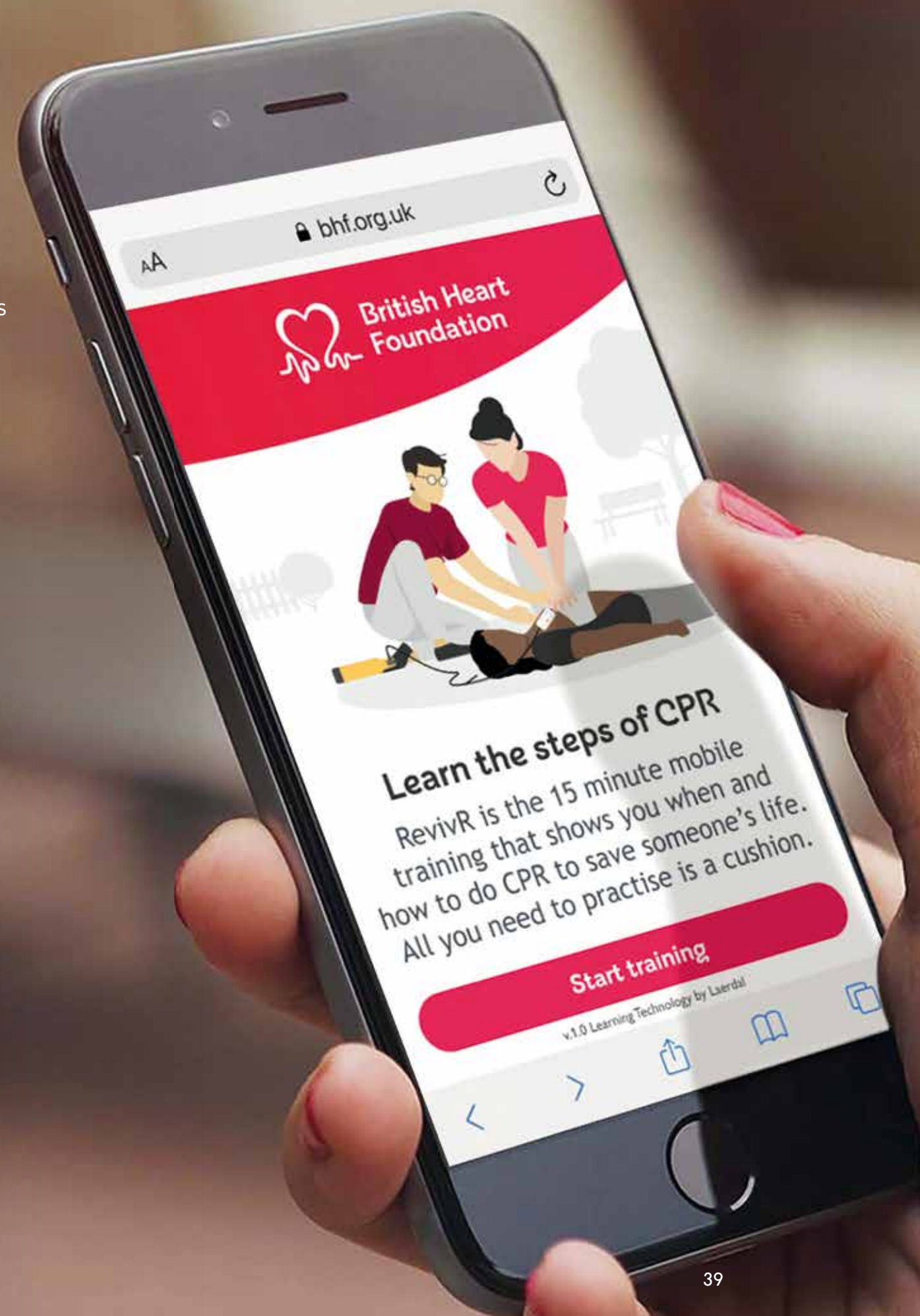
The NHS England Executive Group recently took the RevivR training ahead of an organisation-wide roll-out and the tool has been showcased in both the Scottish and UK Parliaments with MSPs and MPs promoting its use to their constituents.

Lifesaving Beats

Our Lifesaving Beats campaign, in partnership with Spotify, used the power of music to inspire the public to learn CPR to their favourite songs.

With millions of UK users, Spotify helped BHF reach a wide audience of new lifesavers. The campaign generated significant attention with major artists including The 1975, Becky Hill, Calum Scott and more supporting the campaign.

This collaboration builds on our past advert starring Vinnie Jones that encouraged people to learn CPR to the rhythm of Stayin' Alive by the Bee Gees.



Here when you need us



"After having a heart attack out of the blue in my thirties, I had a lot of unanswered questions ... like things about medication. BHF really did play a major role in helping me with my recovery. By reading about other people in my situation – and I was able to talk to some – they made me realise that you can live your life after a heart attack".

Hina Shah, heart patient

With so many people affected by heart and circulatory diseases, the work of BHF has never been more needed. Through the information on our website and in our booklets, and our dedicated Heart Helpline nurses, we are helping people access resources and reassurance every day.



"As a cardiac nurse my role varies from day to day. We see more and more people turn to our services to support them through their health journeys. Being able to help heart patients and their loved ones when they need us the most makes every day worthwhile and that makes me proud to be part of the BHF team".

Suad Ali Warsama, Cardiac Nurse



Our future focus

Our continued focus to promote information and provide support to heart and circulatory disease patients will be accelerated by:



Increasing people's chances of surviving out-of-hospital cardiac arrest (OHCA) by:

- Scaling RevivR (our accessible, digital CPR training product) to engage with different audiences

- Developing a multi-agency governance and funding structure for 'The Circuit' the National Defibrillator Network to ensure the ongoing identification, locating of and use of defibrillators
- Working innovatively with our partners to reduce the burden of out-of-hospital cardiac arrests

Helping more people to manage their cardiovascular condition by:

- Ensuring BHF is meeting patient requirements at key points of need with our information and support offer
- Catalysing change in patient facing NHS services through the co-development of ideas with front line clinical colleagues
- Working with the British Cardiovascular Society (BCS) to scope our role in supporting digital innovation in cardiovascular services

Supporting people to reduce their risk of cardiovascular disease by:

- Targeted policy development and influencing, particularly hypertension, obesity and the NHS workforce
- Monitoring the delivery of NHS England's Long Term Plan and nation equivalents
- Providing health insight, intelligence and evaluation
- Building on the success of our health partnerships with Tesco, PureGym and Royal Mail to reach more of the UK workforce with life improving health initiatives

[We grow support and income]

Our mighty network of support

Our amazing fundraisers, shoppers and supporters are the beating heart of everything we do. Their passion, determination, and belief in our mission make lifesaving breakthroughs possible. And even during the toughest times, faced with myriad economic challenges, our supporters continued to run, swim, cycle, shop and rally together for people affected by heart and circulatory diseases. Here are just a handful of the courageous ways our supporters got involved and helped raise vital funds for our lifesaving work.





Income

Thanks to the phenomenal efforts of our staff, volunteers, partners and our supporters, we generated an incredible £144m net income to power our lifesaving work. Our razor-sharp focus to work in partnership and accelerate fundraising in a bid to save even more lives has never been more crucial.

There were five key areas of focus for 2022-23. Read more about how we grew income and support on pages 50-69.

- Transforming the public's perception of BHF to increase their consideration to support our work – *pages 50-52*
- Significantly enhancing the quality of customer experience across the whole of our customer base – *pages 54-55*
- Strengthening our engagement and relationships with philanthropists and corporate partners – *pages 56-61*
- Adapting our retail offer by growing our online presence – *pages 62-65*
- Evolving our retail volunteer offer to meet the needs of future volunteers – *pages 66-69*

purchase turns great ideas into lifesaving



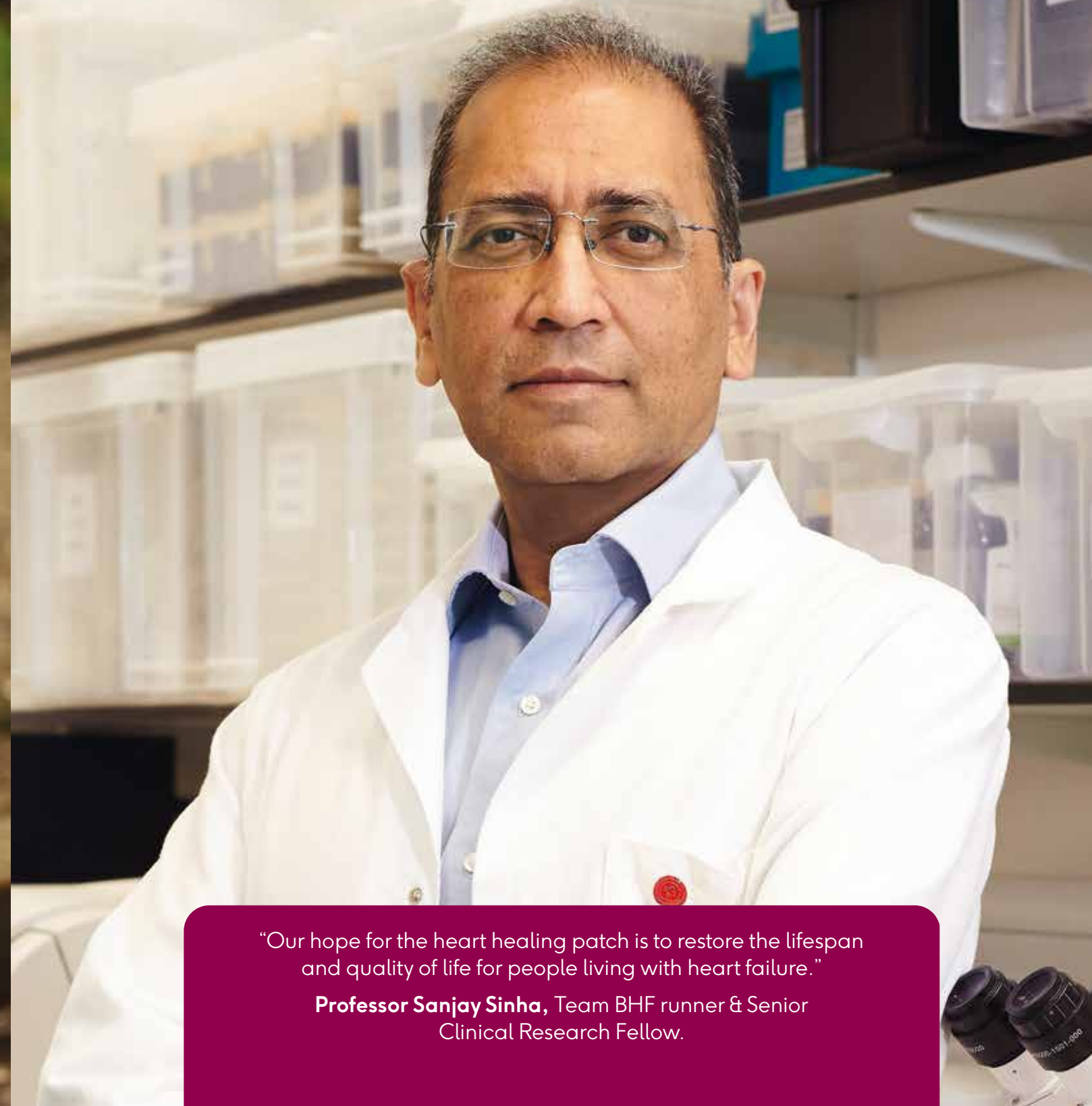
Side by side Healing Hearts



"In the UK someone is admitted to hospital from a heart attack every five minutes. As a fitness fanatic, it never crossed my mind that it would happen to me. But it can happen to anyone at any time."

Peter Robertson, Team BHF runner

In October 2022, we were proud to be the TCS London Marathon 2022 Charity Partner. On top of running for Team BHF alongside thousands of others, Professor Sanjay Sinha became the face of our 'Go Sanjay' campaign to help raise money for his area of study, regenerative medicine. If successful, Sanjay's heart healing patch could help transform millions of lives across the globe. Including fellow BHF runner, Pete Robertson, who is living with the early stages of heart failure and keen to help us raise awareness.



"Our hope for the heart healing patch is to restore the lifespan and quality of life for people living with heart failure."

Professor Sanjay Sinha, Team BHF runner & Senior Clinical Research Fellow.

Transforming the public's perception of BHF to increase their consideration to support our work



Bringing our story to life

Over the last couple of years, we have been on a journey to make BHF matter more to more people. Telling a simpler and more compelling story is one way that we can involve, inspire, and engage a wider community of supporters. Our TV advertising campaign, This is Science, has proven to be an effective way to spread our message and increase awareness ultimately with the aim of raising more money to fund lifesaving research. And this is just one of the improvements we have made to improve the simplicity of our message.

London Marathon

Around 800 BHF runners took to the streets for the iconic 2022 TCS London Marathon on Sunday 2nd October. As the 2022 Charity of the Year, our runners raised £2 million to fund lifesaving science into regenerative medicine, a cutting-edge field of research that has the power to unlock a cure for heart failure.

Among our marathon runners was Professor Sanjay Sinha from the University of Cambridge, who is leading ground-breaking research into the Heart Healing Patch. Made of stem cells, the patch could be applied to the heart

to repair damage caused by heart attacks. Poignantly, Sanjay's running number was 17,000, which is the average number of people diagnosed with heart failure in the UK every month.

A gift that keeps on living

Last Christmas, we asked people to give the gift of a longer life for people with heart conditions, by helping to fund our ground-breaking research. 'The gift that keeps on living' perfectly encapsulates both the real experiences our survivors and their families have kindly shared with us, and the life-changing impact of donations.

Legacy support

To receive any legacy is truly humbling and a testament to a supporter's generosity and their belief in our ability to change lives.

Gifts left in supporters' wills remain our largest single source of income, with £95m received during this last year. 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.

Heart Month

February is Heart Month and thousands of supporters decided to Go Red to help fund lifesaving research, and learn CPR to save lives. Buildings up and down the country were bathed in red light to celebrate our work. An astonishing 10,000 people learned CPR with RevivR, setting a new monthly record. In addition BHF Ambassador and football legend Graeme Souness encouraged the football community to learn CPR.

Our amazing corporate partners helped us raise thousands of pounds for lifesaving research.

Allbeauty raised vital funds during February through their 'Gift Your Heart Out' campaign.

Crew Clothing helped raise funds and vital awareness by starting conversations with colleagues about their own experiences of heart and circulatory diseases.

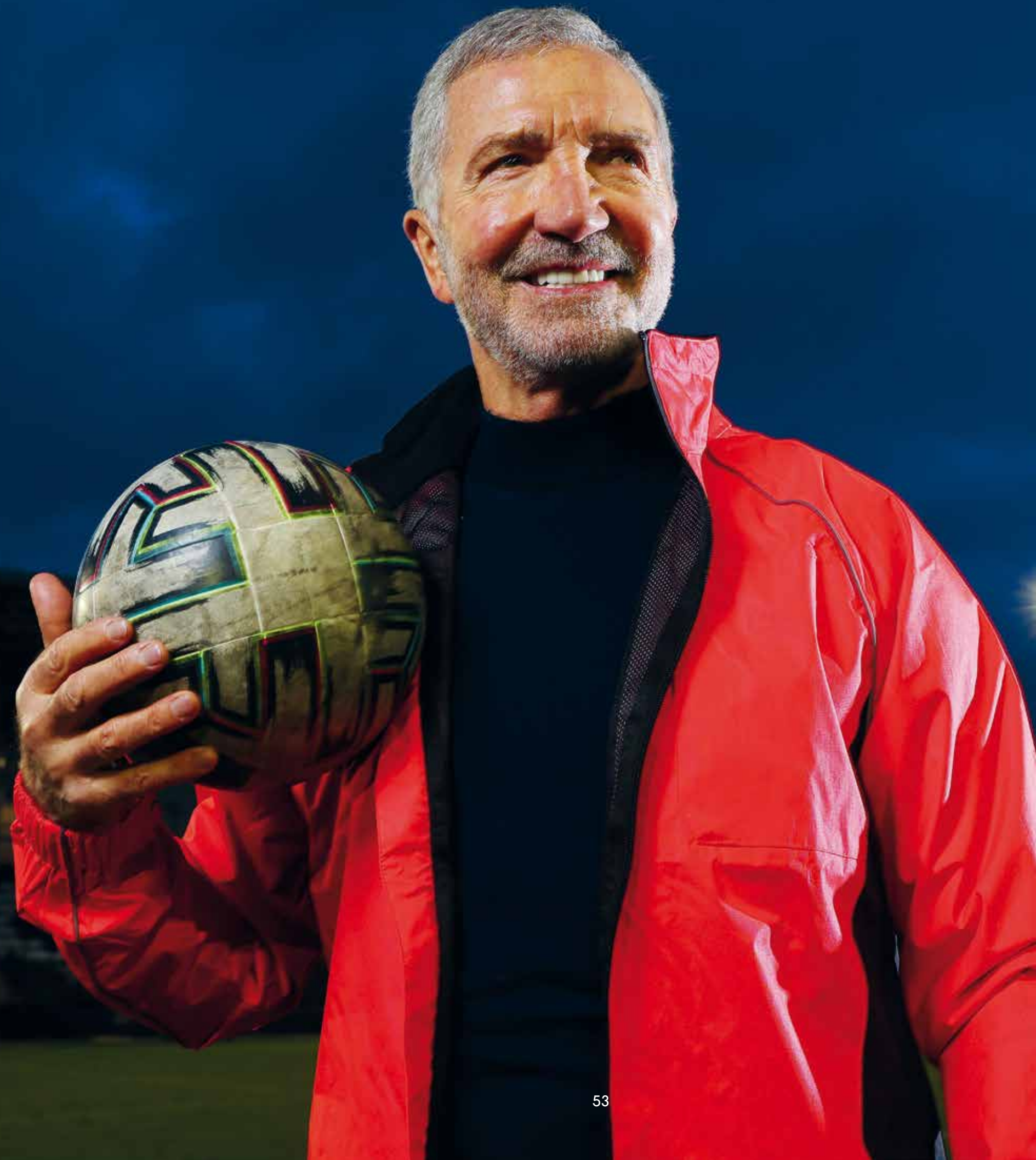
Next generously chose BHF as the beneficiary of its February charity bouquet as part of Heart Month.

Across the nation PureGym held over 800 individual classes and events, raising lifesaving funds for BHF.

Heart Month coincided with the launch of our four-year partnership with Royal Mail, with a BHF postmark being introduced on stamped mail. Colleagues hosted 'Go Redder' fundraising activities and completed RevivR training.

Tesco inspired the nation to take care of their heart health, sharing heart healthy recipes and encouraging customers to get a free blood pressure check at their local Tesco pharmacies.

Thank you for making Heart Month 2023 spectacular.





Significantly enhancing the quality of customer experience for everyone

We want our supporters to have an outstanding experience with BHF.

Caring for our customers

With our retail operations playing such a vital role in funding our lifesaving research, we remain focused on improving the experience for all customers, whether they are shopping online or in store.

3,700

Our most recent customer survey, completed by around 3,700 respondents (78% of which were retail customers) showed that our customer satisfaction level sits at 83%. While this is slightly under our target of 85%+, it remains above the national average of 78% (calculated by the Institute of Customer Service).

83%

Customers highlighted a broad range of service areas that they are very satisfied with, including furniture collections, our friendly and professional colleagues, prompt and purposeful communication, insightful information, and our responsive customer service team.

We've been working on a number of improvements to our collections service. These include a new app to help drivers communicate with customers, post-collection surveys, and a centralised collection booking service, which manages to both simplify the booking process for customers while reducing the workload on our in-store teams.

Powering transformational change

Thanks to the generosity of our supporters the decade ahead has the potential to be truly transformational.

Philanthropic support has powered lifesaving research, funded talented PhD students and backed our information and support services to be there for people when they need it most. Our visionary community of philanthropists champion research at all stages of its development, enabling true change for people and their loved ones affected by cardiovascular diseases. We would like to express our sincere thanks to those who choose to support BHF's funded research.

CureHeart

Supporting a revolution in cardiovascular genetics.

Mr Edward Broster

Mr Graham Elton

Ms Clare Scherrer

The Peacock Charitable Trust

Regenerative medicine

Supporting breakthrough discoveries.

Heartbeat East Suffolk

The Kathleen Laurence Trust

Leading support for BHF studentships and fellowships

Empowering early career researchers.

The Masonic Charitable Foundation

Rosetrees Trust

The Shanta Foundation

Fund the Future Club Members

Supporting talented researchers at institutions across the UK.

Mr Andrew Cripps

Mr C Fidler

Ms Jill Marx

Mr Malcolm Strong

Mr Lance Trevellyan

Funding BHF Cardiovascular Catalyst Awards

Powering advanced analytics.

Mr Adrian Beecroft

Bristol Myers Squibb

Dr. Doug Gurr

With special thanks

Audrey Wilson Charitable Settlement

Edith Murphy Foundation

The Gerald and Gail Ronson Family Foundation

The Harry Bacon Foundation

The Lidbury Family Trust

Moondance Foundation

ShareGift

Welcoming BHF's first patrons

This year we were pleased to appoint leading business figures, Lord Hintze and Shane Thakrar, as our first Patrons.

Both Patrons will use their voluntary positions to raise awareness of our lifesaving work, build new networks of supporters and raise funds for innovative areas of science. They will advocate for some of our most exciting and ground-breaking areas of research –

including in artificial intelligence, gene editing and regenerative medicine. These leading philanthropists are the first of what we hope will be a small network of Patrons committed to our cause.



"I'm honoured to become one of BHF's first Patrons. I look forward to using the position to increase support for transformational areas of research, to tackle some of the world's biggest health challenges."

Lord Hintze, BHF Patron



"Heart disease has had a profound impact on my family and me. It's therefore a privilege to help BHF raise awareness and funds for its cutting-edge research."

Shane Thakrar, BHF Patron

Community fundraising

Between April 2022 and March 2023, our BHF Fundraising Groups have raised approximately £335,000. This brilliant figure is thanks to everyone in our Fundraising Groups and Branches busily organising events and supporting with collections. Groups have organised more than 120 events across the UK, including walks, coffee mornings, and golf days all raising vital funds for lifesaving research.



Heart of the Tyne Business Board

Heart of the Tyne Business Board

After David Brind had a cardiac arrest in 2017, he and his good friend Stuart felt inspired to find ways to raise funds for BHF. They started the Heart of the Tyne Business Board who as well as organising fundraising events, raise awareness and improve education around heart and circulatory diseases. The board has so far raised an incredible £70,000. BHF now has Business Boards in Bristol and Oxford with more planned in the coming year.

In memory of Jenna McKay

Jenna McKay was just eighteen, enjoying a weekend break in April 2011 when she passed away from an undiagnosed heart condition, leaving all who knew her devastated. Family and friends started fundraising in her memory. Their first event was a sponsored walk around Millport, Scotland with annual fundraising ventures taking place ever since, including a golf tournament at Erskine Golf Club. They've also held a charity ball,

completed sky dives, scaled Ben Nevis and cycled from Glasgow to Edinburgh. This past year they reached an incredible milestone £170,000 raised for lifesaving research in her memory.

Lee's Army

The HSBC Lee's Army Three Peaks Challenge raised £20,000 in memory of Lee Jones, bolstered by £16,000 of matched funding from HSBC. The group is already planning their next fundraising event.

Knitting to fund research

Brian and Ruth Thurtle's son James died unexpectedly in 1998 from an undiagnosed heart condition, he was just 20 years old. His parents, from Norfolk, have spent the last 24 years raising more than £30,000 from novelty knitting, in his memory. Across the year they make and sell about a thousand knitted items to fund lifesaving research.



Jenna McKay

Powerful partnerships

We are delighted to have been chosen by Royal Mail employees to become its national charity partner from 2022-2026.

Our partnership will cover a number of key pillars: fundraising, employee health, community health, volunteering and pro-bono support. Our ambition is to raise £2 million together over the four-year period to fund the Community Hearts Programme.

The programme aims to:

- Deliver CPR training for one million young people
- Fund hundreds of community defibrillators
- Develop accessible heart health information for the nation



Andy – Postie and supporter of BHF



Partners create possibilities

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

Admiral Slots

Colleagues chose BHF as their charity of the year in August 2022 with a commitment to raise £100,000 through employee fundraising.

Arora Ball

BHF were honoured to be one of the beneficiaries of the Arora Ball in November 2022 alongside Diabetes UK and Thames Hospice, which raised over £1.25m for the three charities.

BAM Construction

Team BAM have raised a fantastic £145,000 over their two year partnership, through a variety of fundraising activities, including two Golf Days. Colleagues at BAM also learnt vital lifesaving CPR skills as part of the partnership.

Marks and Spencer

We are a founding member of the M&S sparks scheme, which continues to raise vital funds for BHF.

NatWest

NatWest has been actively supporting the BHF through donations since 1989 raising a total of £293,000 through their loyalty card. This year alone they raised £43,000. Thank you to NatWest staff and customers for your ongoing support, thank you to staff and customers for the ongoing support.

Omaze

In December 2022, we were proud to partner with Omaze for a second partnership campaign, raising an outstanding £2 million to help fund groundbreaking research to save and improve lives across the UK. Combined with our first successful partnership campaign in 2020-21, the Omaze community has surpassed all our expectations by raising an 'omazing' £3 million for BHF.

PureGym

This year we celebrated our one-year anniversary with PureGym and the launch of several fantastic initiatives to inspire the nation to live a healthier lifestyle. In the summer we launched the Healthy Hearts Programme, a training programme providing PureGym app users with recipes, blogs and workouts that help people look after their heart health. The Recycle for Research project also launched, enabling members to drop off their preloved items at their local gym by placing a retail donation box in each PureGym club across the UK. Our big fundraising moment 'Summer of Love' took place in July. PureGyms nationwide came together to raise money by hosting charity classes, taking on challenges and running 14 staff sports days across the UK.

Sleepyzee

We are delighted that our continued lifesaving partnership with Sleepyzee has raised over £25,000 in the past year.

SunLife

We're very proud that in the first year of our partnership, together we've raised £150,000 to support BHF's groundbreaking work.

Tesco

Our sector leading health partnership with Tesco, Cancer Research UK and Diabetes UK has raised over £25 million for the three charities since 2018. In March 2022 we began the roll out of a bespoke pharmacy training programme 'Let's Talk' which aims to train pharmacy colleagues with the skills to have conversations with customers about cancer, heart and circulatory disease, and type 2 diabetes.

Travelodge

Our amazing partnership with Travelodge has now raised £800,000. Travelodge continues to be an incredible supporter of our RevivR app, training over 1500 staff and customers in lifesaving CPR.



A record year across all our commercial activities

Thanks to the enormous contribution of our donors, shoppers and team members last year we saw record income across all our areas of activity.

Growing our retail operations

It has been another successful year of growth for our retail operation across our Clothing and Home formats as the combination of incredible choice, value and sustainability was delivered in community locations, continuing to attract a huge range of customers.

During the year we also benefited from strong donation support from both individuals and our many corporate supporters, and a rapidly changing and increasingly diverse volunteer population who provide such invaluable support to our shops.

We continued to invest significantly in our retail operation through 9 new store openings (including 3 re-sites) and new retail formats together with major refurbishments to many shops, actions that are aligned with our continuous improvement model.

Online

Overall, our online sales grew by 36% to £13.4m, including 44% year-on-year growth through our eBay shop that focuses on selling high value and unusual donations, including the sale of a Cartier watch for £9,767, the highest value item we've sold to date. This successful year reinforced our position as eBay's largest charity retailer worldwide.

We also continued investing in our in-store technology, such as Wi-Fi, to enable our colleagues to make the most of online retail opportunities by listing and selling directly from all our 677 shops.

Our new goods online shop grew by 13% driven by strong sales of medical devices such as defibrillators, blood pressure monitors and ECG monitors.



Commercial health services

Our Commercial Health at Work Team continued their focus on expanding into new sectors and growing the number of business-to-business orders to organisations focused on providing health services and improving survival rates in the event of a cardiac arrest.

Purchases by businesses saw defibrillators placed at locations across the UK. BHF is working with retailers such as Screwfix and Virgin Media O2, who have placed them in all their shops, and Arriva rail who placed 45 defibrillators in selected stations around London.

The team also grew the delivery of on-site health checks with organisations such as SSE plc to offer free heart health checks for their colleagues who want to know more about their cardiovascular health and helping to identify risk factors such as high blood pressure and high cholesterol.

Stock partnerships

Our shops and online sales operations 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 a wide range of organisations including Charles Tyrwhitt, boohoo group plc, Amazon, Happy Homewares, Novati and Snugz for which we are particularly grateful. OCS donated 500 beds, mattresses and furniture items used during the Commonwealth Games that we were able to sell for £100,000.

Our Pack for Good campaign continues to encourage universities and their students to donate items throughout the year. We are delighted to have onboarded 8 additional national partnerships with student accommodation providers this year. Overall, the campaign has generated 262,000 bags of donated items this year.

Sustainability

Our core activity of selling pre-loved items makes a huge contribution to sustainability, and last year we sold over 55,000 tonnes of donated items, including nearly 190,000 sofas, nearly 4.4 million books and over 10 million items of clothing.

But we look to deliver that core activity responsibly in all that we do. This is discussed more fully on pages 82-84.





Welcoming more volunteers

Volunteers are the lifeblood of our organisation. So it is vital that we continuously improve the offer to our current and future volunteers.



Lou Hovell

Volunteers at the heart of BHF

We recognise that the world of volunteering has changed significantly over recent years, as has the value we place on our time. Our volunteering strategy is to make gifts of time 'easy, flexible and inclusive'. Whether you have an hour to donate occasionally, are given employer supported volunteer days, are a business developing your Corporate Social Responsibility (CSR) agenda, or if you would love a more regular commitment, we have volunteer opportunities to suit everyone.

Our new Action Team initiative invites people to express an interest in one-off volunteering opportunities in their community. More than 6,000 people have already signed up as of spring 2023.

We want all of our volunteers to have an incredible experience, know that every hour they donate is valued, and truly feel that they are making a difference to BHF.

Operation Elf

Our Christmas Elfing Campaign, which aims to increase volunteer numbers during our busiest trading period, achieved a record number of volunteers. More than 400 volunteer 'elves', consisting of corporate partners, BHF staff and students, lent a hand in our shops and stores over the festive period.

Leading the sector in inclusive volunteering

We hosted an important session at the Charity Retail Association (CRA) Conference, talking to other charity retailers about our Supporting Volunteers with Additional Needs Programme and how we operate a support plan model to ensure appropriate help is provided to those who need it.

Thanking Lou & Joan

Lou Hovell, one of our treasured shop volunteers, recently celebrated her 100th birthday. Lou began volunteering for us a phenomenal 27 years ago, spending five days a week doing every possible role. Despite intending to retire two years ago, Lou still finds herself popping in to the Bury St. Edmonds shop to lend a hand from time to time.

107-year-old Joan Willett was honoured in April with a Prime Minister's Points of Light Award – to acknowledge her incredible fundraising achievements – raising more than £60,000 for BHF research by walking a steep hill outside her Hastings care home in the months leading to her 104th birthday. She received the award from her MP Sally-Ann Hart (who nominated her for the award after being contacted by us) at a celebration party attended by fellow residents, friends and some of her BHF family. Both the BBC and Channel 5 were there to capture the event – and to interview Joan who gave an emotional speech thanking everyone for supporting her on her BHF journey.



Joan Willett

Side by side

Volunteering at the heart

We're a community of talented, diverse and ambitious people growing together to fund lifesaving science.

In our day-to-day lives, we all know how to innovate, collaborate, look out for one another, make ourselves heard and use insight to make decisions. These are skills we can all bring and skills we want to empower in every one of us.



"I love volunteering as I get to meet new people all the time. I also get to help my local community and that is really important to me. Volunteering lets me experience lots of new things and have a go at doing things I haven't done before. Being a volunteer at BHF is very special to me, I feel like I'm following in my grandfather's footsteps as he too used to volunteer for the charity, so it's nice to be doing something that I know he did."

Dion Holberry, volunteer



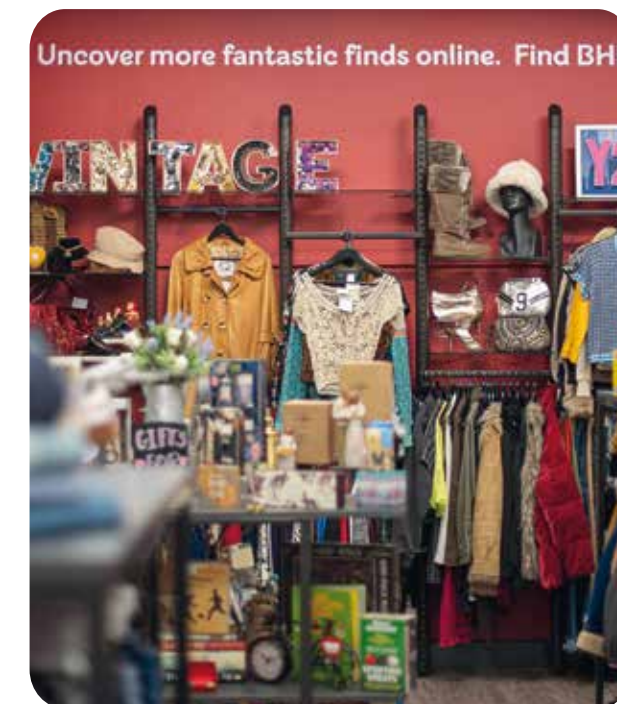
"Volunteering is a really good way to integrate into the community, interacting with people who help you know how society works you get an idea how the locals think. I think that's very important to becoming fully integrated into society."

Raul Granados, from El Salvador – where he was a Salvadoran Air Force Pilot



Our future focus

We will continue to focus our attention on raising awareness of our mission and raising funds to power our lifesaving science:



Generating more fundraising income, with an increased proportion from high value audiences by:

- Focussing on four integrated moments to drive income and greater consideration to donate

- Philanthropy activities that aim to raise in excess of £50m in 5 years through supporting CureHeart, funding research talent (from PhDs to Professors) and regenerative medicine, and exploring data analytics, AI and the use of technology to accelerate scientific discovery
- Developing strategic partnership opportunities, such as Royal Mail, to both generate income and to further mission objectives (e.g. rolling out CPR, finding new audiences for information and support)

Generating more income from our commercial operations, with an increased proportion from online retail by:

- Continuing our new shop and store opening programme
- Improving how we receive, price and place stock online and how customers access, pay and receive goods
- Future-proofing our retail management system to help drive greater income

Ensuring our supporters have an outstanding experience by:

- Improving our understanding of supporters and personalising our offer through smarter marketing technology
- Making it easier for BHF supporters to access and use our products and services online
- Digitising the stock donation process, making it easier for people to give us stock

[We strive for **excellence**]

United together in our mission

We want BHF to be a safe, healthy,
and inclusive workplace.

Our EDI strategy is a commitment to
embedding equality and diversity into
everything we do. We want to create
an environment where everyone who
works with us can succeed, regardless
of their background. One of the ways
we do this is by developing an open
and inclusive culture.





Excellence

We are clear about our direction and what we need to achieve. We are Team BHF, we have a shared goal, supported by streamlined processes, a culture of continuous improvement and living our BHF values through everything we do. We're stronger working together.

We identified four key areas to focus on in 2022-23. Read more on pages 77-84 about how we made improvements to our ways of working.

- Improving equality, diversity and inclusion across BHF's work to accelerate change for researchers, patients, the public and colleagues – *pages 77-79*
- Continuous learning from hybrid working to keep colleagues highly motivated and effective – *page 80*
- Powering up BHF's leadership, team management and performance capability – *page 81*
- Strengthening our culture of cost management, lean principles and continuous improvement – *pages 82-84*



Igniting change

In May 2022, we launched Igniting Change, our first equality, diversity and inclusion (EDI) strategy, to set out our roadmap of the changes we want to see by 2025.

Igniting Change for our colleagues

We want BHF colleagues to have fair progression opportunities and to embed a more open and inclusive culture.

Ethnic diversity and representation have started to improve within our workforce, including in our leadership team. We have improved the representation of Black colleagues in our Senior Leadership Group (SLG) from 0% to 2%. Our goal for 2025 is for this to be at 3%, in line with the UK population.

Our median gender pay gap has almost closed. It is currently 0.1% in favour of women. Our ethnicity pay gap has moved from 9.6% to 12.2% in favour of ethnic minority groups in the last year. Colleagues in ethnic minorities make up 10% of the overall workforce, but account for 14% of staff in the upper pay quartile.

Igniting Change in cardiovascular research

By 2025 we want to have encouraged greater inclusivity in the research we fund, as well as how the research is designed, to encourage greater representation and inclusion in the research community, as well as in the wider cardiovascular community.

We have collated and analysed diversity on our research funding committee members and BHF-funded research workforce for the last three years. We will use these findings to identify diversity gaps and take action to close these gaps.

We are working with several external policy groups to implement best practice, such as Equality, Diversity, and Inclusion in Science (EDIS). And we're driving global changes by partnering with other CVD research funders across the world addressing inequalities in women's cardiovascular health.

Igniting Change by engaging and involving others

We are at the start of our journey to reach more people with our patient information and support.



We completed a significant strategic review to inform where we can improve.

We are also looking to be more representative in the patient stories we tell to demonstrate people's experiences of cardiovascular diseases.

Igniting Change in cardiovascular health

By 2025, we want to be seen as a leading authority on cardiovascular health inequalities, shaping and developing the right plans for tackling them in the UK. This effort is central to our influencing plans.

A key highlight in this first year was the launch of the NHS England's Inequalities Hub. This is a tool for policy makers and health professionals to highlight the socio-economic inequalities along the coronary heart disease pathway. In Wales, BHF leadership secured a commitment to address gender inequalities in heart diseases in the Welsh government Quality Statement for women and girls.

Building an inclusive and supportive environment for every colleague to succeed

Many heart and circulatory diseases are diseases of inequality. We are committed to funding lifesaving science for everyone, and we are committed to being an inclusive employer.

At BHF we want to ensure our workforce reflects the general population of the United Kingdom, so we can better represent the experiences and voices of the communities we support. A more diverse, inclusive, and fair BHF will not only improve the quality of what we do, but the impact we have.

Staff engagement

Listening to our colleagues, and understanding what matters, is always the first step in improving the employee experience.

Our wide-ranging employee survey received record support (69%), and attracted 19,000 comments and views.

Our engagement score, one of the most important measures we track, was maintained at 7.5 out of 10.



Becky's story

Becky Newham, Senior Manager, Planning and Performance: "I'm 38 and have been living with sight loss since the age of 8. I've worked with various individuals across the organisation to raise awareness of some of the challenges I face and improve some of our ways of working. For me to be fully included it requires support from everyone on an ongoing basis."

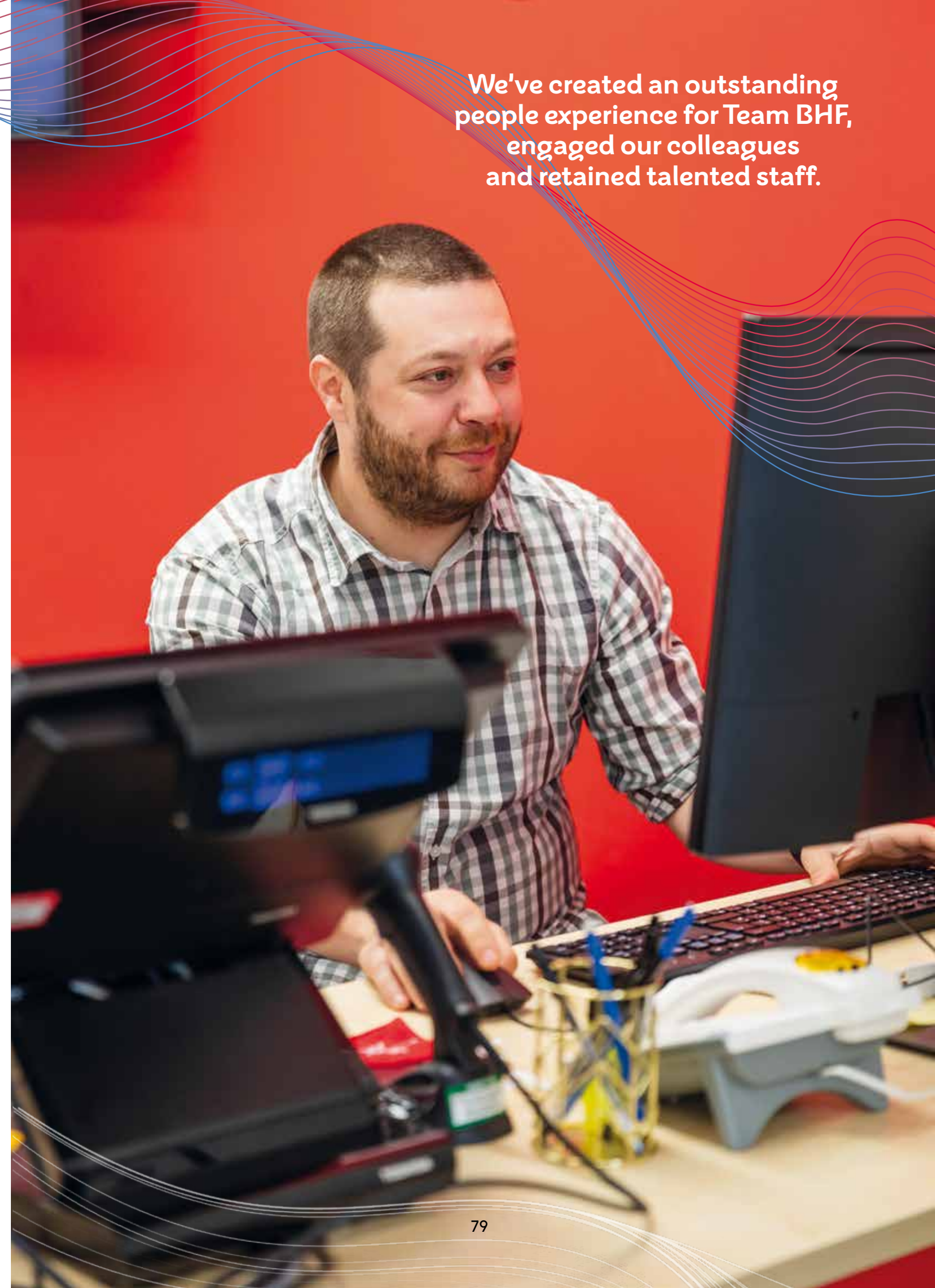
Heartfest 2022

In June we held our first **Heartfest**, an online festival that brought BHF colleagues together to celebrate our work and give everyone a chance to reconnect with each other and to our cause. The various interactive sessions featured colleagues, patients, researchers and supporters sharing inspiring stories, with music and wellbeing sessions adding to the festival feel.

Celebrating Pride

Pride is a chance for us to learn and show support for the LGBTQ+ community. BHF colleagues took part in Pride events across the country, including Edinburgh and London Pride events.

We've created an outstanding people experience for Team BHF, engaged our colleagues and retained talented staff.



Hybrid working is keeping colleagues highly motivated and effective

Being Flexibly Connected

We're recognised as leaders in the field of hybrid working, winning the "Best Flexible Working Strategy" for our Flexibly Connected policy in the HR Excellence Awards.

Our insight tells us that Flexibly Connected is working successfully and is perceived positively by colleagues

We aim to improve the clarity of our communications starting with updating our flexible working policy to make it clearer. By continuing to be a flexible working employer helps us retain the best people, build strong teams, and deliver exceptional work to advance our goals.

Powering up BHF's leadership team and performance capability

Shaping our performance and development culture

We introduced the use of performance scales to our senior leadership community. Performance scales help to improve overall performance and provide the basis for meaningful conversations about our individual impact and professional development.

Leading Our Future

Launched in January 2023, Leading Our Future is our leadership and culture programme that unlocks the potential of our leaders as unique individuals, grows our collective ability to adapt and flex in complex and changing environments, and develops our leadership by surfacing and working on real-life BHF issues that offer the opportunity for change and improvement. Working in partnership with Mayvin, the programme takes an agile approach to its design and evolves in response to what happens within the programme and in the wider BHF.



Developing our people managers with Manager Best Practices

We worked closely with leaders and HR colleagues to create a new development tool for our people managers. The Manager Best Practices is a suite of resources to illustrate how the different principles of management relate to the day-to-day work of a people manager.

Technology

Technology at BHF is on a journey to improve maturity, practices and how we use technology across BHF to better support colleagues and volunteers. Importantly we aim to improve our systems to support the way people donate time, money and goods, through to the information and support that helps people manage their health.

To achieve this, led by our new Chief Technology Officer, Alex Duncan, we have developed a Technology Strategy to provide clarity as to the future role of technology for BHF. Whilst our current technology infrastructure is robust, in a large and complex organisation the challenges of a fast-paced and increasingly digital and data-led world requires ongoing investment. We are therefore developing an integrated enterprise-wide roadmap that sets out our technology investment priorities over the medium term, determining how and in what order we will deliver the organisation's ambitions.



Being a responsible charity

We've become a more socially, environmentally and financially sustainable organisation.

Our core purpose is to save and improve the lives of people affected by heart and circulatory diseases. We raise money to fund science to find cures and develop treatments for the world's biggest killers. And we are determined to do this in a responsible way.

Climate change, environmental sustainability and social inequality are some of the critical challenges of our time and are clearly highlighted in the UN's Sustainable Development Goals. Our own health is dependent on the planet we inhabit, and the way societies are structured, which are often unfair and unequal on its people. We recognise our responsibility and the important role we play in tackling these issues.

Our strategy to 2030 highlights our commitment to being a healthy and inclusive place to work and a leading force for good in society. We are proud of our progress in the area. Our retail activities contribute significantly to the UK's economy and communities, our new 'Igniting Change' strategy (read more on p.79) demonstrates our commitment to improving equality, diversity and inclusion in all areas of our work, and we have programmes underway to reduce the environmental impact in many areas—from our transport to our supply chains. But we want and need to do more.

'Being a responsible charity' sets out our roadmap for our People and Planet commitments, with details of initiatives, targets and measures in three key areas.

Under the pillars of Responsible Operations, Responsible Research and Responsible Partnerships, we are working towards our goals and are beginning to see progress.

Responsible operations

The year was marked by impressive progress on several projects, as we worked to embed sustainability into our core strategy.

In response to soaring energy costs, we formed an Energy Efficiency Task Force and launched an energy awareness campaign, You Have the Power, to share energy saving information with BHF colleagues and volunteers. They responded to the challenge enthusiastically, saving one gigawatt hour of electricity during a winter when temperatures were low and energy prices were high. That's enough energy to power a hundred light bulbs night and day for 11 years! Overall we were able to reduce our consumption by 10%, as further discussed on pages 91-93. We will continue to explore energy efficiency improvements such as sensors, split controls, and more effective heating to give our staff and volunteers more power to reduce energy consumption while providing a safe and comfortable working environment.

We have also begun our transformation to a green car fleet, (company cars allocated to retail managers who need them to fulfill their duties across different shop locations). The first 13 fully electric company cars are on the road and all new cars on order are either electric or hybrid. We have now started trialling our first electric vans.

We have been phasing out single use plastic carrier bags for three years. This year, we have been working our way through the last of our stock and replacing them with bioplastic carriers. 81% of shops have made the switch so far.

We are committed to avoiding waste, and re-using and recycling what we can. We do this as standard within our retail operations to maximise the value of donated goods. We also continue to work with our suppliers to increase the percentage of packaging made from renewable or easily recyclable materials, eradicating the use of bubble wrap by replacing these with cardboard shred and ensuring all boxes, void fill and protection materials used in our mailing activities are all sustainably sourced.

To maximise the value of donated goods we trialled a Make Do & Mend rail in 48 shops, targeting slightly damaged but good quality clothing in need of minor repairs. These were sold at a discounted rate for potential buyers to upcycle. The initiative proved very popular and is being rolled out to more shops.

We currently have 19 Zero Waste Stores that ensure all items are appropriately recycled and that as many donations as possible are sold on for a useful second life. These stores have been looking at how they can rescue more lower value furniture, such as by marketing the items as upcycling projects. We will be rolling out our Zero Waste Stores concept across 2023-24.

All traders to whom we sell clothing, books and other items within mainland Britain are now TRUST certified. TRUST is a transparency standard to boost safety and environmental risks associated with used goods. We are going beyond this to investigate how we can address potential ethical and environmental risks from the export of goods such as used clothing.

A trial to improve the sales of lower quality items is also doing well—where the lower end items are put into a jumble box and customers can choose as many items as they like for £5.



BHF bioplastic carrier

Responsible partnerships

We are collaborating with external policy working groups to share lessons and implement best practice.

Our governance process requires that our partners and suppliers share our commitment to promoting high standards in behaviour and social and environmental responsibility. This includes a zero-tolerance approach to all instances of modern slavery.

As further discussed on page 90, BHF is also committed to investing its funds in a responsible manner and for the investment portfolio to be managed in accordance with BHF's own charitable mission and values. This includes a formal exclusion on investment in tobacco and having regard to best practice in Environmental, Social and Governance (ESG) issues including regular monitoring of the portfolio's resilience to ESG and carbon risks. In addition, BHF's portfolio has many

long-standing investments in companies that are at the heart of the energy transition, such as wind turbine manufacture and installation, and other holdings in companies well positioned to manage the transition because of their strong product offering, for example in electric vehicles.

Responsible research

Over the coming months and years, we will engage with our research community to raise awareness of environmental sustainability in research and consult researchers on effective measures to reduce the footprint of the research we fund.

To help us realise our responsible research ambitions, we have joined a cross-sector group, aiming to work in partnership with other funding bodies and research institutions to develop sector wide standards for best practice and tools for the measurement of the environmental impact of research.

Our future focus

We can inspire support, accelerate breakthroughs and save lives, when we work together. Team BHF is united in our shared vision and we'll continue to focus on these key areas that will help drive our performance forward:

Delivering an outstanding people experience through:

- Planning strategically for the skills, capabilities and talent BHF needs to thrive in the future
- Supporting the development of our leaders and managers
- Embedding our vision for easier, more inclusive volunteering

Accelerating our digital and technology transformation by:

- Embedding solid technology foundations, delivering greater interconnectivity between teams, increased pace and improved customer engagement and satisfaction
- Implementing our new data strategy to enable our people to make better informed decisions
- Continuing delivery of our Information Security programme, focus on maturing our Disaster Recovery and Business Continuity capabilities

Continuing to increase our social, environmental, and financial sustainability by:

- Implementing the activities identified in our Environmental, Social and Governance (ESG) roadmap
- Making at least £500,000 in new annual savings through continuous improvement (CI) activity while continuing to embed CI methodology throughout the organisation



Carla, volunteer Nottingham



Financial review

Overview

After a positive recovery from Covid in 2021-22, BHF continued to perform strongly throughout 2022-23. Overall, BHF generated total net income available for charitable purposes of £144.3m in 2022-23 (2022: £142.1m), an increase of £2.2m or 2% on the prior year. Legacy income reduced from £102.6m to £95.0m, following a record-breaking year in 2021-22, but this was more than offset by growth in fundraising (£5.0m), retail profit (£1.0m) and investment and other income (£6.7m).

The proportion of total income available for charitable purposes was 80% (2022: 81%), substantially exceeding our target of ensuring that at least 70p in every £1 is available to fund our lifesaving work. During 2022-23 we invested £133.1m (2022: £87.7m) in delivering our charitable mission, including net investment of £99.4m in medical research (2022: £62.4m). This reflected our strong and ongoing commitment to funding research into all heart and circulatory diseases and their risk factors, with £115.6m of

new research grants awarded in the year (2022: £72.3m), including £30.0m for CureHeart.

In addition, £33.7m (2022: £25.3m) 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 £11.2m (2022: £54.4m).

Overall net income in 2022-23 was £7.9m, (including a loss of £3.3m on investments) compared to net income of £68.5m in the prior year (including a £14.1m gain on investments). As set out in the Group Statement of Financial Activities, our total expenditure for this year was £370.1m (2022: £297.3m), of which £204.0m (2022: £178.3m) was directly attributable to our trading activities, primarily our retail business. When discussing our results, the figures in the table below are used because they reflect more clearly the performance of our retail and fundraising income streams during the year.

Statement of financial activity – Summary

	2023	2022	Movement
	£m	£m	%
Legacy income	95.0	102.6	(7)
Fundraising income ¹	51.0	46.0	11
Retail net profit ²	24.9	23.9	4
Investment and other income ³	9.7	3.0	223
Total income (net of retail costs)	180.6	175.5	3
Direct costs of generating funds ⁴	(36.3)	(33.4)	(9)
Net income available for charitable purposes	144.3	142.1	2
% of total income available for charitable purposes	80%	81%	
Research ⁵	(99.4)	(62.4)	(59)
Healthcare Innovation	(33.7)	(25.3)	(33)
Total charitable expenditure	(133.1)	(87.7)	(52)
Net income	11.2	54.4	(79)

Notes

1. Fundraising income comprises donations of £29.3m (2022: £26.0m), volunteer fundraising of £14.6m (2022: £15.1m) and income from fundraising trading activities of £7.1m (2022: £4.9m)
2. Retail net profit comprises retail net profit of £21.6m after Covid 19 government support (2022: net profit of £20.6m) and income from donations received in BHF shops of £3.3m (2022: £3.3m)
3. Investment and other income includes income from charitable activities of £3.7m (2022: £0.3m), investment income of £5.9m (2022: £2.6m), and other income of £0.1m (2022: £0.1m)
4. Direct cost of generating funds comprises total fundraising costs of £33.0m (2022: £31.3m) and costs of fundraising trading of £3.3m (2022: £2.1m)
5. Research includes £30.0m award for CureHeart in 2023.

Financial review

Net income

In 2022-23, we generated total income (net of retail costs) of £180.6m (2022: £175.5m). This represented an increase of £5.1m or 3% on last year.

Legacies remain our largest single source of income but at £95.0m were down 7% on the prior year. This followed a record-breaking year in 2021-22 when legacies had exceeded £100m for the first time, inclusive of the receipt of some significant individual gifts. Income from other fundraising activities increased by £5.0m or 11% in the year to £51.0m (2022: £46.0m), reflecting strong performance across several areas including philanthropy, corporate partnerships, community fundraising and individual giving.

In BHF Retail, we operate the largest charity retailer in the UK and the largest eBay charity retailer in the world. Overall, through the ongoing commitment of our retail teams and generosity of our supporters we achieved a profit of £24.9m (2022: £23.9m), significantly ahead of our expectations. Gross retail income, including donations received in BHF shops and stores was £225.6m compared to £200.1m in 2021-22, an increase of 13%. After adjusting for Covid related trading restrictions early in the prior period, like for like sales grew 11%, including 9% in our Clothing shops and an exceptional 14% in Home stores. In addition, our online channels remain fundamental to our growth plans, with total online sales of £13.4m in the year, up 36% on 2021-22. 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.

Total retail trading costs were £200.7m (2022: £176.2m), up 14% on the prior year. This increase reflected the challenge of significant and volatile inflationary conditions, with our energy costs more than doubling and the pressure of a very competitive employment market. The cost increase also included the withdrawal of Covid related rate relief granted in the prior year.

As at 31 March 2023, BHF operated 677 shops and stores (2022: 691), including 499 standard clothing shops (2022: 507) and 178 Home stores (2022: 184). During 2022-23 we opened 6 new shops and stores, re-sited 3 and closed 20 units. 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 through continuing to re-site into larger, better located units, as well as opening new stores in several improved and expanded formats.

Investment & Other income totalled £9.7m, up significantly on the prior period (2022: £3.0m). The growth included the benefit of improved investment returns as interest rates rose, together with £3.7m funding from the Department for Science, Innovation and Technology following our campaign calling on Government to safeguard charity-funded research as the sector recovered from the impact of the Covid-19 pandemic.

During the financial year, investment in the direct costs of generating funds increased by 9% to £36.3m (2022: £33.4m). As a result, BHF generated £144.3m of net income for charitable purposes in the financial year, a 2% increase on the prior year (2022: £142.1m).

Financial review

Charitable expenditure

During 2022-23, our charitable expenditure totalled £133.1m, up from £87.7m in 2021-22. The strong performance across all income streams meant that we were able to increase funding for new research by 60% to £115.6m (2022: £72.3m), including £30.0m funding for CureHeart. 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 £99.4m (2022: £62.4m). In addition, £33.7m (2022: £25.3m) 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 172 new research grants worth £115.6m (2022: £72.3m), including supplements made to new and existing grants. The Chairs and Programme Grants Committee spent £29.0m funding a range of research projects including £7.6m for programme grants and £6.0m for special projects. Total research investment also included £32.7m for fellowships, £15.3m for project grants, £7.5m for clinical studies and £1.2m for translational awards (representing expected payments to the completion of future milestones). During 2022-23, 2 grants were awarded costed extensions totalling £0.2m due to the disruption caused by Covid-19. In addition, a £30.0m research grant was awarded to CureHeart, the winner of our Big Beat Challenge which will support a global team working on the first cures for inherited heart muscle diseases.

The total reported investment in research of £99.4m (2022: £62.4m) 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 £33.7m (2022: £25.3m). This covered a range of activities in support of heart and circulatory disease patients, including providing information and support through our webpages and launching the Let's Talk service to enable pharmacy professionals to give better information and support to anyone suffering with heart and circulatory disease. We also continued to invest in innovation through the development of The Circuit, our database of defibrillators, which has now been rolled out to all 14 ambulance services and RevivR, our digital CPR training tool in partnership with Laerdal which has been used by thousands of people this year.

Key activities also included evidence-based policy making and influencing of key government and health system decision-makers, including highlighting the issue of rising waiting lists for cardiovascular care, long waits for ambulances, and poor management of CVD risk factors.

In addition to this, we focused on hypertension, commissioning modelling to better understand how salt reduction could reduce hypertension, coronary heart disease and stroke, and supported sector-wide efforts to reduce junk food advertising, encouraging food manufacturers to reduce salt and sugar in their products, while also making healthier options more accessible.

We also initiated a policy research project to better define the cardiovascular workforce, and to help focus our influencing work on NHS cardiovascular care needs.

Balance sheet

As at 31 March 2023, total cash, deposits and investments were £315.2m, an increase of £29.4m in the year. This reflected strong operational cash generation, in particular from our retail business and legacies, offset by a loss of £3.3m on investments (2022: gain of £14.1m) due to volatility in the equity markets.

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 £307.1m as at 31 March 2023 (2022: £282.0m). Grants awarded are commitments by 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, BHF Group is reporting total net assets of £125.6m compared to £117.7m last year. Total unrestricted funds in the Group balance sheet showed a surplus of £102.4m (2022: £100.2m). The increase in net assets principally reflects an increase in cash due to income from legacies and retail, offset by higher grant liabilities following the award of £30.0m for CureHeart.

Although total unrestricted funds have remained in 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 account the relatively long-term nature of 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 £307.1m, £209.1m 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 BHF is current and future liquidity cover.

Reserves policy

The Board of Trustees considers the key measure of sustainability for BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. Consequently, the 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 BHF's operations for an anticipated period, as explained below. The 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), 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 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 £126m and £162m in liquid and readily realisable assets. At 31 March 2023, our total cash, deposits and investments of £315.2m were significantly above the upper end of the reserves range. 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.

Reserves and grant commitments

	2023	2022
	£m	£m
Equity growth portfolio (including cash held for investment purposes)	136.7	139.4
Short-dated corporate bond portfolio (including cash held for investment purposes)	49.1	19.4
Cash and cash equivalents	129.4	127.0
Total cash and investments	315.2	285.8
Grants – year end provision	307.1	282.0
Unrestricted funds	102.4	100.2
Total funds	125.6	117.7

Financial review

Investment policy and performance

BHF held total cash, deposits and investments of £315.2m as at 31 March 2023, an increase of £29.4m on 2022. BHF has three portfolios: an equity growth portfolio, managed by Schroder Investment Management Limited, a short-dated corporate bond portfolio and a cash portfolio, both managed by Royal London Asset Management Limited (RLAM). The investment objective of the equity growth portfolio, which was valued at £136.7m as at 31 March 2023 (2022: £139.4m), is to provide real growth over a 5-to-10 year horizon. Overall, the growth portfolio generated a total return, net of fees, for the year ended 31 March 2023 of -0.6%, against a benchmark of -1.5%. In addition, the short-dated corporate bond portfolio with £49.1m held as at 31 March 2023 (2022: £19.4m), is constructed such that the coupon and maturity payments generated broadly match the forecast net cash requirements of BHF's research funding commitments over the medium term. The increase in the year reflects the transfer of £30m from cash resources to extend the maturity profile of the portfolio. The short-dated corporate bond portfolio generated a total return, net of fees, for the year ended 31 March 2023 of 0.0% (2022: -1.4%). The growth and short-dated corporate bond portfolios included a total of £1.8m of cash held for investment purposes as at 31 March 2023 (2022: £3.1m).

To balance short-term cash requirements and investment risks, we maintain a cash portfolio, with £111.6m held as at 31 March 2023 (2022: £101.8m). The cash portfolio is predominantly held in RLAM's Short Term Money Market and Short Term Fixed Income Funds, and is comprised of readily realisable investments which are reported within the total cash and cash equivalents on the balance sheet of £129.4m (2022: £127.0m). 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 2023 of 2.4% (2022: 0.0%), against the benchmark return of 2.3% (2022: 0.1%). The total return on investments for the year (including net investment income) was a net gain of £1.7m (2022: £15.6m).

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

BHF is committed to investing its funds in a responsible manner and for the investment portfolio to be managed in accordance with BHF's own charitable mission and values. This means having regard to best practice in Environmental, Social and Governance (ESG) issues. BHF currently employs Schroder Investment Management Limited and Royal London Asset Management Limited to manage the investment portfolio. 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. 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

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 £5.1m (2022: £4.6m). In addition, the Charity retains a funding obligation to 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 2023 showed a surplus of £2.0m (2022: £10.9m). In accordance with FRS 102, this surplus is not recognised as an asset, on the basis that future economic benefits are not deemed available to 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

BHF has charity shops in Scotland and receives income from other fundraising activities undertaken in Scotland. In 2022-23, 27 research grants totalling £8.5m were awarded to the Universities of Edinburgh, Glasgow, Glasgow Caledonian, Dundee, Heriot Watt, Napier, St. Andrews, Stirling and Strathclyde.

Activity in the Isle of Man

BHF is registered as a charity in the Isle of Man and has a fundraising group there. During 2022-23, fundraising continued with the support of the community and ££482,000 was raised (2022: £20,000), including a large donation from a trust.

Trading subsidiaries

The British Heart Foundation has two wholly owned trading subsidiary undertakings: British Heart Foundation Ventures Limited and BHF Shops Limited. A third wholly owned trading subsidiary, London to Brighton Bike Ride Limited, was dissolved in August 2022. It had been dormant since 31 March 2020. The profit distributed to the Charity in the year from

the subsidiaries was £17.4m (2022: £15.2m). Profits of trading subsidiaries are detailed in note 13 to the accounts.

Streamlined energy and carbon reporting

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 2022 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 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.

In comparison with 2021-22, our overall energy consumption has decreased by 10% or 3,230MWh, and our total greenhouse gas emissions have decreased by 8% or 287 tCO₂e. Staff and volunteers were engaged in the energy awareness programme 'You Have the Power' which successfully reduced our energy consumption compared to the previous year and the green fleet transition was started with our first electric company cars.

BHF recognises the threats posed by climate change, pollution and resource depletion. We are therefore committed to operating responsibly in all that we do. Our medium term plans incorporate a relevant programme of activities, with progress on key initiatives reported on pages 82-84.

UK Carbon Footprint Data 2022-23

Source of Energy & Emissions

	Energy Consumption (MWh) 1		GHG Emissions (tCO2e) 2	
	2023	2022	2023	2022
Combustion of Natural Gas	4,120	4,775	752	875
Combustion of Fuel in Company Vehicles*	4,733	4,038	1,177	1,135
Scope 1 Total	8,853	8,813	1,929	2,010
Generation of Purchased Electricity	17,857	20,382		
Of which from Electric Vehicles	20	1		
Renewable Electricity Percentage			96%	96%
Location-based Emissions			3,452	4,328
Market-based Emissions			158	174
Scope 2 Total	17,857	20,382	158	174
Combustion of Fuel in Staff-owned Vehicles*	1,018	1,762	259	433
Electricity Transmission & Distribution Losses	–	–	316	383
Well-to-tank Emissions of Primary Fuels	–	–	611	560
Scope 3 Total	1,018	1,762	1,186	1,376
Grand Total	27,728	30,958	3,273	3,660
Intensity per £m Turnover (Market-based)	–	–	8.6	10.1

Notes

- 1. Megawatt hour
- 2. Tonnes of carbon dioxide equivalent

* In previous financial years we accounted for our distribution vans under scope 3 as these are operated by a third party, however in the interest of transparency and accountability we have taken the decision to move these up into scope 1 as we have sufficient operational control to reduce these emissions as part of our carbon reduction plan. Similarly, staff-owned vehicles were previously included in scope 1 alongside company cars but more accurate data collection has allowed us to distinguish between these vehicles and therefore staff-owned vehicles have been moved to scope 3.

Principal risks and uncertainties

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.

Internal control

The Trustees are responsible for ensuring that there are effective 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 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 effectively planned and implemented.

Risk management at the BHF

BHF's risk management process is underpinned by a clear Risk Management Framework which sets out the process that we use to identify and manage risks in all our activities. Each directorate is responsible for tracking and managing their effective management of risk through individual Directorate Risk Registers. An overarching BHF Corporate Risk Register (CRR) is used to monitor the management of key operational and strategic risks to the BHF. The Trustee Board formally review the CRR annually and it is routinely reviewed by the Audit and Risk Committee and Executive Group on a quarterly basis.

In March 2023, the Trustees completed their annual review of the CRR. During 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 and a timeframe that the Board considers to be acceptable.

In 2023, the BHF continued to develop its risk appetite statements which align with our strategic plan. These statements form part of our strategic decision-making process, and we report on strategic risks outside our agreed appetite to the Executive Group and the Audit and Risk Committee.

The BHF proactively monitors new and emerging risks through the Incident Response Group which meets monthly to identify and discuss risks and to define the impact on the strategic objectives of the BHF and to drive strategic planning.

Principal risks and uncertainties

Risk	Management
Income & expenditure external factors significantly reduce income or increase costs, impacting on our ability to deliver our charitable mission.	<p>BHF has recovered strongly from the negative external impacts of Covid-19 and international economic uncertainties with cash and investment reserves now at 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>Increasing income and reducing expenditure</p> <ul style="list-style-type: none">• We successfully accelerated development of online platforms to support both our fundraising and Retail activities to support operational efficiency and drive data driven decision making.• Developing programme of energy reduction measures across the retail estate. <p>Monitoring, review and management of the financial position</p> <ul style="list-style-type: none">• Regular monitoring and re-forecasting of financial performance.• Adjustments to our cash and investment reserves portfolio to prioritise liquidity, to ensure all research commitments are settled on a timely basis.• The preparation of long-term financial forecasts aligned to BHF's strategy to 2030 that target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends. <p>Ensuring we get most value out of the spend we have already committed to as well as ensuring new research awards are the most impactful:</p> <ul style="list-style-type: none">• Framework for considering costed and no-cost research grant extensions and introducing an additional prioritisation process for grant awards.• Advocating for the Government to safeguard research in the UK by adopting the Life Sciences - Charity Partnership Fund.• Use existing BHF funded infrastructure to address urgent Covid-related research questions through our national Flagship Projects.
Cyber threats 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">• The deployment of multi-factor authentication and Privileged Identified Management.• Data classification and data loss protection.• Firewall, proxy and anti-virus protection measures, with associated vulnerability monitoring and penetration testing.• Installation restrictions, patch management and end of life monitoring,• Technology Disaster Recovery Management framework.• Utilisation of 3rd Party specialists to support cyber risk assessment and incident response capability.

Risk	Management
Adverse events 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">• Proactive detection, monitoring, reporting and whistleblowing arrangements to enable investigation of potential adverse events and incidents.• Proactive and reactive media management in place, including ongoing digital and traditional media monitoring.• 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.• Monitoring of key suppliers, including financial and due diligence checks• Continuing programme of health and safety improvement training across our workforce to strengthen our safety management systems and manage compliance and hazard risks.• Continuing programme to drive IT improvements and strengthening of infrastructure and cyber security to protect BHF assets.• Continuing programme of review and testing of incident management framework, business continuity and disaster recovery plans.• Risk based Business Impact Assessments for core business functions and responsive business continuity plans across BHF.
Regulatory environment changes in government policy, regulatory requirements and/or Charity Sector guidance negatively impact on BHF's strategy and activities.	<ul style="list-style-type: none">• BHF risk management, legal and fundraising compliance teams monitor public policy and the regulatory environment to ensure potential risks can be proactively managed.• Active programmes of advocacy, influencing and senior level engagement to ensure our views are shared.• Senior BHF and partner representation at key events and forums to help shape the research agenda.
BHF Strategy 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">• BHF's Strategy to 2030 sets out how we aim to play a leading role in achieving significant improvements in heart and circulatory health.• 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.• The development of supporting programmes and operational plans are informed by internal and external subject matter experts.• Scrutiny and approval of research funding applications by international expert committees.
Investments 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">• Expert financial advice informs investment and treasury policies that ensure our portfolio is adequately diversified and managed. This includes having regard for best practice in Environmental, Social and Governance (ESG) issues, as further discussed below.• Oversight of investment performance by our Investment Committee, who monitor compliance and effectiveness of our investment and treasury policies.• The Trustees of the defined benefit scheme (closed to new members and future service accrual), in consultation with BHF as sponsoring employer, ensure expert advice informs the Scheme's investment and liability management policies.

Legal structure and governance

Risk	Management
Our people attracting and nurturing talent and leadership development and succession planning to retain the right staff in a competitive employment market	<ul style="list-style-type: none">• An active communication programme using our intranet site to ensure staff and volunteers are always informed on BHF's strategy and the progress being achieved.• Monitoring of trends in an increasingly competitive and dynamic employment market with regular external benchmarking of compensation and benefits.• Continuing the #flexiblyconnected programme to enable staff to have more flexibility in their work patterns and help maintain a healthy work-life balance.• Ethnicity and Gender Pay Gap monitoring and reporting.• Continuing to roll out an embed the EDI strategy and engagement programme.• Talent management, leadership development and succession planning programmes for key functions.• Investments in pay and wellbeing benefits to recognise the impact of the cost-of-living crisis on our workforce.• A network of staff Affinity Groups to share information and support the diversity of our people.• Development of BHF's Volunteer Strategy with a focus on ensuring it is inclusive, easy, and flexible for volunteers to be able to support BHF
Normalising change delivering effective change management through major process improvement programmes in support of the BHF Strategy.	<ul style="list-style-type: none">• Application of portfolio management processes for effective requirements capture, supplier selection and project delivery.• Operations Board and Executive Group review, monitor and support all key change programmes, ensuring appropriate governance and resourcing priorities are addressed.• Development of a Data Strategy that balances protecting the BHF's data, with maximising accessibility and useability to drive value and impact.• Independent programme assurance of key change programmes.• Prioritisation of transformation programmes, incorporating 3rd party advice and support, to help determine and deliver the BHF's future technology architecture and road-map.
Collaborative research the impact of Britain's withdrawal from the European Union on the research sector, our ability to attract researchers, or collaborate with European research institutions.	<ul style="list-style-type: none">• We have made, and continue to develop, bilateral agreements with European and global institutions.• Engaging with BHF funded researchers to better understand any impact, and therefore the extent to which BHF's funding programmes may require amendment or development.• Engaging with relevant government and umbrella organisations to advocate and influence in the interest of our beneficiaries, including applicable visa arrangements such that the UK remains an attractive location for international researchers to come and work.
Environment and sustainability failure to progress our sustainability programme could damage our reputation, introduce higher costs and impact our ability to meet our charitable mission.	<ul style="list-style-type: none">• Development and implementation of the Environmental, Social and Governance (ESG) strategy to understand and establish longer term ESG targets for BHF• The strategy includes a commitment to investing BHF's reserves in a responsible manner and for the investment portfolio to be managed in accordance with BHF's own charitable mission and values. This means having regard to best practice in ESG issues.• The ESG Board with Executive Group sponsorship oversees the delivery of our ESG strategy.

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 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 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 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 98.

Our board and committee structure

Our committees and groups are arranged into one of three streams – Governance, Operational and Advisory.

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 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 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.

Legal structure and governance

Advisory communities

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 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. Any agreed actions are overseen by the Nominations Committee. For the 2022/23 year a self-evaluation process was carried out.

Board of Trustees

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

We are pleased to welcome three new Trustees, our new Chair, Wendy Becker, Professor Sadaf Farooqi and Professor Brian Walker who joined the Board of Trustees this year. The Board of Trustees is grateful to all our committee members for their support during the year, but our

particular thanks go to Dr. Douglas Gurr, Chair of the Board of Trustees, and Professor John Iredale, who retired from the Board of Trustees this year, having played a huge role in the direction of 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
Wendy Becker (Chair)+	2022		C+	M+
Dr. Doug Gurr (Chair)*	2015		C*	M*
Dr. Sarah Clarke (Deputy Chair)	2018		M	M
Professor Sadaf Farooqi+	2022			
Daryl Fielding	2017	M		
Mark FitzPatrick	2020	C		
Karen Frank	2019			
Sir John Hood	2021			
Timothy Howe KC	2018	M		
Professor John Iredale*	2016			
Dr. Annalisa Jenkins	2021			
Professor David Lomas	2016		M	
Peter Phippen	2017			
Professor Sir Munir Pirmohamed	2020			
Professor Jill Pell	2020			
Professor Brian Walker+	2022			

Key

C	Chair
M	Member
+	from 20 October 2022
*	to 20 October 2022

Changes to the Board of Trustees in this financial year

- Wendy Becker joined the Board of Trustees on 20 October 2022
 - Professor Sadaf Farooqi joined the board of Trustees on 20 October 2022
 - Professor Brian Walker joined the Board of Trustees on 20 October 2022.
 - Dr. Douglas Gurr retired on 20 October 2022
 - Professor John Iredale retired on 20 October 2022
- Trustee biographies are available at:
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 BHF has extended its search and taken advice from specialist agencies to enhance and broaden the pool of candidates. 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 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 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 97-98. 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 2022-23 in the wake of the pandemic we have continued to operate 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 an annual review of BHF’s Strategy to 2030 to assess the short and longer-term impact of the pandemic and current economic climate 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 93-96.

Engaging with our stakeholders

Our stakeholders	How we engage with them
<p>Patients and those affected by heart and circulatory disease</p> <p>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.</p>	<ul style="list-style-type: none">• The Board of Trustees has recognised the growing backlog of care, diagnostics and treatment and the disproportionate effect of the pandemic on people affected by heart and circulatory diseases. It is agreed that fighting for better health and care, tackling health inequalities and the provision of information and support for the people who need us are critical priorities.• We regularly consult and work with patients and the public to work for better health and care.• In the past year we’ve created a new patient panel to inform our policy and influencing work. The Lived Experience Advisory Forum (LEAF) formalises our approach to seeking advice from people affected by heart and circulatory conditions.• We are using data, insights and feedback to ensure we are effectively supporting the people who need us.• Our valued information and support website pages continue to reach a wide audience and our Heart Helpline remains a lifeline for thousands of patients and their families.• For further details on how we have engaged with patients and those affected by heart and circulatory disease please refer to pages 28-43.
<p>Research and clinical community</p> <p>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.</p>	<ul style="list-style-type: none">• Our research portfolio includes 720 research projects spanning all areas of heart and circulatory disease, and the research training and fellowships we provide are a key part of BHF’s prominent contribution to the UK cardiovascular research effort.• Our focus in 2022-23 has continued to be our use of partnerships and engagement with other international research funders to develop and deliver a strategic research agenda.• We also continue 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 further details on the impact on BHF’s research please refer to pages 12-25.
<p>Our supporters</p> <p>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.</p>	<ul style="list-style-type: none">• Our TV advertising campaign, This is Science, has proven to be an effective way to spread our message, increase awareness and inspire more people to help us turn science fiction into reality.• We have invested in technology to support our retail business and customer services and are committed to significantly enhancing the quality of customer experience across the whole of our customer base.• We would like to thank all our supporters for their continued support, donations and tireless fundraising this year.• For further detail on our fundraising activities please refer to pages 46-71.

Engaging with our stakeholders (continued)

Our stakeholders	How we engage with them
Our staff and volunteers 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">• We strive to promote a culture whereby everyone at BHF is treated equally, with respect, is safe from abuse or harm and is able to give of their best.• We undertake regular staff and volunteer engagement surveys to understand and take into account any concerns.• Our employee survey shows that our Flexibly Connected policy on hybrid working is working well and valued by colleagues.• Our volunteering strategy and new MyVolunteer digital platform have been designed to make gifts of time easy, flexible and inclusive. We want all our volunteers to have the best possible experience.• This year we launched Igniting Change, our first equality, diversity and inclusion (EDI) strategy with input from our Kaleidoscope and affinity groups which provide a forum for raising awareness, listening and improving our understanding of the experiences of different groups at BHF. Outputs from these groups are fed back to the Remuneration & People Committee.• The Board is assisted in fulfilling its governance duties in relation to staff and volunteers by the Remuneration & 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 or compliance are brought to the attention of the Trustees.• For further details on how we engage with our staff and volunteers please see pages 74-85.
Policy and key opinion leaders 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">• Throughout the year, 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.• We have also worked closely with other medical research charities in pursuing shared policy outcomes.• For further details on how we engage with policy makers please see pages 33-35.

Engaging with our stakeholders (continued)

Our stakeholders	How we engage with them
Business relationships with suppliers, customers, partners, landlords and others 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">• 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 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.• 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.• 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. BHF also has a zero-tolerance policy on harm and abuse and provisions in relation to Safeguarding are also included in our Code of Practice for suppliers.• 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 2022-23 some of these partnerships have also provided financial and practical support through a range of initiatives aimed at further supporting BHF.• Full details of our policies in relation to our business relationships with companies, suppliers, customers and others, including our supplier Terms & Conditions, statement on Modern Slavery and Feedback & Complaints policy can be found at: www.bhf.org.uk/what-we-do/our-policies.
Sustainability and Environmental Impact 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">• We have a programme of activities underway as we work to operate in the most responsible manner, with a series of commitments to ensure that our environmental, social and economic impact is considered.• Further information on our sustainability initiatives can be found on pages 82-84, and our Streamlined Energy and Carbon Reporting on pages 91-92.

Legal structure and governance

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 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

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

To ensure compliance, BHF operates a continuous review of the standards set out within the Code included in quarterly reporting to the Audit & Risk Committee. Code requirements also form part of our fundraiser training.

As one might expect, BHF operates a broad fundraising portfolio which includes the use of third-party professional fundraisers, commercial participators and volunteers. The types of fundraising initiatives we engage in include (but are not limited to) in person and online events, community engagement through our groups, branches and volunteers, mass marketing which includes public fundraising, as well as engaging in corporate partnerships and with high net-worth individuals.

Our 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

We continue to monitor all public fundraising agencies 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.

BHF currently engage the following professional fundraising organisations – APPCO UK Ltd, The Professional Fundraiser Ltd, Ethi-call Limited and Mango Direct Marketing Ltd. We have written fundraising agreements in place with each partner organisation which include clauses related to our monitoring and assurance activity.

Vulnerable people

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.

In addition, we train all door-to-door and private site fundraisers around identifying the signs which may indicate a person is not able to make an informed decision to donate to BHF. Our Supporter Promise provides a further commitment to conduct our fundraising activity in a manner that is honest and transparent.

<https://www.bhf.org.uk/what-we-do/our-policies/supporter-promise>

Complaints

From the millions of contacts we have with supporters each year, in 2022-23 we received 258 complaints about our fundraising practices (2021-22: 574 complaints). We take all complaints very seriously and respond according to our Complaints Policy. We received no complaint investigations via the Fundraising Regulator in 2022-23 (2022: nil) and one initial complaint, which was not upheld and therefore resolved at stage one.

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

Executive Group

The Executive Group is responsible for the day-to-day running of BHF under authority delegated to it by the Board of Trustees. It proposes to the Board of Trustees where 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 Group members are detailed below:

Chief Executive

Dr. Charmaine Griffiths

Medical Director

Professor Sir Nilesh Samani

Chief Technology Officer

Alex Duncan

Chief Financial Officer

Martin Miles FCA

Chief Marketing and Fundraising Officer

Claire Sadler

Chief People Officer

Kerry Smith

Commercial Director

Mike Taylor

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

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 2023 we had a paid workforce of 4,250, spread right across the UK (3,306 of whom are employed in our retail operation). The full-time equivalent headcount is detailed within note 4 to the accounts on page 124.

To many people across the UK, volunteers are the public face of our charity. We are extremely grateful to our retail and fundraising volunteers for their continued support.

We recognise that the world of volunteering has changed significantly over recent years, and our volunteering strategy is to make volunteering for BHF as easy, flexible and inclusive as possible. We want all our volunteers to have an incredible experience and truly feel they are making a difference to 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.

Legal structure and governance

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.

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 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 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.

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

An annual pay review was awarded on 1 April 2022. In the financial year 2022-23 our Chief Executive's basic salary was set at £210,000.

Gender and ethnicity pay gap

In 2022 our median gender pay gap was just 0.1% in favour of female colleagues. With a 3.7% pay gap in favour of men a year ago, and a national average gap of 15.4%, we are proud of the progress BHF is making. As part of our ongoing commitment to equality we have continued to report on our ethnicity pay gap, which in 2022 stood at 12.2% in favour of colleagues from ethnic minority backgrounds. Ethnically minoritised colleagues make up 10% of the overall workforce at BHF, but account for 14% of staff in the upper pay quartile. Creating a more diverse workforce, including at senior leadership level, remains a priority. 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.
- We encourage hiring managers to seek out diversity by demonstrating how it aids team innovation, productivity and creativity.
- Our career site details our commitment and includes accessibility software to ensure it can be used by as many people as possible.
- 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.

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 17 July 2023.



Sam Ryan
Head of Legal & Governance
and Company Secretary
17 July 2023

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 (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 company's auditors are aware of that information.



Wendy Becker

Chair

17 July 2023

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 2023 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 2023; 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.

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

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.

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 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.

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

17th July 2023

Group statement of financial activities for the year ended 31 March 2023

(Incorporating a Group income and expenditure account)

Company reg. number: 699547

		2023			2022		
		Unrestricted Funds	Restricted and Endowment Funds	Total Funds	Unrestricted Funds	Restricted and Endowment Funds	Total Funds
		£m	£m	£m	£m	£m	£m
Income from	Note						
Donations and legacies	2	130.8	11.4	142.2	140.5	6.5	147.0
Charitable activities		3.7	–	3.7	0.3	–	0.3
Investments		5.9	–	5.9	2.6	–	2.6
Other income		0.1	–	0.1	0.1	–	0.1
Total fundraising income		140.5	11.4	151.9	143.5	6.5	150.0
Expenditure on							
Raising funds: donations and legacies	4	(32.1)	–	(32.1)	(30.2)	–	(30.2)
Investment management fees	4	(0.9)	–	(0.9)	(1.1)	–	(1.1)
Total fundraising costs		(33.0)	–	(33.0)	(31.3)	–	(31.3)
Fundraising contribution		107.5	11.4	118.9	112.2	6.5	118.7
Trading income	3	229.4	–	229.4	200.2	–	200.2
Government support – Covid-19 (trading)	3	–	–	–	1.5	–	1.5
Trading costs	3/4	(204.0)	–	(204.0)	(178.3)	–	(178.3)
Contribution from trading activities		25.4	–	25.4	23.4	–	23.4
Net income available for charitable purposes		132.9	11.4	144.3	135.6	6.5	142.1
Charitable expenditure							
Research	4	(94.2)	(5.2)	(99.4)	(49.2)	(13.2)	(62.4)
Healthcare Innovation	4	(33.2)	(0.5)	(33.7)	(24.9)	(0.4)	(25.3)
Total charitable expenditure		(127.4)	(5.7)	(133.1)	(74.1)	(13.6)	(87.7)
Net income/(expenditure) before (loss)/gain on investments		5.5	5.7	11.2	61.5	(7.1)	54.4
Represented by							
Total income		369.9	11.4	381.3	345.2	6.5	351.7
Total expenditure		(364.4)	(5.7)	(370.1)	(283.7)	(13.6)	(297.3)
Net income/(expenditure) before (loss)/gain on investments		5.5	5.7	11.2	61.5	(7.1)	54.4
Net (loss)/gain on investments		(3.3)	–	(3.3)	14.1	–	14.1
Net income/(expenditure)		2.2	5.7	7.9	75.6	(7.1)	68.5
Other recognised gains/(losses)							
Actuarial gain/(loss) on defined benefit pension scheme	14	–	–	–	–	–	–
Net movement in funds		2.2	5.7	7.9	75.6	(7.1)	68.5
Reconciliation of funds							
Funds balances brought forward at 1 April	5	100.2	17.5	117.7	24.6	24.6	49.2
Total funds carried forward	5	102.4	23.2	125.6	100.2	17.5	117.7

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 £361.7m (2022: £334.2m) and gross expenditure is £350.5m (2022: £279.8m). The notes on pages 116 to 137 form an integral part of these financial statements.

Balance sheets as at 31 March 2023

Company reg. number: 699547

	Note	Group		Charity	
		2023 £m	2022 £m	2023 £m	2022 £m
Fixed assets					
Tangible assets	6	29.9	30.8	29.9	30.8
Investments	7	185.8	158.8	185.8	158.8
Total fixed assets		215.7	189.6	215.7	189.6
Current assets					
Inventories		8.8	6.0	–	–
Debtors	8	121.9	111.2	137.6	127.1
Cash and cash equivalents		129.4	127.0	120.5	115.6
Total current assets		260.1	244.2	258.1	242.7
Creditors and provisions: amounts falling due within one year					
Provision for research and other grant awards	9	(98.0)	(94.7)	(98.0)	(94.7)
Other creditors	10	(38.2)	(29.2)	(36.2)	(27.7)
Total current liabilities		(136.2)	(123.9)	(134.2)	(122.4)
Net current assets		123.9	120.3	123.9	120.3
Total assets less current liabilities		339.6	309.9	339.6	309.9
Creditors and provisions: amounts falling due after more than one year					
Finance lease creditor		(0.8)	(0.7)	(0.8)	(0.7)
Provision for research and other grant awards	9	(209.1)	(187.3)	(209.1)	(187.3)
Provision for liabilities and charges	11	(4.1)	(4.2)	(4.1)	(4.2)
Total provisions due after more than one year		(214.0)	(192.2)	(214.0)	(192.2)
Net assets excluding pension liability		125.6	117.7	125.6	117.7
Defined benefit pension liability	14	–	–	–	–
Net assets including pension liability		125.6	117.7	125.6	117.7
Represented by:					
Endowment funds	5	7.5	7.5	7.5	7.5
Restricted income funds	5	15.7	10.0	15.7	10.0
Unrestricted funds					
General funds	5	102.4	100.2	102.4	100.2
Pension reserve	14	–	–	–	–
Total unrestricted funds		102.4	100.2	102.4	100.2
Total funds		125.6	117.7	125.6	117.7

The Charity's net movement in funds for the year was an increase of £7.9m (2022: increase of £68.5m)

The financial statements on pages 113 to 137 were approved by the Board of Trustees on 17 July 2023, and signed on its behalf by:

Wendy Becker
Chair

Mark FitzPatrick
Chair of the Audit & Risk Committee

Members of the Board of Trustees

The notes on pages 116 to 137 form an integral part of these financial statements.

Group statement of cash flows for the year ended 31 March 2023

	2023 £m	2022 £m
Cash flows from operating activities		
Net cash flow from operating activities	35.2	18.3
Cash flows from investing activities		
Investment income	5.9	2.6
Purchase of investments	(113.4)	(63.2)
Proceeds from sale of investments	83.1	67.9
Purchase of tangible fixed assets	(8.1)	(3.7)
Proceeds from sale of tangible fixed assets	0.1	0.2
Net cash (outflow)/inflow from investing activities	(32.4)	3.8
Cash flow from financing activities		
Repayment of obligation under finance leases	(0.4)	(0.3)
Net increase in cash and cash equivalents	2.4	21.8
Cash and cash equivalents at 1 April	127.0	105.2
Cash and cash equivalents at 31 March	129.4	127.0

Reconciliation of net cash flow from operating activities:

Net income	7.9	68.5
Add/(less):		
Depreciation	9.4	11.0
Increase/(decrease) in provision for impairment of fixed assets	0.1	(0.2)
Loss on disposal of fixed assets	0.1	0.2
Investment income	(5.9)	(2.6)
Net loss/(gain) on investments	3.3	(14.1)
(Increase)/decrease in inventories	(2.8)	0.5
(Increase) in debtors	(10.7)	(17.3)
Increase in creditors	8.8	9.4
(Decrease) in provisions for liabilities and charges	(0.1)	(0.2)
Increase/(decrease) in provision for research grant and other awards	25.1	(36.9)
Net cash inflow from operating activities	35.2	18.3

Analysis of changes in net debt

	at 1 April 2022 £m	Cash flows £m	New Finance leases £m	As at 31 March 2023 £m
Cash and cash equivalents				
Cash	25.2	(7.4)	–	17.8
Short term deposits	101.8	9.8	–	111.6
Cash and cash equivalents	127.0	2.4	–	129.4
Borrowings				
Finance leases	(1.0)	0.4	(0.7)	(1.3)
Total	126.0	2.8	(0.7)	128.1

The notes on pages 116 to 137 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. 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 2023, the Trustees are required to consider whether 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 2023 incorporate the trading results of our Retail operations for the 52 week period ended 25 March 2023 (2022: 52 week period ended 26 March 2022).

Basis of consolidation

The financial statements of 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 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 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.

Notes to the accounts

- 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.
- **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 BHF's charitable objectives. Grant expenditure is recognised in the year of award and when communicated to the

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% (2022: 6%) of the content of our fundraising material provides educational information that furthers BHF's charitable objectives. Accordingly 6% of costs in generating fundraising material have been allocated to charitable expenditure (2022: 6%).

Governance costs relate to the management of 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 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 12.7% of award value and at 31 March 2023 reflects 5.9% (2022: 6.9%) 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 2023 was 3.65% (2022: 1.37%).

Chairs (also referred to as 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.

Notes to the accounts

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 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 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

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 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 2023 was £0.2m (2022: £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

BHF's defined benefit scheme was closed to future accrual on 31 May 2016. 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 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.

The subsidiary companies make qualifying donations of all taxable profits to 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 BHF in the form of a reduction in future contributions or a cash refund. Where such a surplus is not deemed available to 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 £0.3m (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 £0.9m (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 £4.2m (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 £4.6m (1.4%) decrease/(increase) in the provision for research and other grant awards.

- 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 fund £m	Restricted fund £m	2023 Total funds £m
Legacies	93.8	1.2	95.0
Donations	19.2	10.1	29.3
Donations received in BHF Shops	3.3	–	3.3
Volunteer fundraising	14.5	0.1	14.6
Total income from donations and legacies	130.8	11.4	142.2

	Unrestricted fund £m	Restricted fund £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

The Charity has received notification of 377 legacies (2022: 340) with an estimated value of £10.9m (2022: £9.1m) 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 £m	Support cost allocation £m	2023 Total £m
Retail income*	222.3	–	222.3
Government support – Covid-19 (trading)	–	–	–
Retail costs	(195.2)	(5.5)	(200.7)
Retail net profit	27.1	(5.5)	21.6
Income from fundraising trading activities	7.1	–	7.1
Costs of fundraising trading	(3.3)	–	(3.3)
Net fundraising trading income	3.8	–	3.8
Contribution from trading activities	30.9	(5.5)	25.4
Represented by:			
Total trading income	229.4	–	229.4
Government support – Covid-19 (trading)	–	–	–
Total trading costs	(198.5)	(5.5)	(204.0)
Contribution from trading activities	30.9	(5.5)	25.4

	Income/direct costs £m	Support cost allocation £m	2022 Total £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

*2023 includes income of £59.7m (2022: £49.0m) representing donations from our supporters on which Gift Aid has been claimed from sale of goods through the Retail Gift Aid Programme.

Notes to the accounts

4. Gross expenditure

	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2023
	£m	£m	£m	£m	£m
Expenditure on raising funds					
Costs of raising funds	–	14.9	12.6	4.6	32.1
Investment management fees	–	–	0.9	–	0.9
Total fundraising costs	–	14.9	13.5	4.6	33.0
Expenditure on trading activities					
Retail costs	–	71.6	123.6	5.5	200.7
Other trading costs	–	–	3.3	–	3.3
Total trading costs	–	71.6	126.9	5.5	204.0
Expenditure on charitable activities					
Research	96.3	1.4	0.7	1.0	99.4
Healthcare Innovation	1.1	8.0	19.7	4.9	33.7
Total charitable expenditure	97.4	9.4	20.4	5.9	133.1
Support cost allocated	–	15.1	0.9	(16.0)	–
Total expenditure	97.4	111.0	161.7	0.0	370.1

	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2022
	£m	£m	£m	£m	£m
Expenditure on raising funds					
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
Expenditure on trading activities					
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
Expenditure on charitable activities					
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

Support costs included in gross expenditure

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.

4. Gross expenditure (continued)

	Fundraising	Trading	Charitable expenditure		Total
			Research	Healthcare Innovation	2023
	£m	£m	£m	£m	£m
CEO, strategy and legal	0.4	0.3	0.1	0.5	1.3
Information technology	1.5	3.4	0.3	1.7	6.9
Finance, risk and procurement	1.0	0.9	0.2	0.8	2.9
Human resources	1.5	0.6	0.4	1.7	4.2
Facilities management	0.1	0.1	–	0.1	0.3
Governance costs	0.1	0.2	–	0.1	0.4
Total Support Costs	4.6	5.5	1.0	4.9	16.0

	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

	2023	2022
Support costs are made up of:	£m	£m
Staff costs	15.1	9.8
Other costs	0.9	2.5
Total Support Costs	16.0	12.3

Notes to the accounts

4. Gross expenditure (continued)

Gross expenditure for the year is stated after charging /(crediting):	2023	2022
	£m	£m
Operating lease rentals (land and buildings)	25.9	27.2
Loss on disposal of fixed assets	0.1	0.2
Depreciation charge for the year	9.4	11.0
Provision for impairment/(reversal of provision)	0.1	(0.2)
Auditors' remuneration(*)		
Audit fee	0.1	0.1
Non-audit services	0.4	–

*Auditors' remuneration comprises £107,658 (2022: £93,635) for the audit of the charity and £33,754 (2022: £26,283) audit fees of subsidiary undertakings. In addition £11,750 (2022: £10,925) was incurred in respect of British Heart Foundation Staff Pension Scheme and £420,000 (2022: £nil) in respect of non-audit services (technology consultancy). All numbers exclude VAT.

Staff and Trustee information	2023	2022
Staff costs	£m	£m
Wages and salaries	94.6	85.0
Social security costs	8.5	7.1
Pension costs (see note 14)	5.2	4.7
Other benefits	0.8	0.6
Other staff costs	1.9	1.5
Total staff costs	111.0	98.9

Wages and salaries include redundancy costs of £0.4m (2022: £0.3m) 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 BHF. The average number of staff, employed in the year, was:

	2023	2022
Head office	642	598
Regions	74	80
Shops	3,475	3,412
Total number of staff	4,191	4,090

Reflecting:		
Full time staff	2,438	2,439
Part time staff	1,753	1,651
Total number of staff	4,191	4,090

Full time equivalent average headcount	3,409	3,347
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The following numbers of staff have emoluments above £60,000:	2023	2022
Between £60,000 - £70,000	52	42
Between £70,001 - £80,000	26	21
Between £80,001 - £90,000	13	19
Between £90,001 - £100,000	15	4
Between £100,001 - £110,000	1	2
Between £110,001 - £120,000	1	2
Between £120,001 - £130,000	–	1
Between £130,001 - £140,000	2	1
Between £140,001 - £150,000	1	–
Between £150,001 - £160,000	–	1
Between £160,001 - £170,000	2	1
Between £170,001 - £180,000	–	1
Between £180,001 - £190,000	–	–
Between £190,001 - £200,000	1	1
Between £200,001 - £210,000	–	–
Between £210,001 - £220,000	1	–

The key management personnel of BHF are the members of the Executive Group, further details of the membership and function of which is provided on page 105. The total employee benefits of the Executive Group in the year was £1.2m (2022: £1.1m).

Trustee costs: no Trustees received any remuneration for services as members of the Board of Trustees and three Trustees (2022: one trustee) were reimbursed for travelling expenses to and from meetings at a cost of £1,216 (2022: £119). As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £20,720 (2022: £20,430). Total Donations from Trustees amounted to £102,916 (2022: £103,310).

5. Statement of funds

	Note	Balance 1 April 2022	Income	Expenditure	Net investment loss	Actuarial gain	Balance 31 March 2023
		£m	£m	£m	£m	£m	£m
Endowment funds (Group and Charity)							
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

Restricted funds (Group and Charity)							
Research	d	4.2	3.9	(2.3)	–	–	5.8
Healthcare Innovation	e	0.6	0.3	(0.5)	–	–	0.4
Unallocated legacies	f	2.7	0.6	(1.7)	–	–	1.6
Oxford IDRM	g	2.4	–	–	–	–	2.4
Regenerative medicine	h	0.1	2.9	(1.2)	–	–	1.8
UK Government Covid-19 Medical Research Charity Support Fund	i	–	3.7	–	–	–	3.7
Total restricted funds		10.0	11.4	(5.7)	–	–	15.7

Unrestricted funds (Group)	100.2	369.9	(364.4)	(3.3)	–	102.4
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Unrestricted funds (Charity)	100.2	350.3	(344.8)	(3.3)	–	102.4
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Total Group funds	117.7	381.3	(370.1)	(3.3)	–	125.6
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Total Charity funds	117.7	361.7	(350.5)	(3.3)	–	125.6
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5. Statement of funds (continued)

	Note	Balance 1 April 2021	Income	Expenditure	Net investment gain	Actuarial gain	Balance 31 March 2022
		£m	£m	£m	£m	£m	£m
Endowment funds (Group and Charity)							
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
Restricted funds (Group and Charity)							
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

Notes

- The Chair endowment trusts represent permanent endowments returned to BHF by certain universities (see below). The interest earned on the money held is restricted and expended on BHF's Chairs of Cardiovascular Medicine.
- Income from the G M Yule bequest is available for the general activities of the charity.
- Income from the Dr. John A Gordon memorial trust fund is restricted to expenditure on Healthcare Innovation activities.
- Income where the donor has specified that the donation should be expended on BHF's research activities.
- Income where the donor has specified that the donation should be expended on BHF's Healthcare Innovation activities.
- 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.
- Income towards BHF's research activities at the Institute of Developmental and Regenerative Medicine (IDRM), based at Oxford University, a world-leading centre for stem cell technology.
- Includes income from the London Marathon (October) 2022 restricted fundraising appeal, and the Mending Broken Hearts ("MBH") 50th anniversary appeal, expended on BHF's regenerative medicine research activities.
- Income from the UK Government to protect the pipeline of early career researchers supported by BHF.

Endowment of BHF Chairholders

BHF has 26 Chairs (also known as BHF Professors) as at 31 March 2023. Of this number, 3 universities hold endowments and 6 previously returned endowments are held on 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	29.9	–	–	29.9
Investments	185.8	–	–	185.8
Current assets	236.9	15.7	7.5	260.1
Current liabilities	(136.2)	–	–	(136.2)
Long-term liabilities	(214.0)	–	–	(214.0)
Total net assets as at 31 March 2023	102.4	15.7	7.5	125.6

Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	29.9	–	–	29.9
Investments	185.8	–	–	185.8
Current assets	234.9	15.7	7.5	258.1
Current liabilities	(134.2)	–	–	(134.2)
Long-term liabilities	(214.0)	–	–	(214.0)
Total net assets as at 31 March 2023	102.4	15.7	7.5	125.6

Analysis of Group net assets between funds

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

Analysis of Charity net assets between funds

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

Notes to the accounts

6. Tangible fixed 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
Cost								
At 1 April 2021	2.4	34.3	29.8	2.0	13.1	33.8	0.9	116.3
Transfers	-	-	-	-	-	0.6	(0.6)	-
Additions	-	1.6	0.8	-	0.1	0.7	1.2	4.4
Disposals	-	(0.8)	(1.1)	(0.3)	(1.4)	(0.2)	-	(3.8)
At 31 March 2022	2.4	35.1	29.5	1.7	11.8	34.9	1.5	116.9
Transfers	-	-	-	-	-	1.1	(1.1)	-
Additions	-	1.1	3.4	0.4	0.4	0.3	3.2	8.8
Disposals	-	(0.9)	(0.9)	(0.3)	(0.2)	(7.2)	-	(9.5)
At 31 March 2023	2.4	35.3	32.0	1.8	12.0	29.1	3.6	116.2
Accumulated depreciation								
At 1 April 2021	0.5	23.0	23.6	1.5	11.7	18.4	-	78.7
Depreciation charge	0.1	2.2	1.9	0.2	0.7	5.9	-	11.0
Provision for impairment	-	(0.2)	-	-	-	-	-	(0.2)
Disposals	-	(0.7)	(0.9)	(0.3)	(1.3)	(0.2)	-	(3.4)
At 31 March 2022	0.6	24.3	24.6	1.4	11.1	24.1	-	86.1
Depreciation charge	-	2.2	1.9	0.2	0.5	4.6	-	9.4
Provision for impairment	-	0.1	-	-	-	-	-	0.1
Disposals	-	(0.8)	(0.9)	(0.2)	(0.2)	(7.2)	-	(9.3)
At 31 March 2023	0.6	25.8	25.6	1.4	11.4	21.5	-	86.3
Net book values								
At 31 March 2023	1.8	9.5	6.4	0.4	0.6	7.6	3.6	29.9
At 31 March 2022	1.8	10.8	4.9	0.3	0.7	10.8	1.5	30.8

The net carrying amount of assets held under finance leases included in IT equipment and software is £1.0m (2022: £1.3m) and vehicles is £0.3m (2022: £nil).
There are no future capital expenditure commitments on specific projects for the Group (2022: £nil).

7. Investments

Group and Charity	2023	2022
Analysis of movement	£m	£m
Market value at 1 April	158.8	149.4
Purchase of investments at cost	113.4	63.2
Disposal proceeds	(83.1)	(67.9)
	189.1	144.7
Net (loss)/gain on investments	(3.3)	14.1
Market value at 31 March	185.8	158.8
Original cost	165.5	124.5
Represented by		
Listed investments: equities	135.4	136.3
Short dated corporate bonds	48.6	19.4
Cash held for investment purposes;	1.8	3.1
Total investments at 31 March	185.8	158.8

Listed investments include overseas investments of £127.0m (2022: £127.2m).
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 per cent shareholdings in the two (2022: three) subsidiary undertakings within the Group; these are valued at cost of £5 (see note 13).
For investments sold during the financial year, the realised gain against historic cost was £10.9m (2022: £16.1m)

8. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£m	£m	£m	£m
Amount owed by group undertakings	-	-	16.9	16.9
Other debtors	8.6	3.7	7.4	2.9
Tax recoverable	3.0	5.3	3.0	5.3
Prepayments	11.0	10.1	11.0	10.0
Accrued income	3.5	1.3	3.5	1.2
Accrued legacies	95.8	90.8	95.8	90.8
Total debtors	121.9	111.2	137.6	127.1

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.

Notes to the accounts

9. Provision for research and other grant awards

Group and Charity	Healthcare Innovation	Research	2023	2022
	£m	£m	£m	£m
Provision for research and other grant awards				
Grants awarded during the year	1.5	115.6	117.1	72.3
Movement in estimated future grant underspend	(0.3)	(7.0)	(7.3)	(8.2)
Increase in grant discount	(0.1)	(12.3)	(12.4)	(5.0)
Net research grant awards as recognised in the statement of financial activities	1.1	96.3	97.4	59.1
Payments made during the year	(0.8)	(71.5)	(72.3)	(96.0)
Net movement in provision during the year	0.3	24.8	25.1	(36.9)
Grant provision at 1 April	2.0	280.0	282.0	318.9
Grant provision at 31 March	2.3	304.8	307.1	282.0
Awards falling due within one year			98.0	94.7
Awards falling due after more than one year			209.1	187.3
Grant provision at 31 March			307.1	282.0
Research and other grant awards commitments				
Total grants awarded and unpaid at 31 March, including conditional grant awards (total grant commitments)			371.4	339.9
Less conditional translation awards and Chairs grants*			(5.6)	(6.1)
Total unconditional grant awards outstanding at 31 March			365.8	333.8
Less estimated future grant award underspend*			(40.4)	(45.9)
Less grant discount			(18.3)	(5.9)
Grant provision at 31 March			307.1	282.0

Notes

*BHF has a contingent liability of £46.0m (2022: £52.0m) including £5.6m (2022: £6.1m) for awards conditional upon the favourable outcome of scientific reviews and £40.4m (2022: £45.9m) representing the expected future underspend against grant awards.

The Charity has discounted its long term liabilities, both for Research and Healthcare Innovation. A discount rate of 3.65% (2022:1.37%) 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 calculated with reference to UK Gilt yields at the balance sheet date, weighted to reflect the expected phasing of future grant payments. The gross discount value included in total liabilities for Research grant awards is £18.2m (2022: £5.9m) and for Healthcare Innovation grant awards £0.1m (2022: £0.0m).

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 or Council 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 (this is unaudited)

The top 50 grants made in 2022-23 are listed below.

2023			
Institution	Activity	Number of grants	£m
University of Oxford *	Research	9	37.0
Imperial College London	Research	6	5.4
University of Edinburgh	Research	3	5.0
University of Cambridge	Research	6	4.0
University College London	Research	3	3.0
King's College London	Research	3	2.8
Queen Mary, University of London	Research	4	2.8
University of Leeds	Research	4	2.5
Medical Research Council	Research	1	2.0
University of Southampton	Research	1	1.8
University of Bristol	Research	2	1.7
University of Leicester	Research	2	1.2
University of Nottingham	Research	1	1.0
Cardiff University	Research	1	0.8
University of Birmingham	Research	1	0.8
The Academy of Medical Sciences	Research	1	0.7
University of Sheffield	Research	1	0.5
University of Manchester	Research	1	0.4
Total		50	73.4
Other grants paid to institutions	Research		42.2
	Healthcare Innovation		1.5
Total grants and awards			117.1

Notes

* The total grants awarded during the year to the University of Oxford include the £30.0m CureHeart programme, which the university administers on behalf of an international team.

10. Other creditors

	Group		Charity	
	2023	2022	2023	2022
	£m	£m	£m	£m
Other creditors	6.4	5.3	5.6	4.9
Finance lease creditor	0.5	0.3	0.5	0.3
Taxation and social security	2.0	1.8	2.0	1.8
Accruals	25.6	17.6	24.4	16.7
Deferred income	1.9	2.5	1.9	2.3
Holiday pay accrual	1.8	1.7	1.8	1.7
Total other creditors	38.2	29.2	36.2	27.7

Deferred income

	Group		Charity	
	2023	2022	2023	2022
	£m	£m	£m	£m
Deferred income at 1 April	2.5	2.0	2.3	2.0
Released during the year	(2.5)	(2.0)	(2.3)	(2.0)
Income received during the year to be deferred	1.9	2.5	1.9	2.3
Deferred income at 31 March	1.9	2.5	1.9	2.3

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

11. Provision for liabilities and charges

	Group		Charity	
	2023	2022	2023	2022
	£m	£m	£m	£m
Provision at 1 April	4.2	4.4	4.2	4.4
Provision utilised in year	(0.8)	(0.8)	(0.8)	(0.8)
Provision accrued in year	0.7	0.6	0.7	0.6
Provision at 31 March	4.1	4.2	4.1	4.2

The provision comprises the onerous lease costs of £0.1m (2022:£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 £4.0m (2022: £4.1m) based on the dilapidation costs required, provided the lease is not renewed. The provision is expected to be utilised between 2023 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 the Group had total commitments under non-cancellable operating leases as follows:

	2023	2022
	£m	£m
Payment due:		
Within one year	24.2	24.5
Between two and five years	62.7	66.9
After five years	20.8	26.8
Total operating lease commitments	107.7	118.2

Notes to the accounts

13. Subsidiary undertakings

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

These are:

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

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).

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

London to Brighton Bike Ride Limited (02672643), a wholly owned subsidiary, was dissolved on 9 August 2022.

	British Heart Foundation Ventures Limited	BHF Shops Limited	Total 2023	Total 2022
	£m	£m	£m	£m
Turnover	1.1	40.4	41.5	36.0
Cost of sales	–	(19.4)	(19.4)	(17.5)
Gross profit	1.1	21.0	22.1	18.5
Other income	–	1.0	1.0	1.0
Other costs	–	(5.7)	(5.7)	(4.3)
Net taxable profit	1.1	16.3	17.4	15.2
Distribution to parent	(1.1)	(16.3)	(17.4)	(15.2)
Assets	1.2	17.7	18.9	18.3
Liabilities	(1.2)	(17.7)	(18.9)	(18.3)
Net assets	–	–	–	–

Notes to the accounts

14. Pensions

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	2023	2022
	£m	£m
Defined contribution scheme	5.1	4.6
Defined benefit scheme	0.1	0.1
	5.2	4.7

i) Defined contribution scheme

BHF operates a defined contribution scheme for certain eligible employees, the total cost of which for the year ended 31 March 2023 was £5.1m (2022: £4.6m). 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

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 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 2023 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 2023 of £2.0m (2022: surplus of £10.9m). In accordance with FRS 102, this surplus is not recognised, as future economic benefits are not deemed available to BHF in the form of a reduction in future contributions or a cash refund.

The major assumptions used for the actuarial valuation were:

	2023	2022	2021	2020	2019
	%	%	%	%	%
Salary growth	3.3	3.7	3.4	2.6	3.6
Pension increases in payment – Limited Price Indexation	3.2	3.6	3.3	2.0	2.6
Pension increases in payment – guaranteed	5.0	5.0	5.0	5.0	5.0
Discount rate	4.6	2.7	2.0	2.3	2.4
Inflation – RPI	3.3	3.7	3.4	2.6	3.6

Mortality

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

	2023	2022
Male	87.0	86.9
Female	89.4	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:

	2023	2022
Male	88.3	88.3
Female	90.8	90.8

14. Pensions (continued)

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

	Asset categories as a percentage of plan assets	
	2023	2022
	%	%
Corporate bonds	75.0	80.0
Liability Driven Investment (LDI) funds	24.0	19.0
Cash/other	1.0	1.0

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

	2023	2022
	£m	£m
Current service cost	–	–
Expenses	0.1	0.1
Past service cost	–	–
Total operating charge	0.1	0.1
Interest income on pension scheme assets	(1.7)	(1.4)
Interest on pension scheme liabilities	1.4	1.2
Interest effect of the asset ceiling	0.3	0.2
Total amount charged to the Statement of Financial Activities	0.1	0.1

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

Actuarial (loss)/gain before consideration of asset ceiling	(9.2)	0.2
Amounts not recognised due to effect of asset ceiling	9.2	(0.2)
Total actuarial (loss)/gain and effect of asset ceiling	–	–

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	
	2023	2022	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m	£m	£m
Scheme (liabilities)/assets at the start of the year	(53.9)	(59.2)	64.8	69.7	(10.9)	(10.5)	–	–
Interest cost	(1.4)	(1.2)	–	–	–	–	(1.4)	(1.2)
Interest income on assets	–	–	1.7	1.4	–	–	1.7	1.4
Actuarial gain/(loss) and effect of asset ceiling	14.8	5.0	(24.0)	(4.8)	–	–	(9.2)	0.2
Benefits paid	1.9	1.5	(1.9)	(1.5)	–	–	–	–
Interest effect of the asset ceiling	–	–	–	–	(0.3)	(0.2)	(0.3)	(0.2)
Remeasurement of the asset ceiling	–	–	–	–	9.2	(0.2)	9.2	(0.2)
Scheme (liabilities)/assets at the end of the year	(38.6)	(53.9)	40.6	64.8	(2.0)	(10.9)	–	–

Notes to the accounts

14. Pensions (continued)

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

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Defined benefit obligation (DBO)	(38.6)	(53.9)	(59.2)	(53.5)	(55.8)
Fair value of pension scheme assets (including asset ceiling)	38.6	53.9	59.2	53.5	55.8
Pension deficit	–	–	–	–	–
Experience (loss)/gain on pension scheme assets	(9.2)	0.2	(5.4)	6.0	0.7
Adjustments as a percentage of pension scheme assets	(24%)	0%	(9%)	11%	1%

Analysis of change in the effect of the asset limit

	2023 £m	2022 £m
Opening effect of the asset limit	10.9	10.5
Interest effect of the asset limit	0.3	0.2
Remeasurement of the asset limit	(9.2)	0.2
Closing effect on the asset limit	2.0	10.9

15. Financial instruments

	Note	Group		Charity	
		2023 £m	2022 £m	2023 £m	2022 £m
Financial assets at fair value through statement of financial activities					
Investments	7	185.8	158.8	185.8	158.8
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	8	–	–	16.9	16.9
Other debtors	8	8.6	3.7	7.4	2.9
Accrued income	8	3.5	1.3	3.5	1.2
Accrued legacies	8	95.8	90.8	95.8	90.8
Cash and cash equivalents		129.4	127.0	120.5	115.6
		237.3	222.8	244.1	227.4
Financial liabilities at fair value through statement of financial activities					
Grants provision	9	307.1	282.0	307.1	282.0
		307.1	282.0	307.1	282.0
Financial liabilities that are debt instruments measured at amortised cost					
Other creditors	10	6.4	5.3	5.6	4.9
Accruals	10	25.6	17.6	24.4	16.7
		32.0	22.9	30.0	21.6

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 130-131, 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 131. 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.

Wendy Becker is the Chair of the Trustees of the Charity (from October 2022) and a Trustee of the University of Oxford, which was awarded £40.5m in grant funding during the year to 31 March 2023.

Professor John Iredale was a Trustee of the Charity (until October 2022) and is Pro-Vice Chancellor of University of Bristol, on secondment to the Medical Research Council as interim Executive Chair. The University of Bristol was awarded £4.3m of grant funding during the year to 31 March 2023 (2022: £2.4m) and the Medical Research Council was awarded £2.2m (2022: £0.2m) grant funding during the same period.

Professor David Lomas is a Trustee of the Charity and Vice Provost of University College London, which was awarded £5.5m of grant funding during the year (2022: £6.4m).

Professor Brian Walker is a Trustee of the Charity (since October 2022) and Deputy Vice Chancellor at Newcastle University. Newcastle University was awarded £0.3m grant funding during the year to 31 March 2023.

Daryl Fielding is CEO of The Marketing Academy Foundation. During the year, the Charity paid £nil (2022: £11,047) to The Marketing Academy Foundation for recruitment and training services.

For the year the Charity received income of £16.3m (2022: £14.2m) from BHF Shops Limited and £1.1m (2022: £1.0m) from British Heart Foundation Ventures Limited, being a corporate Gift Aid payment to the parent charity. In addition BHF Shops Limited reimbursed the Charity £4.8m (2022: £3.8m) for services and other expenses incurred on its behalf.

At the year end, the Charity was due £15.7m (2022: £15.9m) from BHF Shops Limited and £1.2m (2022: £1.0m) from British Heart Foundation Ventures Limited.

Legal and administrative details

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