



British Heart
Foundation

Making every moment count

Annual Report and Accounts 2020

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Cover image —

"A couple of years ago I found myself forgetting things – doctors' appointments, food in the oven, my keys. I had to go to my GP. After some tests, I went to the memory service and they told me I have dementia. I think you get good days and bad days. You have to look after yourself and find a purpose. Now I run the City Mission Dementia Project, I don't worry about the future. I haven't got the time. I'm thinking about the people I can help."

Dianne Campbell, runs the City Mission Dementia Project

Over 780 hours spent helping others living with dementia.

The clock's ticking

When this annual report is published, there will be just over 86,700 hours until 2030. And we're determined to make every one of them count.

When we entered 2020, we reflected on the decade we left behind – its triumphs and its challenges – and the one that lies ahead. In May 2019 we launched our strategy to 2030, laying out the changes we want to see and how we're going to help make them a reality.

The last ten years have shown us that no action is too small to make a difference. Every day in the lab, every pound donated, every person who learns CPR – they all add up to extraordinary breakthroughs and life saving acts.

But there are still too many lives on the line for complacency. Our mission is more urgent than ever.

There's no time to waste. We need better prevention, cures, treatments and care to truly beat heartbreak forever.

86,700 hours. Let's make them count.

86,700



Time for creativity

“

I was 49 when I had my first stroke. Life is quite hard anyway, but having a stroke is just a different kind of hard. I used to dance, and I miss that. But it's amazing, you lose things and you gain things. Like the BHF, I want to inspire other stroke survivors to find new ways to live life to the full.

Lil Sullivan

Stroke survivor and artist

304 hours to learn to draw again.

304 hours

Our strategy to 2030

The countdown to 2030

Since the British Heart Foundation (BHF) was founded in 1961, we have funded transformative research to drastically reduce the number of deaths from coronary heart disease and heart attacks. Thanks to your support, our research has contributed to reducing UK deaths from heart and circulatory diseases by half.

With our supporters, we have achieved tremendous things. But we need to achieve so much more. Heart and circulatory diseases still cause untold heartbreak for millions of families. Suffering and disability from vascular dementia and stroke remain part of the landscape in the UK, health inequalities persist, and millions across the UK are living undiagnosed with the risk factors that cause heart and circulatory diseases.

We are tackling these challenges head on. We launched our ambitious 2030 strategy in 2019, which will guide us as we fund research to help save and improve lives. We will work closely with patients and the public, growing our support and striving for excellence by governing ourselves with integrity and passion.

We will further scientific discovery, developing innovative solutions to today's and tomorrow's challenges, and involve people in their own health and care to drive change.

We can prevent more people from developing heart and circulatory diseases, and make sure that those with existing conditions and risk factors are detected and treated early, with more effective medicines and interventions.

The BHF currently funds over half of all independent research into heart and circulatory diseases carried out in the UK. We have been supporting around £100m of new projects every year, although our capacity for future investment is likely to be impacted by Covid-19 and the resultant uncertain economic outlook. Consequently, there is even greater need to close the gap between the burden of heart and circulatory diseases and the disproportionately low levels of research and healthcare investment.



The changes we want to see in the world by 2030

Our vision is a world free from the fear of heart and circulatory diseases.

It's a bold ambition, and we cannot achieve it alone. But we believe the next ten years will see unparalleled progress.

By 2030 we want the world to look different. We want to mobilise communities, leaders and the government to get us there. We want to see advances across the spectrum of heart and circulatory diseases; we want to prevent these conditions from developing, and we want those with existing conditions to have better, longer lives.

Our challenge

Time to make change happen

Heart and circulatory diseases affect millions of people in the UK. From heart attack and stroke to vascular dementia and heart failure, we won't stop funding research until we can cure and treat every single one.

7.4 million

The number of people in the UK living with heart and circulatory diseases – that's around **twice the number** of people living with cancer and Alzheimer's disease combined.



Every **five minutes** someone is admitted to a UK hospital due to a heart attack



Each year in the UK **up to 11,000** heart and circulatory disease deaths are attributable to air pollution



Up to 5 million people in the UK are living with undiagnosed high blood pressure



Each day around **13 babies** are diagnosed with a heart defect in the UK



Vascular dementia causes more than **15,000 deaths each year** in the UK. People with a family history of coronary heart disease are significantly more likely to develop vascular dementia.



Every **three minutes** someone in the UK dies from a heart or circulatory disease



In the UK around **1/3 of adults** with diabetes die from a heart or circulatory disease

50%

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

1 in 10

Number of people that survive an out-of-hospital cardiac arrest in the UK

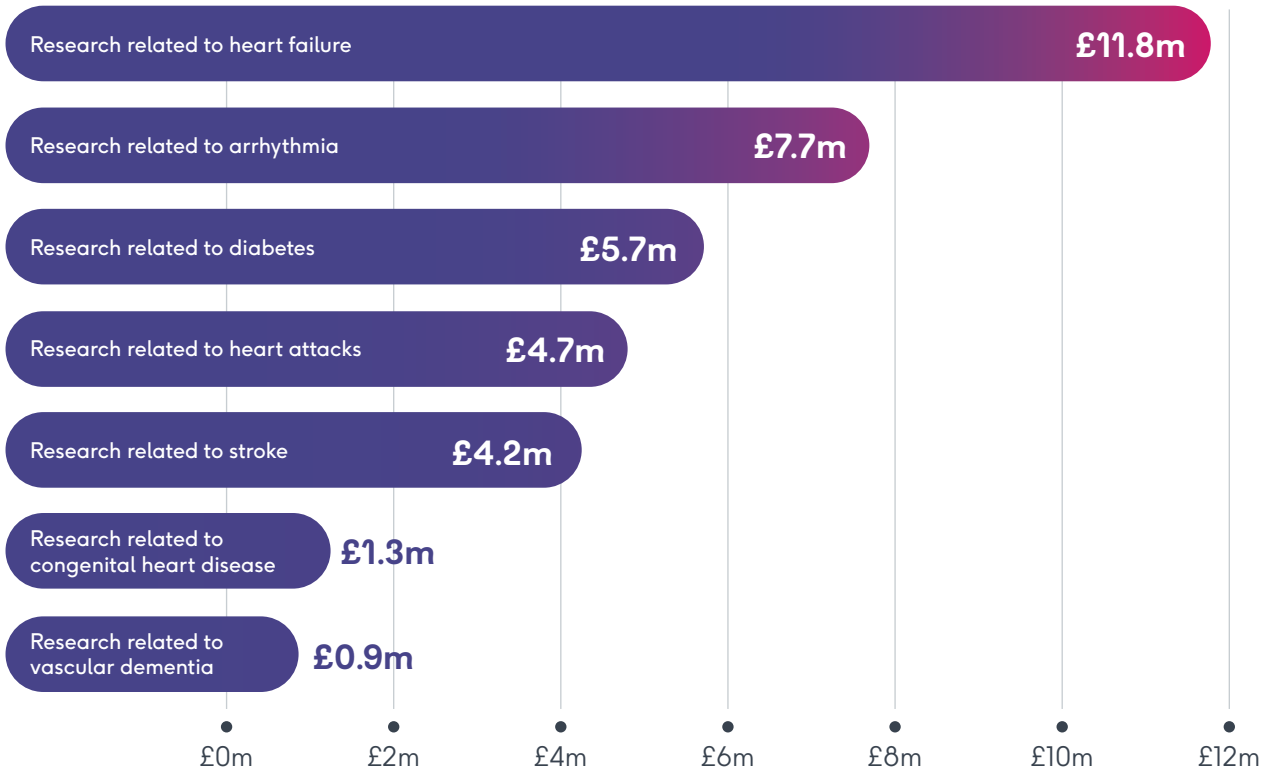
Our work

Time to invest

By funding world-class research, we aim to beat the heartbreak caused by heart and circulatory diseases as quickly as possible.

Over the last year, we've awarded £99.7m of research grants. Every penny helps us support researchers who are working tirelessly to bring us closer to treatments, cures and ways to prevent and protect us all from these conditions.

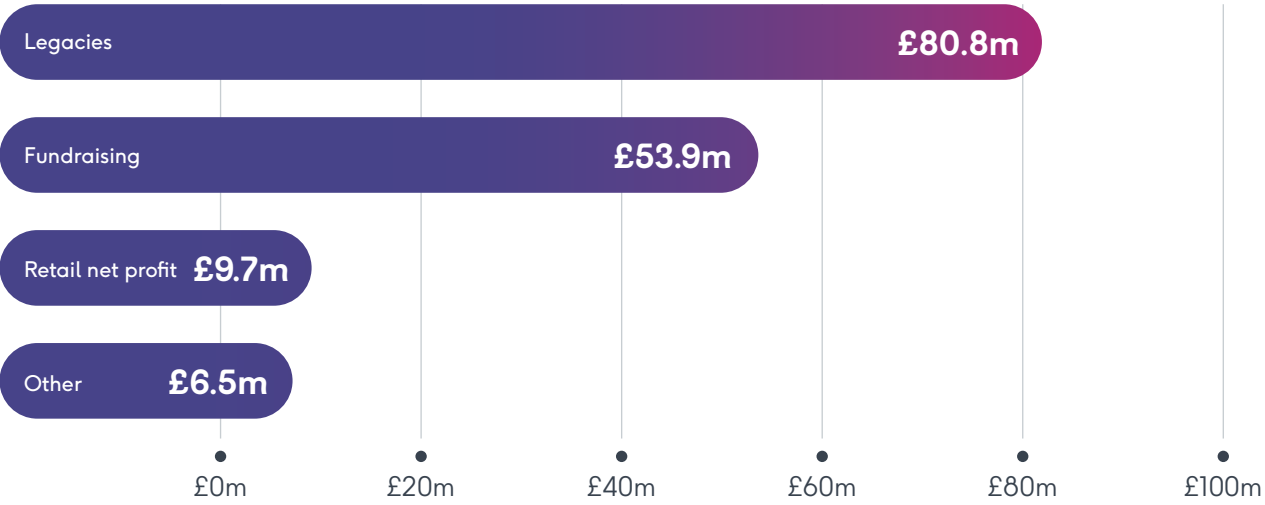
In 2019-20 our investment included:



£99.7m

Total grants awarded for life saving research in 2019-20

Where our money came from in 2019-20:

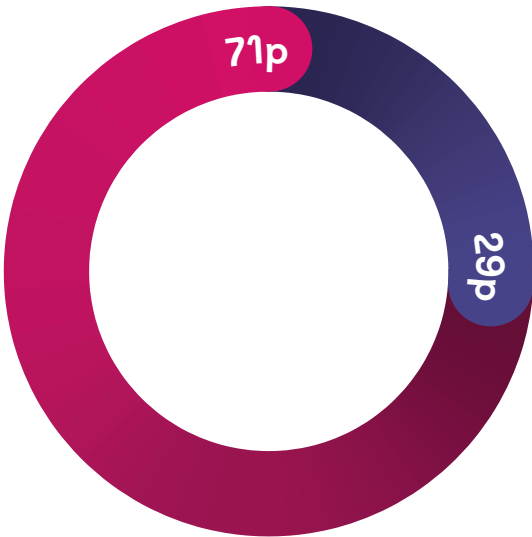


How your money was spent in 2019-20:

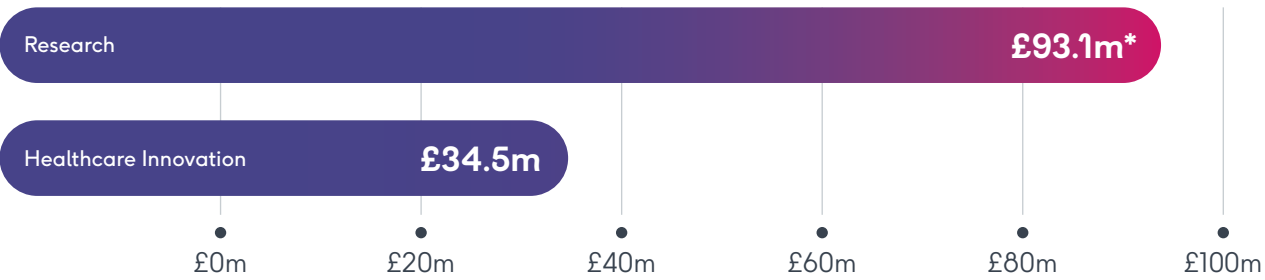
Investment in growing our income was £43.3m, meaning that 71% of total income (net of retail costs) was available to beat heart and circulatory diseases. This is within our target range of ensuring that at least 70p in the £1 is available to spend on our life saving work.

Of every £1 raised:

- Available for charitable purposes: 71p
- Invested to generate further income: 29p



How we delivered our mission:



*adjusted to make 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 grant liabilities, as well as relevant staff and support costs. See page 77 for more information.

Highlights of the year

Time to celebrate

Once again, our researchers, staff, supporters and volunteers show how much can happen in a year. From research breakthroughs and raising awareness, to outstanding fundraising and reaching retail milestones, here are just some of the moments that we want to celebrate.

April 2019

Mums visit Heart of Steel

Mothers whose children have undergone heart surgery visited the Heart of Steel sculpture in Sheffield to have the names of their children engraved on it.

May 2019

May Measurement Month

We held blood pressure testing at the Science Museum and showcased BHF-funded research into the genes that affect blood pressure.

June 2019

London to Brighton Bike Ride

Now in its 44th year, our annual bike ride saw 15,000 supporters register and raised £2.7m to help fund our life saving work.

The Circuit

The National Defibrillator Network went live in the West Midlands Ambulance Service. It allows the ambulance service to direct bystanders to the nearest defibrillator in the event of an out-of-hospital cardiac arrest.



The BHF Clinical Research Collaborative

The BHF has committed £0.9m over three years to launch the British Heart Foundation Clinical Research Collaborative. This initiative aims to accelerate clinical breakthroughs that will directly benefit people living with heart and circulatory diseases.

National honours

Simon Gillespie, Chief Executive of the BHF from 2013 to December 2019, was awarded an OBE in the Queen's birthday honours, recognising his services to patients and medical research. Our Associate Medical Director, Professor Jeremy Pearson, received an MBE in the New Year Honours for his contribution to medical research.

August 2019

Hope for Hearts Fund

The BHF launched a £1.0m fund to transform the way heart failure services are delivered in the UK. £0.7m was allocated in March 2020, with further developments due to follow.



Reflections of Research

Our 2019 'Reflections of Research' image competition was won by Iona Cuthbertson, a BHF-funded PhD student at the University of Cambridge. This year's winning image, 'A Sea of Cells', could be mistaken for the thick brushstrokes of a Vincent van Gogh painting, but is in fact a close-up of smooth muscle cells that surround the blood vessels in mice.

September 2019

Heart Hero Awards

The Duchess of York, Glenn Hoddle and Penny Lancaster were amongst the star-studded guests at this year's Heart Hero Awards. This was our second year of hosting the prestigious awards, celebrating individuals of all ages who have shown immense strength in the face of adversity or have made a significant impact in helping those living with heart and circulatory diseases.

October 2019

The BHF Data Science Centre

As we enter the era of digital medicine, there's a growing need to foster excellence in data science and untap its enormous potential. Our new Data Science Centre will lead the way in driving the use of health data for cardiovascular research and will ensure patients are at the heart of its work.



December 2019

Kieran Sandwell completes walking challenge

BHF-supporter Kieran completed his 5,000-mile fundraising walk around the coast of Great Britain. Travelodge, a BHF corporate partner, supported Kieran by providing 140 nights in 23 different Travelodge hotels.

January 2020

Air pollution campaign

We raised awareness of the damaging impact of air pollution and called on politicians to support stricter limits on pollutants in the Environment Bill.

The Big Beat Challenge

In support of truly transformative and decade-defining research, we announced the four shortlisted international teams of researchers that will go on to compete for the £30m Big Beat Challenge – the largest single award in BHF history.

BHF and Amazon CPR partnership

We partnered with Amazon to deliver a CPR training programme. Over the next year, 20,000 delivery drivers who deliver Amazon parcels in communities across the UK will be trained in CPR.

February 2020

Heart Stars

Over two days, our partner Tesco opened their doors to our Heart Stars campaign. Thousands of Tesco colleagues and BHF volunteers collected together to raise more than £320,000, all while putting the spotlight on our life saving research.



Message from our Chairman

This has been an important year for the BHF, as we have launched our new strategy to take us to 2030. We have played a leading role in revolutionary research and medicine, and we are proud of what we have done to beat the heartbreak of heart and circulatory diseases in the UK and beyond.



But this year has also tested our resilience. The outbreak of the Covid-19 coronavirus at the start of 2020 presented unprecedented challenges. This is an ongoing crisis, and the severity of the situation has hugely impacted our ability to raise vital funds and led to many difficult organisational decisions. However, with the strength of staff, volunteers and supporters behind us, we have responded effectively and will continue to navigate our way through these uncertain times.

Now it is time for us to look forward. The number of early deaths attributed to heart and circulatory diseases in the UK is rising. And if we are going to turn that around, we are going to need to take bold steps.

One thing that has not changed is our absolute commitment to putting research at the heart of everything we do. Though delayed by the pandemic, we plan to forge ahead with the Big Beat Challenge when the time is right. Our £30m call for researchers and innovators from around the world to apply for one of the largest research grants in history aims to transform a key issue in heart and circulatory diseases. Our shortlist of the four most compelling proposals all have enormous potential, and I look forward to the next stage with great excitement.

We will continue to invest heavily in clinical research and data science, in regenerative medicine and in artificial intelligence to ensure that every cutting-edge solution that can be found, will be found.

We are also working with all 14 ambulance services across the UK to create The Circuit – a national defibrillator network that will ensure that we get life saving equipment where it needs to be, fast. We will continue to act on important issues like air pollution and the other avoidable causes of heart and circulatory diseases.

Covid-19 has hit all retailers hard, but we continue to be one of the most innovative charity retailers in the world, transforming generous gifts into real progress.

As we step forward into this next decade, I would like to thank our hardworking staff, researchers, volunteers and trustees. I would particularly like to thank Simon Gillespie, who retired as Chief Executive this year, and also Dr Robert Easton who stepped down as a trustee, and also became our inaugural Distinguished Fellow this year. Both have given years of extraordinary service to the BHF. Most important of all, I would like to thank each of our generous donors and supporters – you are the key to overcoming our present challenges, the driving force of everything we have done, and all that we will do in the future.

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

Dr Douglas Gurr,
Chairman

Message from our Chief Executive



It is a privilege and an honour to have returned to the British Heart Foundation as Chief Executive.

Having trained as a scientist and worked with leading international health organisations, it is a pleasure to be part of an organisation that has been at the forefront of research to tackle heart and circulatory disease for nearly 60 years. And having lost loved ones to heart disease, our mission and our work to end heartbreak forever matters deeply to me personally.

I am excited by the ambition of the BHF's recently published Strategy to 2030, created by the inspirational BHF team of colleagues, volunteers, researchers and patients under the leadership of my predecessor, Simon Gillespie. Having worked with Simon for several years, I thank him for his generous support and warm welcome back to the organisation.

This review of the past 12 months highlights how the incredible efforts of our supporters across the four nations and beyond have powered vital BHF research by the world's top scientists, helping us to push new frontiers and develop life-changing cures and treatments. From our work on artificial intelligence and genetics to new and innovative ways to support patients with digital technology, our experts are shaping the future of how we prevent, diagnose and treat heart and circulatory disease.

And now, at the time of writing, our BHF experts are helping to tackle the unprecedented challenge of a global coronavirus pandemic that poses a particular threat to those with heart and circulatory conditions. And at this extraordinary time it is clear just how extraordinary our BHF team is.

Our expert cardiovascular nurses are offering vital information and support to the people who need it most. Our staff are returning to the NHS front line to lend their skills to the crisis. Our amazing BHF researchers are investigating the impact of Covid-19 infection on cardiovascular health. Our supporters are fundraising in inspirational ways from living rooms, and my amazing BHF colleagues are working from kitchen tables to ensure we protect the BHF's life saving work for the future.

Like every organisation today, we face challenges and uncertainty in the face of this current pandemic. I know that the BHF has the strength and resilience to endure this, and that we have the clear strategy needed to realise our vision of a world free from the fear of heart and circulatory diseases.

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

Dr Charmaine Griffiths,
Chief Executive

Our response to Covid-19

The beginning of 2020 signalled the start of an exciting new decade for the BHF. Our 750 shops were open, hundreds of events were in the calendar, and our world-class scientists were continuing vital research. Over the coming months, so much changed. The Covid-19 coronavirus outbreak meant we had to quickly re-align our priorities. As an organisation, we decided to focus on four key areas; patients, research community confidence, protecting our income, and protecting our people.

Patients

It was identified early in the Covid-19 outbreak that people with heart and circulatory conditions were at higher risk of complications from the virus. As such, we made it our immediate priority to offer information and guidance our supporters could trust. We developed the BHF Patient First programme using insight gathered from patients and healthcare professionals. This new support service comprises of an enhanced Heart Helpline, new digital resources, and a Cardiac Rehab at Home product – offering exercise videos and guidance for people unable to access cardiac rehab during the pandemic. Calls to the helpline more than doubled in March and our new coronavirus support pages were the most viewed on our website. We were pleased to hear from callers who told us how much they appreciated having someone listen to their concerns and answer their questions during such an unsettling time.

Supporting Covid-19 research

Research is at the heart of what we do, and during these extraordinary times we offered our immediate support to our research community. We promptly communicated that our researchers are free to join the NHS frontline or devote their time to Covid-19 projects until they are able to return to their normal activity. And to support scientists we fund, we continued to fund their salaries, even if their research was paused for a period of time.

With our research, we aim to understand the cardiovascular complications that arise with

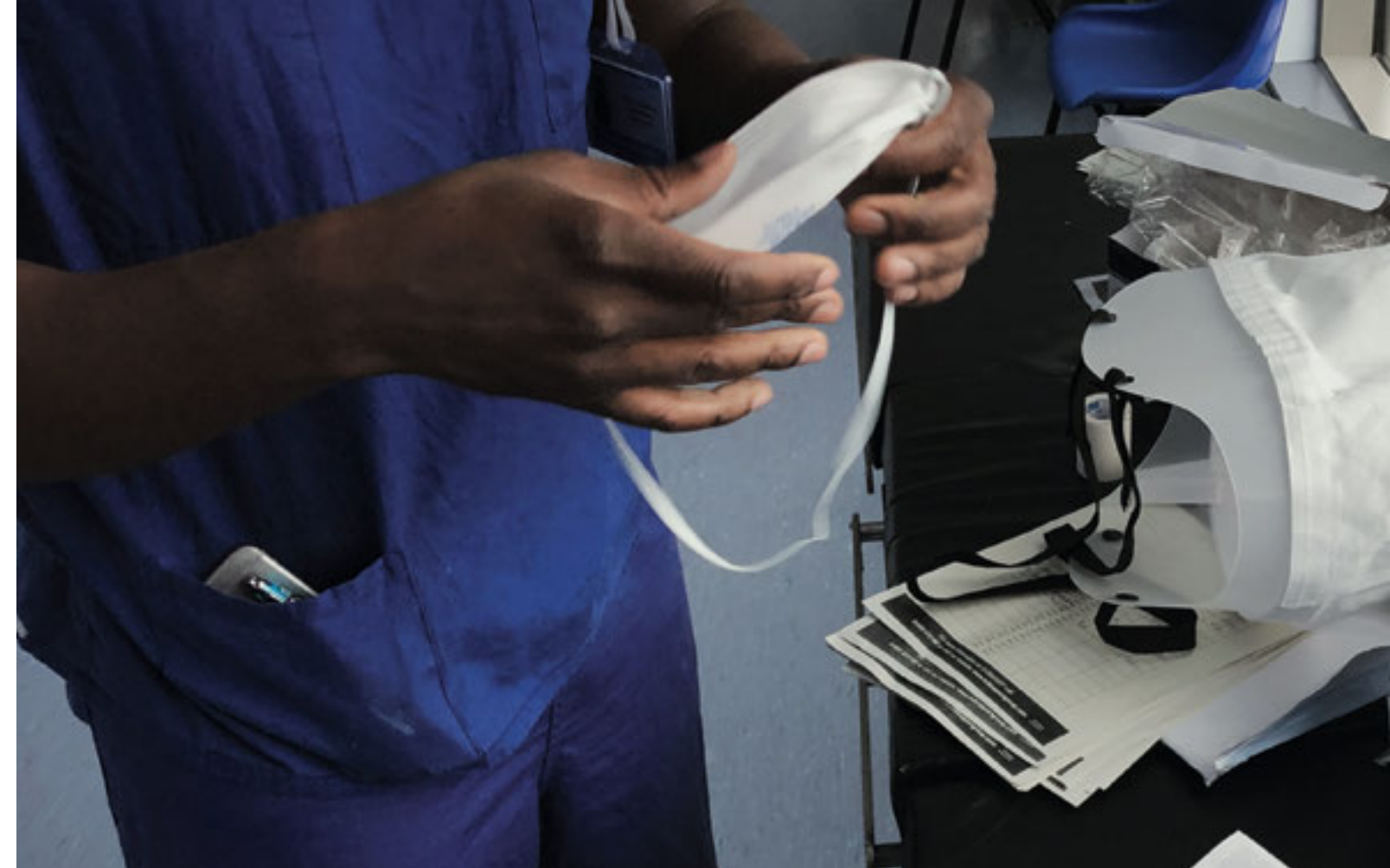
Covid-19, and why people with heart and circulatory disease are at greater risk of severe illness, as well as the short- and long-term impacts of Covid-19 on the cardiovascular system and how to mitigate them. We also want to understand the pandemic's impact on the standard care of people with heart and circulatory disease.

To answer these questions, we rapidly launched a new framework under the National Institute for Health Research (NIHR)-BHF Cardiovascular Partnership to support UK flagship Covid-19 projects. One of the first, led by Professor Cathie Sudlow, Director of the BHF Data Science Centre, involved linking large UK datasets together to measure how cardiovascular diseases, their risk factors and medications affect susceptibility to and outcomes of the virus.

While this work is vital, the global burden of heart and circulatory disease continues. We anticipate Covid-19 will adversely impact both our and others research investment capacity, such that we must work even harder in our mission to beat heartbreak forever.

Protecting our income

Along with many other charities, the outbreak of Covid-19 had a huge impact on our ability to raise funds. Following government guidance, we immediately closed all our shops and stores and cancelled all public fundraising events – including our flagship London to Brighton Bike Ride. Our supporters also postponed many community events, including bake sales, coffee mornings and raffles. But despite the magnitude of the challenges faced, our staff and volunteers



showed patience and tenacity. Their quick responses led to the development of a range of virtual fundraising products that would help us to generate income. These swift actions, coupled with the generosity of our supporters and the capacity of our reserves, put us in a strong position to come through the crisis.

Our people

When our offices and stores closed to prevent the spread of Covid-19, the lives of our staff and volunteers changed overnight. Desks became kitchen tables, many colleagues navigated work with homeschooling, and everyone struggled to adjust to a new normal.

To ensure the safety and wellbeing of our staff and volunteers, we sent daily updates on Covid-19, along with advice for home working. Our leadership team addressed key questions in weekly videos and Big Question live events, and colleagues were able to feedback their experiences in surveys that helped shape our response to the crisis.

With 80% of our workforce on furlough leave, finding ways to maintain communication was crucial. Our Wellbeing leads were on hand to provide holistic support where needed, and we set up sessions with psychologists for colleagues addressing the impact of Covid-19 in their roles.

Looking to the future

We have a clear strategy to realise our vision of a world free from the fear of heart and circulatory diseases, and we will continue to focus on what's important to us: funding life saving research and providing support and information to those affected by heart and circulatory diseases.

Our retail and fundraising activities will continually evolve to reflect "the new normal", and we will support our staff and volunteers to adapt to new ways of working.

During this time of inevitable change, we will draw upon our values to guide us. Taking decisions in the face of uncertainty will require bravery. Making the best possible decisions will rely on being informed and working with our partners. And our compassion for people affected by heart and circulatory conditions, alongside our supporters, volunteers and colleagues will be key. Above all, we will be driven to bring about positive change for our beneficiaries.

We fund research to save
and improve lives

Time to pay attention

“

Many of the risk factors for stroke and heart disease are the same. For a long time, people thought all strokes were due to blood clots or blood vessels bursting. Only recently have we realised there is a set of strokes caused by problems with small blood vessels. We have to improve our understanding of them. It could lead to new ways to treat these strokes and prevent some cases of vascular dementia.

Professor Joanna Wardlaw
BHF-funded researcher

In the UK, a stroke happens at least every five minutes.

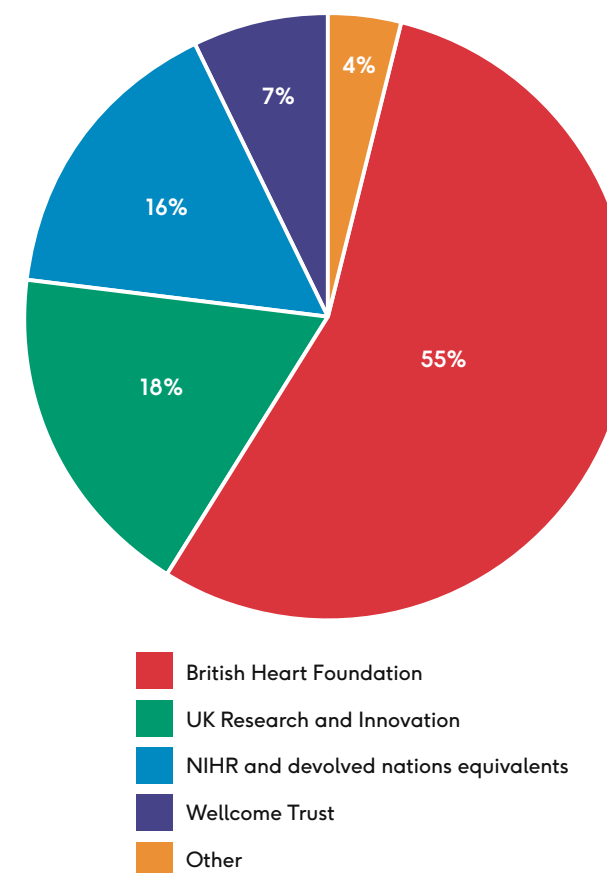
Every 5 minutes



The BHF is the UK's single biggest funder of research into heart and circulatory diseases

The BHF is proud to fund more than half of all independent research into heart and circulatory diseases in the UK. The 2018 UK Health Research Analysis report analyses the national landscape of health research, totalling almost £4bn. Almost 66% of all research funding into heart and circulatory diseases comes from charities, with around 55% coming from the BHF. Despite the growing burden of heart and circulatory diseases on families and the NHS, the proportion of total funding directed towards research into heart and circulatory diseases has remained alarmingly static. We are urgently working to change this and will continue to raise funds for life saving research.

In 2018 we funded more than half of independent cardiovascular research into heart and circulatory diseases



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For almost 60 years, the BHF has been the nation's heart charity – always striving in our mission to beat heartbreak forever. We have been funding around £100m of new research each year, all of which has only been possible through the incredible generosity of our supporters. Our research has made a major contribution to saving and improving countless lives.

Despite this progress, there remains a serious mismatch between funding for heart and circulatory disease research and the number of lives and families these conditions still devastate. We urgently need to close this gap, and the BHF will continue to do our utmost to raise more funds. However, we also need a much bigger commitment from other funders to tackle the world's biggest killers.

Professor Sir Nilesh Samani
Medical Director at the BHF

Time for the next big idea

We never stop working towards a world free from the heartbreak caused by heart and circulatory diseases. To beat heartbreak forever, funding research into better prevention, diagnosis and treatments for patients remains paramount. This year, we awarded a total of £99.7m to outstanding scientists who are making extraordinary breakthroughs. The Covid-19 pandemic will have an impact on our research community, but we are steadfast in our commitment to all of our current research projects.



New scan to protect people from sudden cardiac death

Thanks to funding from the BHF, researchers at Imperial College London are developing a new MRI technique to visualise structures in the heart. Colleagues in Oxford have used this technique in people with hypertrophic cardiomyopathy (HCM) and detected heart muscle fibres in disarray, indicating an increased risk of cardiac arrest. These scans could help doctors find people that are at risk of cardiac arrest and may benefit from having a defibrillator fitted. HCM is a leading cause of sudden cardiac death in young people, so this breakthrough could help doctors protect families from devastation in the future.

New molecules linked to blood vessel growth

Heart failure can be a distressing condition for patients and their families, and its burden may continue to grow with an ageing population and more people surviving heart attacks. A BHF-funded team at the University of Edinburgh has identified novel molecules that play a role in blood vessel regeneration – which is important for restoring the heart's function following a heart attack. This detailed analysis has unveiled potential novel targets for blood vessel regeneration. Further research could lead to new treatments that protect heart attack patients from heart failure.

Every six hours at least one BHF-funded research paper is published

Our strategy in action 2020

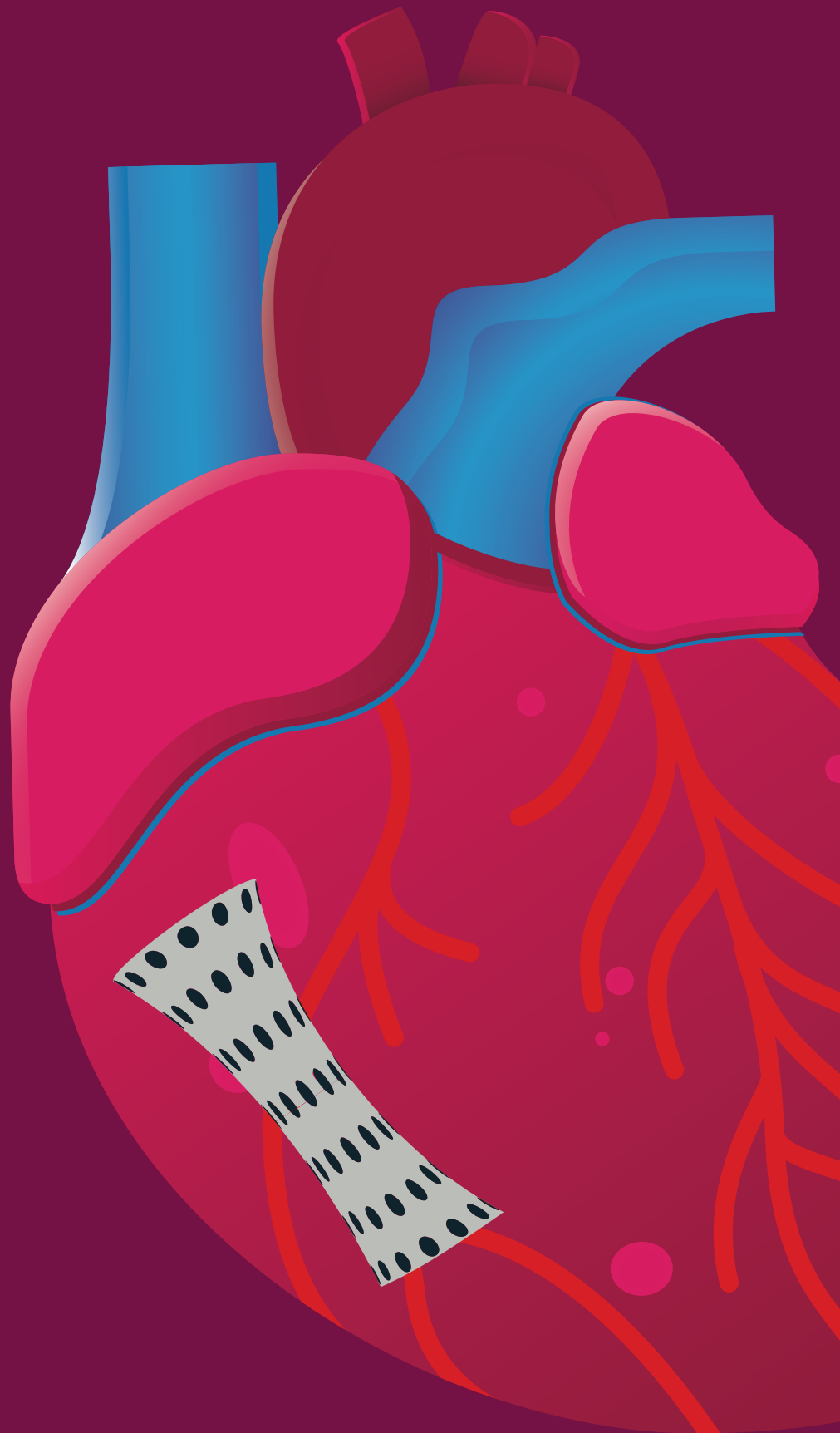
- As the largest independent funder of heart and circulatory disease research in the UK, the BHF continues its role as a world-renowned leader fostering international collaborations across borders.
- BHF-funded researchers are leading the way in their fields, from developing stem cell 'heart plasters', to assessing the safety of anti-clotting drugs.
- We have launched the BHF Data Science Centre in partnership with Health Data Research UK (HDR UK) to grasp the life saving opportunities provided by routinely collected healthcare data, new digital technologies and advanced analytics.
- In support of decade-defining research, four shortlisted international teams are competing for the £30m Big Beat Challenge.
- To diversify our talent pool and foster innovation, we established a new Fellowship Scheme for nurses and other healthcare professionals.

Future focus

- We remain committed to funding the brightest basic and clinical scientists in the UK to drive our world-leading research efforts.
- We will continue to develop national and international funding partnerships to ensure the money we raise goes even further towards world-leading research with wide impact.
- The BHF Clinical Research Collaborative and BHF Data Science Centre will bring together cardiovascular professionals and research groups to better coordinate and prioritise clinical research and data science efforts.
- We will increase efforts to analyse the outcomes and benefits of the research we fund, making sure we can demonstrate its value and impact to a wide audience.
- We will continue to foster a constructive and positive research culture and environment in the research institutions we fund.
- We will continue to work to protect our research mission at this unprecedented time.

Heart plaster holds promise

BHF-funded researchers at Queen Mary University of London have developed a way of using stem cells to improve recovery after heart surgery. In an experimental study, the team have created a biodegradable medical plaster, or a 'heart plaster', which is coated with stem cells, hormones and growth factors to stimulate the growth of new blood vessels and muscle cells. The plaster acts like a delivery system for the stem cells, which the researchers hope would be used at the same time as bypass surgery after a heart attack to boost repair of heart muscle. Although more research is needed, this could one day protect people from developing heart failure.



Leading experts come together to tackle organ rejection

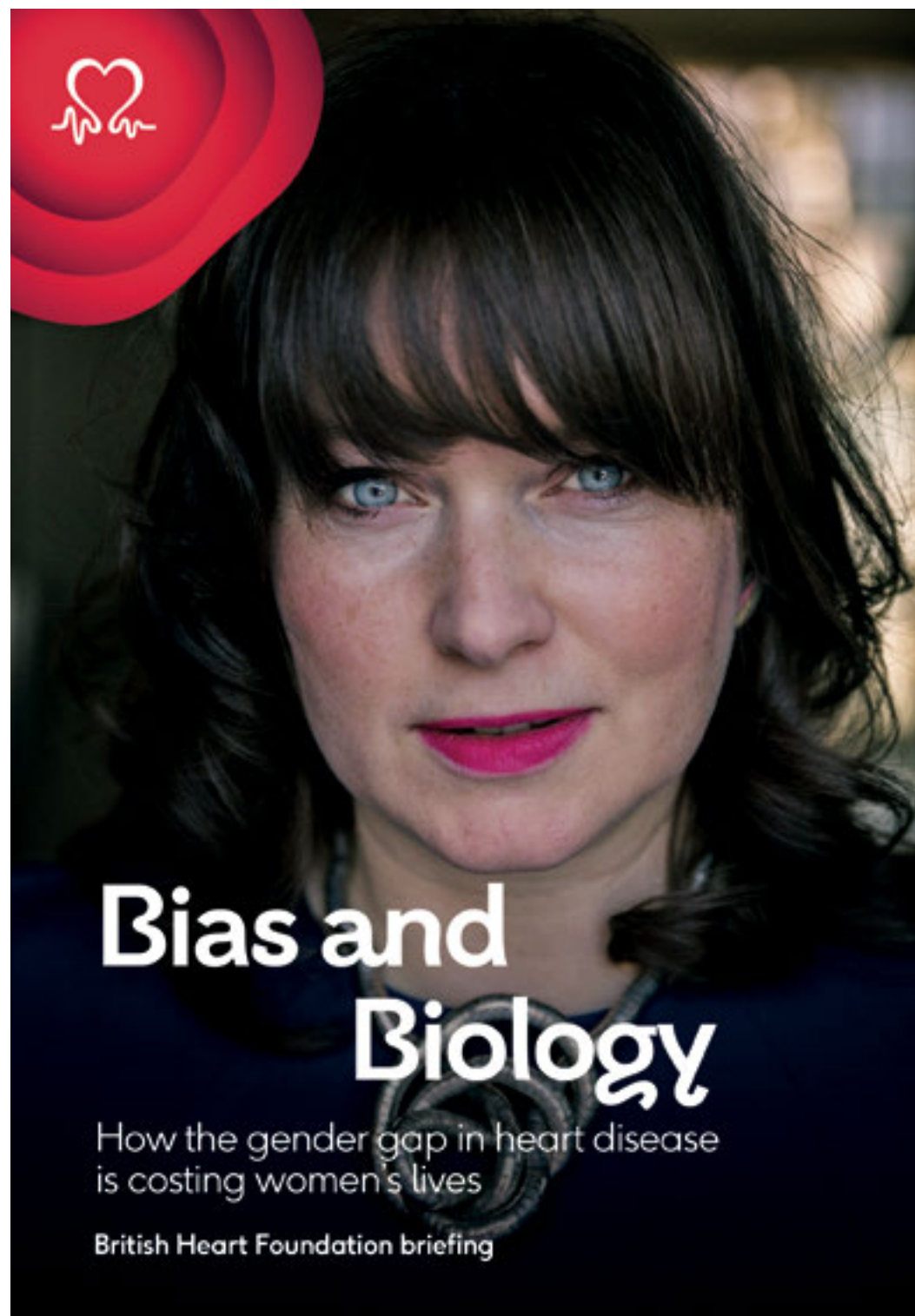
BHF-funded researchers have founded a company that has 'spun out' from academia, with the goal of creating the next generation of T regulatory cell (T cell) therapies. Quell was founded in partnership with six leading experts from King's College London, University College London and Hannover Medical School, including Professor Giovanna Lombardi, whose research was part-funded by the BHF. Quell is working to develop T cell therapies to advance treatments for a range of conditions such as organ rejection, and autoimmune and inflammatory diseases.

Testing the safety of drugs after a brain bleed

A team at the University of Edinburgh led the RESTART trial to explore a controversial issue: comparing the effects of avoiding or restarting anti-clotting drugs after suffering a brain bleed. The results suggested it may be safe for people who have had a stroke caused by bleeding in the brain to restart these drugs, without raising their risk of another brain bleed. In fact, the results indicated that taking these drugs might even reduce their risk. Further research will reveal whether that is the case.



Professor Rustam Al-Shahi Salman, University of Edinburgh, holding miniature models of the human brain.



Women dying needlessly from heart attacks in the UK

Research funded by the BHF with others has shown that women who have heart attacks often receive poorer care than men at diagnosis, and during treatment and aftercare. BHF-funded research suggests that between 2002 and 2013, over 8,000 women's lives were needlessly lost in England and Wales because they didn't receive the same standard of care as men. In addition, earlier findings suggest that women are 50% more likely to receive the wrong initial diagnosis for a heart attack. In September 2019, we launched a national campaign to bring much-needed attention to these stark disparities in care.

What we want...

Better ways to identify people at risk and help them avoid disease

The lifelong impact of low cholesterol and avoiding high blood pressure

A team part-funded by the BHF has shown that a life of low cholesterol and avoiding high blood pressure cuts the risk of heart and circulatory diseases by around 80%. UK Biobank data were used to compare the numbers of heart attacks and strokes in people with and without a genetic predisposition to lower cholesterol and blood pressure.

This research showed that lifelong healthy blood pressure and low LDL cholesterol – sometimes nicknamed 'bad' cholesterol – dramatically cuts the risk of heart and circulatory diseases. This discovery reinforces the powerful, preventive impact of keeping cholesterol and blood pressure low.

British Heart Foundation Clinical Research Collaborative

The BHF has made an award of over £870,000 over three years to set up the British Heart Foundation Clinical Research Collaborative (BHF CRC).

Hosted by the British Cardiovascular Society, the BHF CRC will provide the infrastructure to support the planning and coordination of high-quality clinical research. Its aim is to help clinical researchers prioritise the most important research questions, work with patients to develop robust clinical trials and promote collaboration between experts across the whole of the UK.

This initiative aims to accelerate clinical breakthroughs that will directly benefit people living with heart and circulatory diseases.

Joining forces with international funders

We are delighted to work with other funders around the world. A joint funding scheme between the BHF, the German Centre for Cardiovascular Research and most recently the Dutch Heart Foundation, is an example of our drive to strengthen collaboration across borders and disciplines.

With over £3m awarded across four projects to date, this scheme supports innovative and multidisciplinary research to improve clinical diagnosis, prevention and treatment of heart and circulatory diseases.



BHF Professor Rory Collins at the University of Oxford has received data science funding

Data science solutions to big cardiovascular problems

In 2017, the BHF and the Alan Turing Institute announced a new joint funding scheme to support collaborative research between cardiovascular investigators and data scientists, with the aim of finding data science solutions to big cardiovascular problems. Twelve exciting awards were made over two rounds of applications.

Work starts on Institute of Developmental and Regenerative Medicine

Construction work has started on the new Institute of Developmental and Regenerative Medicine at the University of Oxford thanks to the BHF raising over £12m to support the initiative. The £35m institute will bring together 200 world-leading scientists to develop new regenerative medicine treatments for multiple conditions – from the tiniest baby born with a heart defect to the hundreds of thousands in the UK struggling with heart failure. The Institute will be co-led by BHF Professor Paul Riley who has already made groundbreaking discoveries that have shown the potential for the heart to repair itself after damage.

BHF Researchers

40 years of lifesaving transplants

In August, we celebrated 40 years of successful heart transplants in the UK. The world's first heart transplant took place in South Africa in 1967, but the patient only survived for 18 days after the operation. Most of the early recipients tended to fare badly, and the UK introduced a ban on the procedure. It wasn't until Sir Terence English defied the moratorium in 1979 – giving his patient, Keith Castle, a donated heart that gifted him another six years of life – that medical opinion started to shift.

His experimental research was funded by the BHF, and his discoveries helped establish standard practice for heart transplant procedures.

Today, around 200 heart transplant operations are performed each year in the UK, but there is still a desperate shortage of available donors. That is why we tirelessly campaigned for the opt-out organ donation system, which was passed by Government in 2019. The new system was introduced in England earlier this year.

Nurses and Healthcare Professional Awards

In 2019, we introduced two new schemes to encourage the academic development and leadership of nurses and healthcare professionals. Research Training Fellowships have been awarded to nurse Hannah Waterhouse at the University of Leicester, to improve the uptake of cardiac rehab by patients with chronic heart failure. Helen Eftekhari at the University of Warwick has also received an award to carry out a project on postural orthostatic tachycardia syndrome (POTS) – where sitting up or standing causes the heart rate to increase significantly.

Career Development Research Fellowships have been awarded to Dr Richard Issitt, a perfusionist at Great Ormond Street Hospital, who aims to reduce transplant rejection in children, and Dr Barbara Farquharson at the University of Stirling, who is working to understand why some people don't perform life saving CPR.



Case report for immigration and research

International mobility of researchers is key to a thriving research ecosystem. Our Policy and Public Affairs team developed a case report to underscore how critical a flexible immigration system is to science. BHF Professor John Danesh's Cardiovascular Epidemiology Unit (CEU) was the focus of the case study. The CEU was a perfect candidate as half of its staff come from outside the UK.

This case study has been and will continue to be used in behind-the-scenes influencing, helping the team make its case to Government on the importance of a flexible immigration system in supporting world-class research.

This was positively received across the sector, with the Home Office specifically highlighting that case studies such as ours are impactful in guiding its thinking.

The extraordinary research we fund into the prevention, diagnosis and treatment of circulatory diseases relies on our driven community of students. We are proud to fund the best researchers, who work tirelessly to find answers for those most in need.



BHF Professor Rhian Touyz

Recognition for BHF-funded researchers

BHF-funded researchers continue to be recognised for their contribution to cardiovascular research. From Nobel Prizes to Young Investigator Awards, here are a few examples:

Professor Sir Peter Ratcliffe, Director for the Target Discovery Institute within the Nuffield Department of Medicine at the University of Oxford, received the Nobel Prize in Physiology or Medicine alongside William Kaelin Jr. of Harvard University and Gregg Semenza of Johns Hopkins University. Together they discovered the key mechanisms that our cells use to detect and respond to low oxygen levels. The BHF is proud to have funded part of Sir Peter's work in this field, helping him on his route to greatness. BHF funding helped Sir Peter and his colleagues better understand how the heart responds to low oxygen levels during a process called myocardial ischaemia.

BHF Professor Rhian Touyz, based at the University of Glasgow, received the 2019 Award of Research Excellence by the American Heart Association Council on Hypertension. This honour is a prestigious award, recognising research excellence and outstanding contributions in the field of high blood pressure.

Dr Richard Tyser, BHF Immediate Postdoctoral Fellow at the University of Oxford, has been selected by the British Science Association (BSA) for the prestigious Charles Darwin Award Lecture, which will be presented at this year's BSA festival.

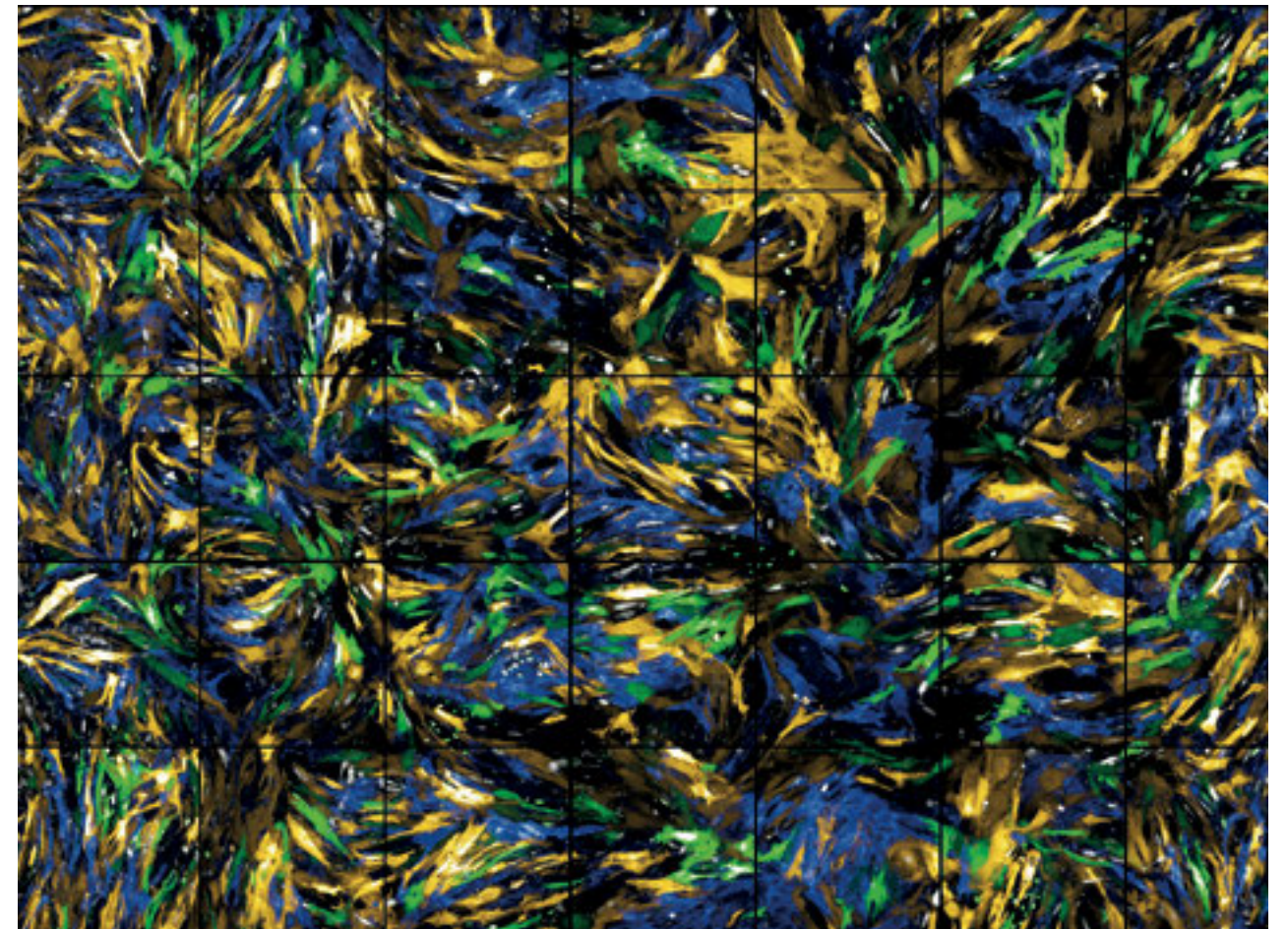
Dr Donna Page, a BHF-funded researcher at Manchester Metropolitan University, won a British Cardiovascular Society Investigator Award in 2019.

Evangelos Oikonomou and Parag Ravindra Gajendragadkar at the University of Oxford were presented with European Society of Cardiology Young Investigator Awards.

Congratulations also to Dr Sarah Ghoniem at Imperial College London and the Royal Brompton and Harefield NHS Foundation Trust for her Society of Cardiovascular Magnetic Resonance Award, and Gaurav Gulsin at the University of Leicester for receiving the American Heart Association Council on Lifestyle and Cardiometabolic Health Early Career Investigator Award in 2019.

BHF Associate Medical Director receives MBE

Our Associate Medical Director, Professor Jeremy Pearson, received an MBE in the New Year Honours for his contribution to medical research. Professor Pearson has specialised as an endothelial cell biologist, and much of his research has been supported by the BHF. He worked first at the Babraham Institute and then the MRC Clinical Research Centre, before moving to King's College London, where he became the UK's first Professor of Vascular Biology, where he still holds an Emeritus chair. He joined the BHF as Associate Medical Director in 2002 and has led the development of the BHF's research strategy. He is part of the senior research team, overseeing an active research portfolio of over £450m.



Reflections of Research

Our 2019 'Reflections of Research' image competition was won by Iona Cuthbertson, a BHF-funded PhD student at the University of Cambridge. Every year we are amazed by the captivating images submitted, showcasing different elements of cutting-edge research into heart and circulatory diseases across the UK.

This year's winning image, 'A Sea of Cells', could be mistaken for the thick brushstrokes of a Vincent van Gogh painting, but is in fact a close-up of smooth muscle cells that surround the blood vessels in mice. Iona's research explores the ways in which rare types of smooth muscle cells in the walls of arteries rapidly grow after injury, and how this might affect coronary heart disease.

We
fund **more**
than half of
all independent
research into heart
and circulatory
diseases in
the UK

The BHF Data Science Centre

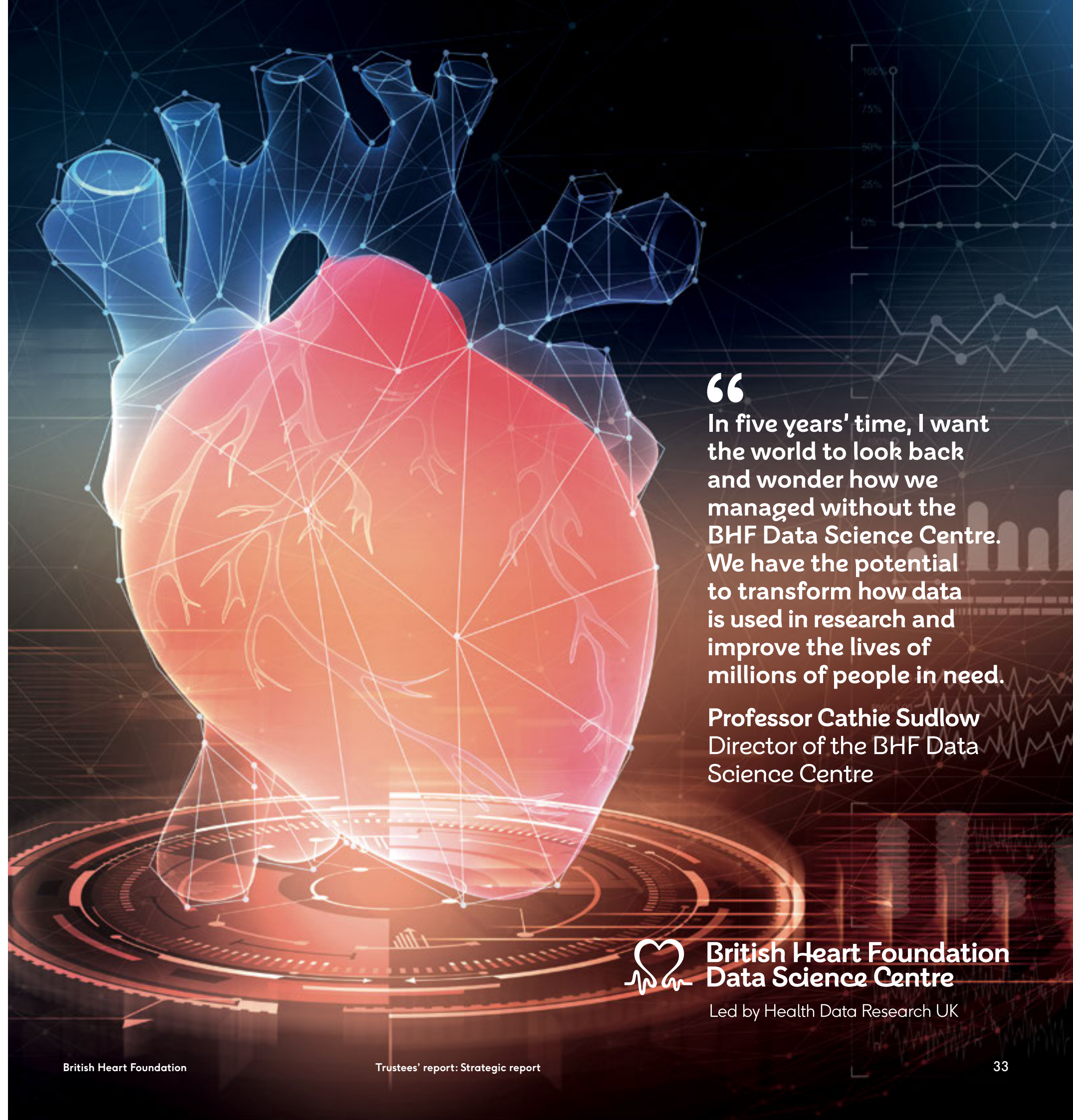
The BHF is funding data science to transform the lives of people living with heart and circulatory diseases. As we enter the era of digital medicine, there's a growing need to foster excellence in data science and untap its enormous potential. Our new Data Science Centre will lead the way in driving the use of health data for cardiovascular research and will ensure patients are at the heart of its work.

Harnessing the power of data

We are delighted to have launched the BHF Data Science Centre, in partnership with Health Data Research UK (HDR UK). We have committed up to £10m over five years to establish a world-class Centre that will deliver the data and data science needed to address some of the most pressing challenges in heart and circulatory disease research. Cathie Sudlow, Professor of Clinical Neurology in Edinburgh and former Chief Scientist of UK Biobank, has been appointed as the Centre's first Director.

Under Professor Sudlow, this virtual centre will work in close partnership with patients, the public, the NHS, researchers and clinicians to promote the ethical use of data-driven research. It will also provide the UK with an unprecedented opportunity to drive data science forward and revolutionise the diagnosis, treatment and care of people living with heart and circulatory diseases.

The Centre will be underpinned by HDR UK's secure health data infrastructure, which upholds the highest levels of information governance, protecting the privacy and security of patients' data. It will also benefit from alignment with HDR UK's existing network of experts, its recently announced Health Data Research Hubs, and the wider cardiovascular research community.



“
In five years' time, I want the world to look back and wonder how we managed without the BHF Data Science Centre. We have the potential to transform how data is used in research and improve the lives of millions of people in need.

Professor Cathie Sudlow
Director of the BHF Data Science Centre



British Heart Foundation
Data Science Centre

Led by Health Data Research UK

Without boundaries or borders

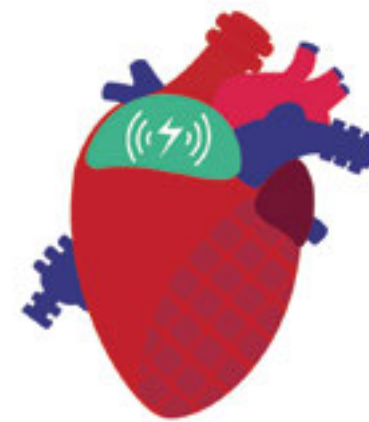
The Big Beat Challenge is a global competition without boundaries or borders. It is designed to push the international research community to identify an opportunity for game-changing innovation in heart and circulatory science or medicine. Researchers around the globe came together to form multinational teams of world leaders.

In January 2020, we revealed our shortlisted teams, who are now competing for the opportunity to transform an area of heart and circulatory disease research. The four international teams have been invited to submit full applications with the hopes of winning an award of up to £30m. Though delayed by the pandemic, we plan to forge ahead with the Big Beat Challenge when the time is right.

“To tackle big problems, we need the best minds to disrupt, challenge and drive progress. It's time to push the boundaries in science.

Sir Patrick Vallance

**Chief Scientific Adviser to UK Government
and International Advisory Panel Chair**



Soft robotic heart

Researchers led by Professor Jolanda Kluin at the University of Amsterdam, Netherlands, hope to create a cure for heart failure by developing a hybrid heart. They will design, build and test a hybrid heart that consists of a soft robotic shell, artificial muscles and sensors to enable natural motion, and a tissue-engineered lining to make sure all the surfaces in contact with blood are safe. The vision is that this could replace the need for human heart transplantation and give hope to those around the world who are desperately waiting for a donated organ.

Mapping atherosclerosis

An international team led by Professor Ziad Mallat at the University of Cambridge will use cutting-edge technologies and human data to build a detailed map and understanding of plaques – the fatty deposits that develop in blood vessels. This mapping work aims to reveal new targets for immunotherapy treatments to combat the deadly fatty plaques that build up in atherosclerosis and may lead to a new wave of medicines that can prevent heart attacks and strokes.



Cardiovascular wearable tech

Professor Frank Rademakers at the University of Leuven, Belgium, is leading an international team to develop wearable technology that can be used in daily life to capture more data than ever before. From symptoms and physical activity to heart function and air quality, this information could be used alongside genetic and healthcare data to help doctors better diagnose, monitor and treat heart and circulatory diseases.

A cure for inherited, killer heart muscle diseases

A team led by Professor Hugh Watkins at the University of Oxford plans to develop a treatment that targets and silences the faulty genes responsible for cardiomyopathies – diseases of the heart muscle. By combining a deep understanding of underlying genetic mechanisms with new technologies, they will aim to stop the progression of the damage caused by genetic heart muscle diseases, or even reverse the damage.



These pioneering projects could not have been selected without the scientific expertise of our esteemed Special and International Advisory Panels, and the insight of our Patient and Public Panel. Our dedicated panellists came from all corners of the world to be part of the Big Beat Challenge.

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

Time to get checked

“

I admit now that knowing that high blood pressure runs through my family should have made me think more about my own health. But checking my blood pressure was never something I thought about. I was too late getting mine checked out, and I went on to have a stroke because of it. I'm now really passionate about raising awareness of how important it is to know your blood pressure.

Adam Toms

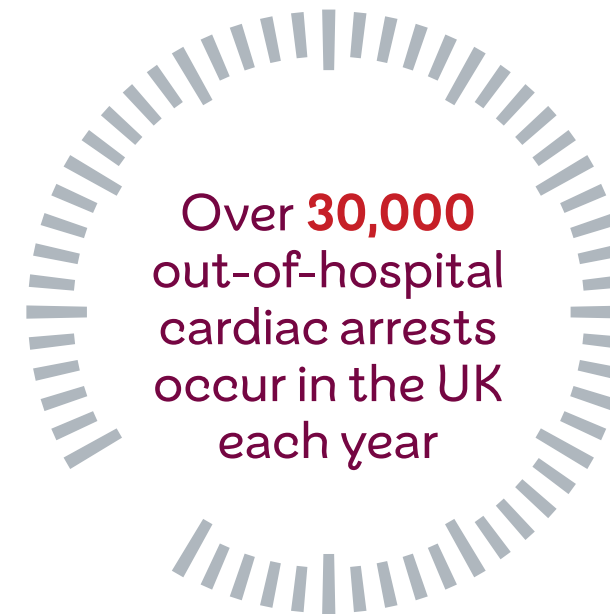
Stroke survivor and electrician

45,990 hours since surviving a stroke.

45,990 hours

Time to work together

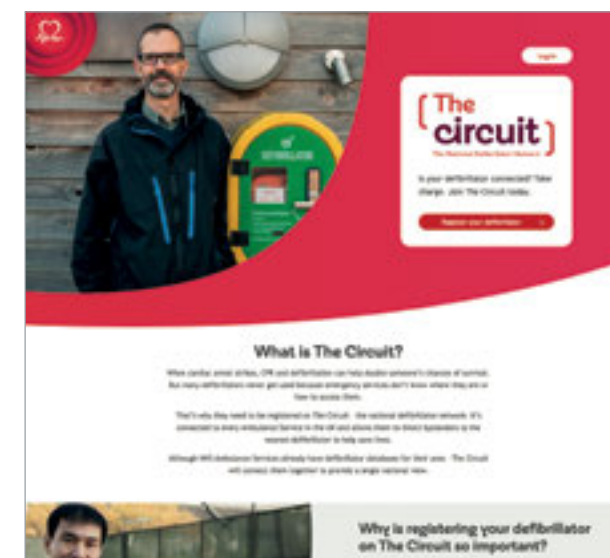
Change takes all of us working together, over many moments, days, years, even decades. Our Healthcare Innovation team are dedicated to working with people around the country in order to save more lives. We build partnerships across healthcare, government, business and the community to beat heartbreak forever. And as the Covid-19 pandemic continues, we'll be drawing on all of our skills and years of experience to serve people affected by heart and circulatory diseases as best we can.



The Circuit: The National Defibrillator Network

The new national defibrillator network, called The Circuit, is now live with five ambulance services as of March 2020. The Circuit will link defibrillators across the UK to every ambulance service in the country in a bid to help save more lives from out-of-hospital cardiac arrests. Early CPR and defibrillation can double the chances of survival in some cases, but the locations of the majority of defibrillators for public use are often not known to ambulance services. This is set to change, thanks to a groundbreaking partnership between the NHS, the ambulance services, the BHF, the Resuscitation Council UK and others.

Regional and national campaigns are being planned for 2020 to find and increase the number of registered defibrillators on The Circuit.



Our strategy in action 2020

- Our work on the Circuit (the National Defibrillator Network) and Nation of Lifesavers will ensure that people who suffer an out-of-hospital cardiac arrest have a better chance of survival, as we aim to increase public knowledge of CPR skills and faster access to life saving equipment.
- Our influencing work on artificial intelligence, air pollution, and the Government's research investment is shaping the policies and practices that support the needs of people at risk of or living with heart and circulatory diseases.
- As the UK leaves the EU and new immigration systems are introduced, we want to do our part to protect the global, collaborative networks that the UK relies on to attract the best scientists from around the world. We used our voice on immigration and research to ensure that the UK remains a global leader in cardiovascular research.
- Our work in supporting patients to access the best possible care has seen positive outcomes, with thousands being diagnosed and then given appropriate treatments for heart and circulatory diseases.
- Our work on cardiac rehabilitation is based on what patients have told us that they are concerned about – creating new and more personal ways of supporting people's recovery.

Future focus

- As part of our ambition to ensure that people have access to the best possible care, we will continue the rollout of the Circuit to ambulance services to improve access to life saving defibrillators in the quickest possible time across the UK.
- We will support new products and services, translating research into groundbreaking innovations to better support people at risk of, or living with, heart and circulatory diseases.
- We will develop a more influential voice, with senior decision-makers in the Government so that we can deliver our mission and help the collective voices of researchers, clinicians, patients and the public go further.
- We will gear our work towards providing more support than ever for people affected by heart and circulatory diseases throughout the Covid-19 crisis.

What we want...

Everyone's treatment to be personalised to them

Creating a Nation of Lifesavers

Survival rates from out-of-hospital cardiac arrests remain low, with only around 1 in 10 people surviving in the UK. But we're working hard to help change this. We have introduced CPR training to thousands of people through their workplaces, offering training solutions to best fit the needs of businesses like Amazon and Wincanton, who are providing life saving skills to thousands of their delivery drivers across the UK. Our campaign to see CPR taught in all schools saw further progress, with every council in Scotland promising to deliver training.

We're also proud to be working in partnership with Taylor Wimpey Construction to install defibrillators in all 400 of their building sites, with the intention of gifting the life saving equipment to local communities once building work is completed. Since the launch of the Nation of Lifesavers programme, 6.8 million people have been trained in life saving CPR through the BHF, and that number continues to grow. 2019 also saw another successful Restart a Heart Day, with over 290,000 people trained in life saving skills. The BHF is proud to be a partner of this initiative, along with Resuscitation Council (UK), St John Ambulance, British Red Cross, and the UK's ambulance services.

Someone
in the UK is trained
in CPR through the
BHF every 20
seconds

Hope for Hearts Fund

The BHF is proud to have worked in partnership with the British Society of Heart Failure to set up the Hope for Hearts Fund. Nearly £1m was available in total, including a £0.4m voluntary donation in 2019-20, from pharmaceutical firm Novartis, supplemented by the BHF's charitable funds. £0.7m from the fund has been awarded this year. Innovators from all sectors were encouraged to partner with colleagues in the NHS or academic institutions to test and evaluate innovative approaches to deliver better heart failure care and services. An independent committee was set up to assess the applications, chaired by Dr Nicholas Boon, former president of the British Cardiovascular Society. These applications have been assessed and a funding announcement will be made in Summer 2020.



Health Secretary Matt Hancock and the BHF policy team

Inquiry on a patient-centred approach to artificial intelligence in health and care

The Policy and Public Affairs team supported the All-Party Parliamentary Group on Heart and Circulatory Diseases to produce the 'Putting patients at the heart of artificial intelligence' report after running an inquiry on the challenges and opportunities provided by artificial intelligence (AI) technologies in patients with heart and circulatory diseases. The inquiry consisted of a series of roundtable discussions with patients, policymakers, cardiologists, researchers and industry representatives and a patient survey to better understand patient perspectives on the use AI in healthcare.

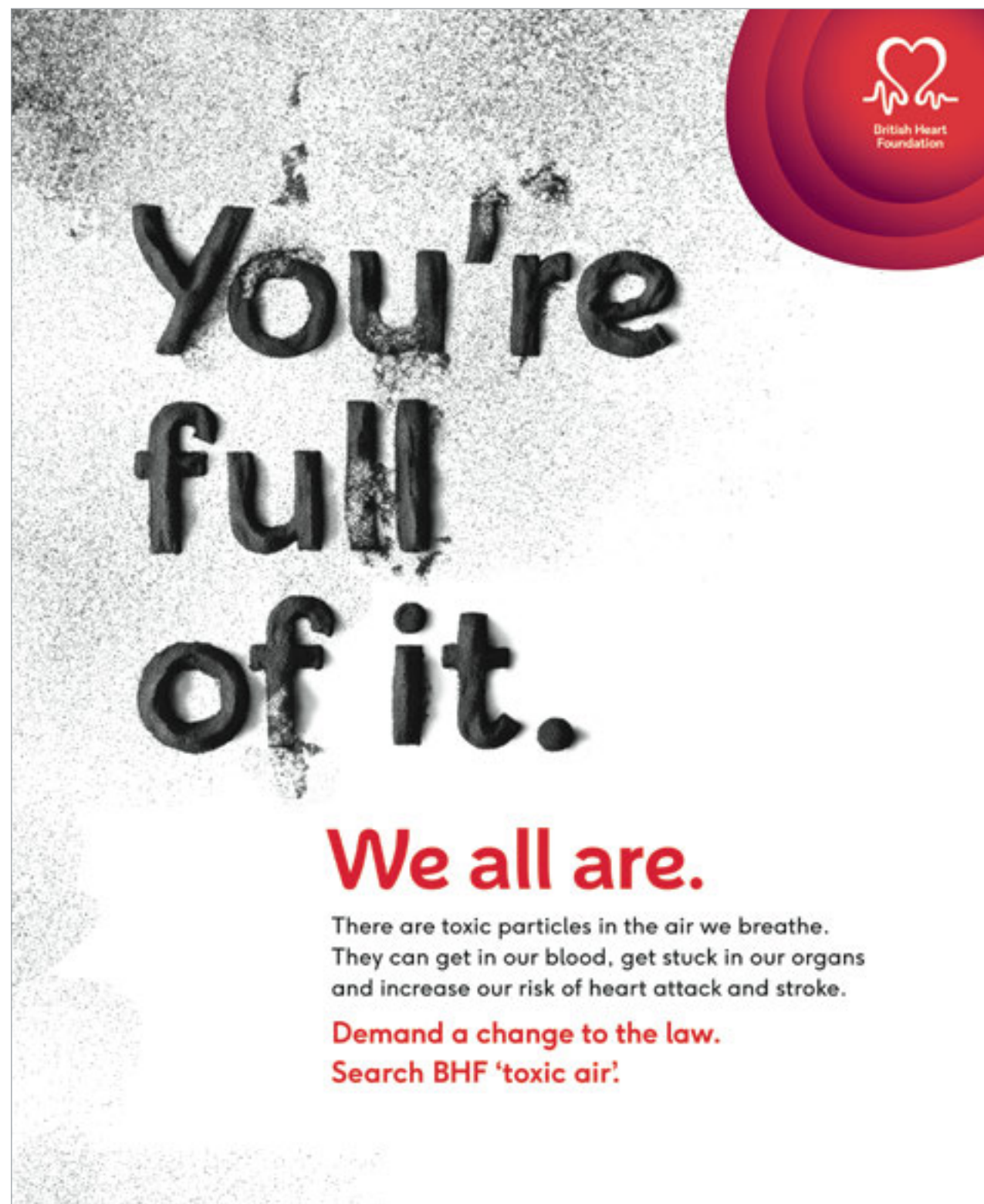
The report was launched at a Parliamentary event in May, where representatives from NHS England, Microsoft, National Voices, and Health Secretary Matt Hancock and Simon Gillespie all discussed the recommendations from the report. The inquiry gave the BHF a platform to showcase our work in this area and strengthen our relationships with key decision makers, including the Health Secretary.

General election three-point plan

Ahead of the 2019 General Election, the Policy and Public Affairs team put together a three-point plan which urged parties to focus policies on maintaining the UK's position as a research superpower, creating healthier environments and transforming the detection, treatment and support of people with heart and circulatory diseases. The Conservatives, Labour Party and Liberal Democrats adopted recommendations from our three-point plan, including our call to increase spending on research and development so it reaches at least 2.4% of GDP by 2027. It was also promising to see that all three parties outlined multiple measures to tackle air pollution and obesity.

What we want...

To help cardiac arrest survival rates triple in the UK



Air pollution campaign

Up to 11,000 UK heart and circulatory deaths are attributable to air pollution every year. That's why our strategy commits us to working towards everyone being able to breathe clean air by 2030. This year we developed a high-profile campaign which aimed to raise awareness of the damaging impact of air pollution and called on politicians to support stricter limits on pollutants in the Environment Bill. At this year's Labour and Conservative party conferences, we spoke to many MPs about the health impact of air pollution, with many unaware of how air pollution affects their heart and circulatory system.



BHF as a delivery partner in the NHS Long Term plan

Following the publication of Turning Back the Tide and working closely with NHS England in the development of their long-term plan, the BHF is now working as a strategic delivery partner to help make the ambitions of the plan a reality.

Our CEO is Co-Chair of the National CVD Prevention - Cardiac Delivery Board for CVD and the combined CVD - Respiratory programme board. The BHF is also represented across a range of external advisory groups, focusing on transforming services associated with cardiac rehabilitation, heart failure and heart valve disease, CVD prevention, out-of-hospital cardiac arrest, and improving heart attack pathways.

Working via our Health Service Engagement team and across the wider organisation, we are ensuring that the delivery of the plan at a national and local level is driving person-centred and place-based care to improve outcomes for people with heart and circulatory diseases.



Improving FH services in the UK

The NHS Long Term Plan for England highlights familial hypercholesterolaemia (FH) as a priority, and has set an ambitious target to identify and treat 25% of people living with FH in the next 5 years. This is a significant improvement on the current diagnosis rate, which is an estimated 7%. The BHF-funded nurses have identified 4,000 people with FH since funding began. While the BHF's funding for new FH nurses completed this year, the majority of posts are being sustained by local NHS bodies.

The BHF continues to help support the development of FH services across the UK and has supported FH practitioners through learning networks and events. We are working with key stakeholders, including NHS England, Public Health England and Health Education England, in developing a UK-wide training competency framework for new nurses starting out in the FH and the ICC (inherited cardiovascular conditions) arena in general.

Community blood pressure testing success

High blood pressure is a silent killer, but as many as 5 million people in the UK might not know they have it. Living with high blood pressure presents a higher risk of a heart attack or stroke. To find more of those at risk, we've funded 14 sites across the UK to deliver blood pressure tests in community settings, including pharmacies, libraries, football clubs and hairdressers.

The sites have delivered over 39,000 new tests. The BHF also played a key role in supporting the international May Measurement Month, to further increase the number of blood pressure tests carried out, with support from our corporate partners, BHF shops, and partners like Rowlands Pharmacy, who conducted over 5,000 blood pressure checks with customers. This year, our support further increased the number of tests delivered to 8,000.

What we want...

To help halve the number of people dying from or being disabled by a stroke

Heart Matters magazine

Heart Matters, our free magazine offering information, inspiration and support to people with heart and circulatory conditions, won several awards in 2019. The magazine was Best Feature-led Magazine at the Institute of Internal Communication Awards, best Not-for-profit Magazine at the CorpComms Awards, and Highly Commended at both the Professional Publishers Awards and the BMA Patient Information Awards. Editor Sarah Brealey was Highly Commended as Writer of the Year at the Professional Publishers' Association Independent Publisher Awards. Meanwhile, the magazine is going plastic-free. In line with our commitment to sustainability, we've replaced the wrap that is used to post the magazine with a paper alternative, which could save up to 800,000 plastic bags per year.





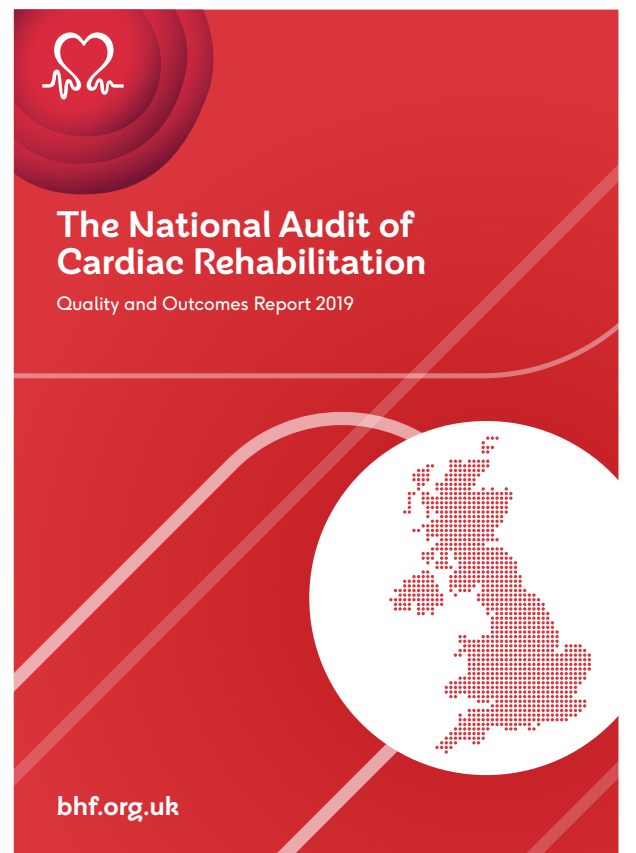
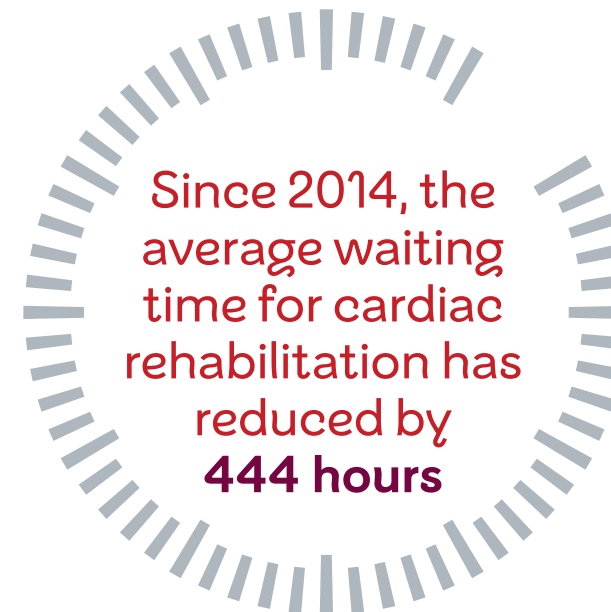
What we want...

Everyone to have access to the best available treatment and care

Engaging more healthcare professionals through improved content

Our healthcare professionals content underwent a year of transition as we develop a new proposition for this important group. Nevertheless, we continued to grow audiences and develop new content approaches. Heart Matters online audiences grew by 42% in 2019-20 compared to 2018-19, reaching 11.6 million page views in 2019-20. We published 29 editorial articles – news, blogs and features – as a key gateway to our wider support offer.

Other highlights included producing new video and web content to support our Blood Pressure and hypertrophic cardiomyopathy programmes, and successfully migrating to new, modern website templates to better showcase our content.



Improving cardiac rehabilitation services

Cardiac rehabilitation provides vital support to people with heart and circulatory diseases, helping them adjust to a new normal and live well after a cardiac event. Achieving an uptake rate for cardiac rehabilitation of 85% in England could lead to nearly 20,000 fewer deaths and nearly 50,000 fewer hospital admissions over the next ten years, as well as saving tens of millions of pounds in future care costs. We published the 2019 National Audit of Cardiac Rehabilitation (NACR), which showed that uptake of services remains at around 50%, proving that services need to improve, evolve and innovate.

Our health services engagement team are creating an improvement network to inspire teams, decision-makers and policy-makers to improve cardiac rehabilitation services and recovery support. We have worked with governments and health system leaders across the UK to invest and innovate in services and new ways of working.

We will grow the network in 2020 as well as lead a UK-wide enquiry into cardiac rehabilitation, support innovation and enable information sharing and collaboration from within cardiac rehabilitation services.

We grow support and income:
Fundraising

Time for a challenge

“

I've had heart problems all my life: a congenital heart condition at birth, a heart attack aged 13, and two mini-strokes. By the time I was 35, I had stage 3 heart failure. When I got a heart transplant, my whole life changed, and anything felt possible. I donated my heart to Dr Sonya Babu-Narayan's research. It felt so good to meet her, because instead of just being a patient, I felt that I could be helping someone else.

Kieran Sandwell

Heart transplant survivor and BHF fundraiser

2,544 hours spent walking on the Trail of Two Hearts.

2,544 hours



A race against time

We know that our ability to raise funds for research into heart circulatory diseases is a matter of life and death. We're endlessly grateful to every single one of our supporters across the UK who helped us reach our goals and focus on saving and improving lives, even as the Covid-19 pandemic forced events across the country to be cancelled.



London to Brighton bike ride

Our flagship fundraising event, the London to Brighton bike ride, returned for its 44th year and raised £2.7m to beat the heartbreak caused by heart and circulatory diseases. Over 15,000 people registered to take part on the ride, which included conquering the iconic Ditchling Beacon, before finishing on Brighton's seafront. It also included participants who had recovered from heart and circulatory conditions, including heart attacks, strokes and cardiac arrests, all motivated by a desire to fund the research that helped save their lives.

Our strategy in action 2020

- Our supporters and innovative fundraising drives have raised millions of pounds to support life saving research and improve the support given to people with heart and circulatory disease and their families.
- We have developed partnerships with big brands like Tesco to deliver community engagement events, help people get more active and adopt a healthier diet. We are also looking at developing stronger partnerships to promote our cause and harness innovation and technology from other industries and the private sector. Our partnerships with Amazon and Microsoft are helping us do just that, and we continue to successfully enlist big names to support our cause.
- We work hard to inspire supporters and to build meaningful relationships with patients and the public. Ambassadors and supporters such as Glenn Hoddle help champion our cause at events, including our Heart Hero Awards.

Future focus

- Keeping up and increasing the momentum that our supporters create in raising funds for life saving research is vital. To this end, we will use our events, campaigns and communications to reinforce how important it is that we fund research into beating heart and circulatory diseases.
- We know we can achieve more if we work together. Our focus will be on building even more meaningful partnerships with other charities, businesses, the Government and institutions.
- We want to make it as easy as possible for people to support us. This year we will develop our customer support so that shopping with the BHF is a seamless one-stop experience.
- We will continue to develop and promote innovative at-home fundraising products to raise money for the duration of the Covid-19 pandemic.



Tesco Dance Beats

Tesco's biggest ever fundraiser, Dance Beats, encouraged thousands of people to dance to beat cancer, beat heart diseases and fight diabetes. Through in-store and online donations, they raised £1m to tackle the UK's biggest health challenges. The fundraiser concluded with an epic Guinness World Records®-breaking 30-hour, non-stop dance marathon relay. To recognise this amazing achievement, Tesco donated a further £1m. The £2m total was split between Tesco's health partnership charities - the British Heart Foundation, Cancer Research UK and Diabetes UK.

BHF supporters take on the London Marathon

A team of over 400 heart runners took on 2019's London Marathon for the BHF, raising more than £1.1m for our life saving research. Among the runners was Judith Dando, cousin of late TV presenter and BHF supporter Jill Dando, who ran in Jill's memory to commemorate 20 years since her untimely death. Jill was an ardent supporter of the BHF, having undergone surgery for a hole in the heart as a child. Judith raised nearly £8,000 for the BHF in Jill's memory and completed the marathon in an impressive 5 hours and 9 minutes.



Judith Dando (right)



Corporate partnerships

Corporate partners play a vital role by helping us fund life saving research and support people affected by heart and circulatory diseases. This year we welcomed a number of new partners, including Arora Group.

Our existing partners continue to engage employees and customers with fundraising and health promotion activities, including Travelodge and Thales UK, who extended their partnership with the BHF. Thales UK has raised over £180,000 for the BHF since July 2018 through employee fundraising and stock donation activities, including Lost in Pace, a virtual employee step challenge around the moon, raising an incredible £25,000 for the BHF in just 2 weeks. Our partners collectively generated £3.9m through a range of fundraising activities.

What we want...

Everyone to have access to the best available treatment and care



Heart of Steel mothers

Heart of Steel

Our Heart of Steel sculpture in Sheffield has now raised more than £835,000 to fund research that will help make the heartbreak caused by heart and circulatory diseases a thing of the past. More than 25,000 supporters have had their name, or the name of loved ones, engraved on the striking steel sculpture in Sheffield's Meadowhall.

In April, a group of mothers whose children have undergone serious heart surgery or a heart transplant, met at the Heart of Steel to see the names of their children engraved on the sculpture. In June, the Heart of Steel was shortlisted for Fundraising Campaign of the Year and Regional Campaign of the Year at the Institute of Fundraising's National Fundraising Awards.

Community fundraising

Our Community Fundraising Groups continue to grow in number, with over 300 groups now in place around the UK. From managing events and local relationships to supporting schools and businesses to fundraise for us, these groups are enormously important in both helping us raise money and being the voice of the BHF in their local community. Just one example is our Liskeard Fundraising Group in Cornwall. One of our longest-running and most successful Fundraising Groups held a new event at the Penadlake and Lethyep wildlife havens, which raised an amazing £8,500 for the BHF.

“It's so powerful to think that without the BHF's life saving research, a lot of us might not be here. It's been so special to be here and get to meet all these incredible heart warriors and celebrate our heart journeys at the Heart of Steel.

Jan Lockett
Heart transplant patient



David Seaman with Wilf Frost (left), and George Frost (right)

Ride London partners with Miles Frost Fund

The BHF's Miles Frost Fund, set up in partnership with the family of the late Sir David Frost, became the official charity partner for Prudential Ride London 100 in August 2019. The Miles Frost Fund raises money to improve the diagnosis and treatment of inherited heart conditions, including hypertrophic cardiomyopathy – the condition that Sir David's oldest son, Miles, died suddenly from in 2015, aged just 31.

As part of the partnership, a team of over 400 supporters, including Miles' brothers, Wilf and George Frost, took on the 100-mile bike ride. England legend David Seaman joined the team, ensuring the riders were in safe hands. The ride raised over £280,000, which will fund research that will help more people get diagnosed and treated for life-threatening inherited heart conditions in the future.

5 hours 9 mins
for Judith Dando
to run the London
Marathon
for BHF

Billy's back on our screens

In September, we re-ran our Boy TV advert, which followed Billy as he connected the dots between the heart, blood flow and the health issues his loved ones were facing. At the end, Billy encouraged viewers to donate to the BHF to support the wide range of research we fund into heart and circulatory diseases. We saw a good uplift in both one off and regular donations while the campaign was live.

In February 2020 we saw the return of Billy and his grandad in our new integrated brand and fundraising campaign. This time, Billy was on a mischievous mission to raise money to help his grandad who, having previously had two strokes, now sadly has vascular dementia. After being successful in his own fundraising quest, Billy urges the public to donate £3 to help fund research, so that others don't have to suffer the heartbreak of seeing their loved ones affected by heart and circulatory conditions like vascular dementia. The campaign has been live across TV, cinema, out-of-home advertising and on digital. We've seen a strong uplift in overall online donation responses as a result of our integrated approach.



What we want...

To find ways to prevent and treat vascular dementia

Harnessing Will Power

One of the most significant sources for funding our life saving research are gifts left in wills. In 2019-20, an incredible £80.8m was raised by our supporters in their wills, either to say thank you for the support they've received from the BHF, or to leave something special to help future generations. Since we were founded, our research has led to some of the biggest advances in the way we diagnose, treat and care for patients with heart and circulatory diseases, and many of these were only possible because of incredible individuals who have remembered us in their will. We call it Will Power, a campaign we launched in 2018 to let more people know about the research breakthroughs they can contribute to by leaving a gift in their will.

Individuals, trusts and foundations

This year, £6.9m was raised through a number of generous, visionary gifts being made by individuals, trusts and foundations. A £4m gift from an anonymous donor played a significant role in driving our research into regenerative medicine, as well as funding a chair and running costs, while an anonymous £650,000 unrestricted donation has supported research into a range of heart and circulatory conditions.



We grow support and income:
Retail and Commercial

20 hours

Time for family

“

I started feeling unwell when my daughter and I were preparing for Diwali. I couldn't believe it when they told me it was a heart attack and I needed stents. The BHF was a big help – I learned about my condition and how other people have lived through it. The road to recovery is long. Your heart heals, but there's the psychological impact. My son graduated last July and it's moments like that I could have quite easily missed.

Hina Shah

Heart attack survivor and mum

20 hours spent in a cardiac rehabilitation programme.

Time to take action

All the hours spent by our staff and volunteers this year mean our shops and stores went above and beyond as income-generators and community hubs. A total of £9.7m was raised by turning pre-loved items into vital funds. The shops and stores also hosted CPR training events and blood pressure testing, shared health information, and brought together our fantastic community of staff and volunteers. The impact of Covid-19 at the beginning of 2020 had an enormous impact on our retail income, but we are committed to standing by our staff and volunteers as we plan for recovery.



The impact of Covid-19

As the scale of Covid-19 coronavirus outbreak became clear, we took the difficult but necessary decision to close all of our retail outlets as of March 19th. Many of our colleagues, volunteers and supporters are in the high risk category, and the safety of our people will always come first. With no income coming into the business, and in order to protect jobs in the long term, over 95% of retail colleagues were furloughed through April and May 2020. Despite this welcome financial support, with a phased reopening of our shops and online operations starting in June, we expect retail profit will be severely impacted in 2020-21. However, as we restart the business, the team are ready to apply the energy and passion that made us the UK's leading charity retailer.

750th shop milestone

This year the BHF expanded its retail estate to 750 shops and stores, marking an incredible journey since our first shop opened in Leicester in 1987. Now with 553 clothes shops and 197 home stores across England, Scotland, Wales and Northern Ireland, the BHF is a familiar face on the high street, with over 60 million visitors through our doors each year. But we aren't stopping there. We'll continue to diversify and open new types of stores, such as larger fashion and home outlets, specialist value shops and our new look 'Store of the Future' shops.



Store of the Future

This year we launched two new 'Shop of the Future' stores in Kentish Town and Chingford. As well as creating a more contemporary experience for shoppers and donors, the shops will also be local community hubs, offering valuable heart health information, blood pressure tests in-store and opportunities to learn CPR. As part of the BHF's partnership with Dementia Friends, the new design will also include physical elements to help support customers living with dementia and training for staff in how to assist shoppers with the condition. The shop also features donation stations for those donating items, making it quicker and easier for people to give on the go.



Sustainability and environmental impact

The BHF recognises the threats posed by climate change, pollution and resource depletion, and the need to address these through effective and ethical decision-making. We have launched our Sustainability Policy this year with a series of commitments to ensure that our environmental and economic impact are considered. Through our retail stores last year, we re-used and recycled 71,000 tonnes of goods and prevented 135,000 tonnes of carbon dioxide emissions.

We have also been focusing on reducing plastic bag usage by two thirds in the last three years and have switched to paper instead of bubble wrap for our eBay packaging. This year we took a leading role in launching TRUST – an ethical recycling standard for donated goods – working with other charities and professional bodies.

In 2019 we were awarded Greenest Charity Retailer by the Charity Retail Association, a position that we are keen to uphold in the years ahead. As part of our commitment, BHF Retail has converted our shops to LED and low-energy lighting, and is estimated to reduce our CO₂ emissions by 11,600 tonnes over 5 years.

BHF eBay hits new records

This year has seen the BHF eBay shop reach several incredible milestones. In May, the shop received a limited-edition record of The Beatles' single Love Me Do – the record was one of just 250 ever made and was rarer still due to an incorrect spelling of Paul McCartney's name on the cover. The record sold for an incredible £9,400, the highest figure ever received for an item in BHF eBay's history. Our eBay shop also hit a total of £20m sales since launching in 2006. It is now the second largest eBay charity shop in the world. To date, the BHF eBay shop has sold over 605,000 pre-loved items and has also helped eBay's 'eBay for Charity' arm reach a staggering \$1bn total global sales.



Reuse Revolution

Last year, the BHF launched the Reuse Revolution to encourage the nation to furnish their homes sustainably by shopping at BHF Stores. A group of young professionals agreed to have their four-bedroom house entirely refurnished with pre-loved items bought at a BHF store to showcase the amazing looks that can be achieved on a budget. The campaign received great media coverage and generated buzz on social media, with over 8,000 website visits.

Partnering Up

This year we have continued to grow our existing partnerships while trialling new partnerships and finding innovative ways of working with other brands. We also worked with online pre-loved shop Depop to test selling BHF items to a younger audience, who are already engaged with shopping second-hand.

What we want...

Everyone to breathe clean air and to live in a smoke-free United Kingdom



Health at Work

This year, our Health at Work programme has delivered health checks to 57 organisations, covering over 3,812 people. We have held 10 organisational health awareness days, carried out CPR training at 16 businesses, and offered training to 2,516 people including staff at Ikea, Kellogg's, Santander, and Network Rail. We were proud to be chosen to supply over 400 defibrillators and appropriate CPR training to Taylor Wimpey to install across all their construction sites in the UK, where they will then be donated to the local community when the developments are completed.

“

The BHF made the planning and booking really easy. The practitioners were amazing and made all of the team feel at ease. We're extremely proud to be contributing to the BHF's mission to beat heartbreak forever.

Chelsea
Santander



British Heart Foundation

Health equipment online

This year, our online shop began selling health equipment to help the public improve or maintain their heart health and reduce their risk of developing heart and circulatory diseases. Customers can now buy CPR kits, defibrillators, and blood pressure monitors, which will help them check their blood pressure from the comfort of their own homes. By selling these items ourselves, the BHF can help the public access equipment that is of the highest standard while also raising much-needed funds to support our vital research.

What we want...

A world in which the healthy choice is the easy choice



We strive for excellence

Impulz™

Time to drive change

“

We are using MRI scanning technology to find people with diabetes who are most at risk of heart failure, so we can protect their hearts with treatments.

Dr Gaurav Gulsin

BHF Researcher at University of Leicester

A patient's cardiac MRI scan takes around 60 minutes.

60 minutes

Time to lead

Our staff and volunteers are our most important resource when it comes to reaching our goals and saving lives. We want every single one of them to feel supported and valued for the incredible contributions they make. To do this, we will support their progression, maintain the highest ethical standards, and champion our vision of beating heartbreak forever. We want to lead by example within our sector and beyond it, whether that's shaping how volunteering is perceived or the changes we've put in place to reduce our environmental impact.



People Experience

We are continually looking to improve the experience of working and volunteering at the BHF. We know that if we are going to beat heartbreak forever, then we need a talented and ambitious community of people. We are now focusing on key areas to make this happen. This involves unlocking our people's full potential, making the BHF a safe place, ensuring people are free to collaborate and innovate, and ensuring everything we do is led by insight and evidence. We believe that by focusing on these priorities, we can make working at the BHF a rewarding experience for everyone.



Our strategy in action 2020

- We have continued to support our staff and volunteers through initiatives like our graduate and leadership development programmes, our new Diversity and Inclusion plan, and the establishment of 'Live Well Work Well' mental health ambassadors.
- We established a new Technology directorate, appointing Ursula Dolton as our first Chief Technology officer. We have restructured teams to focus on leveraging technology for future growth and developed sector-leading technology partnerships which have contributed to a step change in the resilience of our infrastructure, putting us in a strong position to react to the challenges of Covid-19 disruption.

Future focus

- We will continue to ensure that we provide a safe and inclusive working environment for all our staff and employees.
- We will embed our new People Experience Programme to help unlock our people's full potential, inspire a deeper connection to our cause, and create an even stronger community of staff and volunteers supporting the work of the BHF.
- We will continue to upgrade our technology systems and processes to enable us to better meet the needs of our beneficiaries and supporters throughout the UK.
- We will embed sustainable practices across the BHF, so that we can strengthen our role as a leading force for good in society.
- We'll do everything we can to support our staff and volunteers through the Covid-19 crisis, putting their safety and wellbeing first.



Volunteering

From heroes on the shop floor to cheerleaders at fundraisers, volunteers are the lifeblood of the BHF. Our success depends on our thousands of volunteers every day. We want to encourage people, whatever their skills and background, to consider volunteering for us. We also want our volunteers to have every opportunity to develop themselves, and offer them the chance to apply for paid roles and a range of other training options.

Live Well Work Well

A happy, healthy workforce is absolutely essential for the BHF. To ensure that this happens, we have continued to train Mental Health Ambassadors across our organisation. These individuals act as points of contact for both staff and volunteers who are experiencing a mental health issue, or who are in emotional distress. We have also offered health checks for staff, such as blood pressure testing in the workplace.



What we want...

Everyone to get the physical, psychological and social support they need

Collaborative working

To make sure that everyone at the BHF works in a truly joined up and productive way, we have put into action a programme to make the most out of Microsoft Office 365. The new technology is now rolled out across the organisation, meaning that colleagues are able to work collaboratively with each other anytime, anywhere.

Improving the way we work

By embedding a culture of continuous improvement into the way we work, we constantly strive to make the best use of every pound raised for our life saving work. We use innovative methods to always focus on the needs of our supporters, donors, customers and beneficiaries, unlocking the value at the heart of our processes.

Diversity and Inclusion

Colleagues from across the BHF have joined forces to create a group called Kaleidoscope. The group have developed new diversity and inclusion policies for the BHF across a range of areas. As part of a comprehensive programme of events, all our shops, stores and offices celebrated Pride Week this year and we had a strong presence at both London Pride and Manchester Pride.



Dr Robert Easton (right)

Dr Robert Easton – Inaugural BHF Distinguished Fellow

In March 2020, the Board of Trustees approved a new BHF Distinguished Fellow Scheme. This prestigious new award has been designed to recognise an individual's distinguished voluntary service to the BHF and a significant level of philanthropic support. The Board of Trustees named Dr Robert Easton the Inaugural BHF Distinguished Fellow.

Dr Robert Easton stepped down from the Board of Trustees in October 2019 after six years of extraordinary service to the BHF. During this time he was involved in many aspects of the BHF's operations, notably as Chairman of the Fundraising Advisory Board, leading a campaign to raise over £10 million towards the Institute of Developmental and Regenerative Medicine at Oxford University. His philanthropic leadership was instrumental to this successful BHF fundraising campaign and we remain grateful for his continued support.

In recognition of the exceptional nature of the individuals in this exclusive group, we anticipate that no more than two new awards will be made in any one year.



Simon Gillespie retires from the BHF

This year we bid farewell to Simon Gillespie, who retired as chief executive in December after almost seven years in the post.

Under Simon's leadership, the BHF has grown to become one of the UK's largest charities, funding more than half of research into heart and circulatory diseases at UK universities. Recently, Simon drove the development of the BHF's ambitious strategy, which will take us up to 2030.

As Chief Executive, Simon had extensive national and international experience of charity and non-profit governance. This included being a board member of the World Heart Federation, serving as President of the European Heart Network from 2015 to 2019. Simon was also a member of the NHS Assembly, and as BHF chief executive co-chaired the NHS England cardiovascular disease Long Term Plan Delivery Group.

Simon recognised the benefits of international collaboration in tackling heart and circulatory diseases, and in September 2018, working closely with Professor Sir Nilesh Samani, he convened the first meeting of the Global Cardiovascular Research Funders Forum in London. As co-Chair, he drove forward an agenda to advance international cardiovascular research through knowledge exchange, facilitation of multi-national clinical trials, global problem solving, partnership and joint funding with charities from across the globe.

Simon was the only charity CEO to win an Employee's Choice Award from Glassdoor in 2019, after being voted one of the top 50 CEOs in the country by employees and volunteers. In 2018, and 2019 he was named as a UK CEO of the Year by CEO Today magazine and also as a CharityComms Inspiring Communicator, in recognition of his tireless public advocacy of the BHF's cause.

When Simon announced his retirement, our chair Doug Gurr, said: "I would like to thank Simon for his outstanding contribution to the charity over almost seven years. His leadership has seen the BHF make a positive difference to thousands of

lives every year. He has put people at the heart of this organisation which relies on the support of individuals, communities and companies to thrive and develop its life saving work. We will be truly sorry to see Simon moving on at the end of this year, but wish him the very best for his well-deserved retirement."

In recognition of achievements throughout his career, Simon was honoured with an OBE in the Queen's Birthday Honours List for his services to patients and medical research.

When Simon announced he was retiring, he said: "It has been a huge privilege and a real pleasure to lead such a tremendous charity for almost seven years. I have been continually inspired by the tireless support given by the BHF's staff, volunteers and supporters, and thank them for their hard work, dedication and friendship. I remain as passionate and committed to the cause of beating heartbreak forever, and I will continue to actively support the life-saving work of the BHF."

Over
59,000 hours as
Chief Executive
of the BHF

Time for gratitude

“

Scarlett was born with a complex heart condition called hypoplastic right heart syndrome. She's had quite a few operations, but she's now making a brilliant recovery. It's not until your family faces such a frightening situation that you fully appreciate the hard work and dedication of the scientists who are trying to find new treatments and cures.

Nichola Dougan
Scarlett's mother

70,080 hours that Nichola has been a BHF volunteer, helping to raise funds for lifesaving research.

70,080

Financial review

Overview

In 2019-20, the BHF generated total income of £150.9m (2019: £168.0m), inclusive of the profit from retail trading activities. The year-on-year decline principally reflected reduced retail profit, inclusive of the impact of Covid-19 late in the year, on both trading and closing balance sheet asset valuations, with the balance being a £4.1m reduction in legacy income against the record prior year result. The decline in income was partly mitigated by a reduction in the investment to generate funds, which decreased by £4.3m to £43.3m (2019: £47.6m), such that 71% of total income in the year was available for the fight against heart and circulatory diseases (2019: 72%). This remains within our target range of ensuring at least 70p in the £1 is available to spend on our life saving work. In these uncertain times, we are ever more conscious of the need to spend every penny of the money our supporters raise wisely.

Statement of financial activity – Summary

	2020	2019	Growth
	£m	£m	%
Legacy income	80.8	84.9	(5)
Fundraising income ¹	53.9	53.2	1
Retail net profit ²	9.7	22.9	(58)
Investment and other income	6.5	7.0	(7)
Total income (net of retail costs)	150.9	168.0	(10)
Direct costs of generating funds ³	(43.3)	(47.6)	(9)
Total net income	107.6	120.4	(10)
% of total income available for charitable purposes	71%	72%	
Research	(93.1)	(114.9)	(19)
Healthcare Innovation	(34.5)	(34.4)	0
Total charitable expenditure	(127.6)	(149.3)	(15)
Net outgoing resources	(20.0)	(28.9)	-

Notes

1. Fundraising income comprises donations of £34.2m (2019: £33.0m), volunteer fundraising of £14.9m (2019: £15.7m) and income from fundraising trading activities of £4.8m (2019: £4.5m).
2. Retail net profit comprises retail net profit of £6.2m (2019: £20.4m), income from donations received in BHF Shops of £2.6m (2019: £2.5m) and income from the Coronavirus Job Retention Scheme of £0.9m (2019: £nil) included in Other income.
3. Direct cost of generating funds comprises total fundraising costs of £40.0m (2019: £43.1m) and costs of fundraising trading of £3.3m (2019: £4.5m).

During 2019-20, our charitable expenditure was £127.6m (2019: £149.3m). This total included £93.1m of groundbreaking medical research (2019: £114.9m). Prior year research spend was boosted by the inclusion of a £34.0m programme of investment in Research Excellence and Accelerator awards, such that on a comparable basis, our current year spend reflected our continuing strong commitment to funding research into all heart and circulatory diseases and their risk factors. In addition, £34.5m (2019: £34.4m) was invested in Healthcare Innovation, working with patients and the public for better health and care. This resulted in a planned income and expenditure deficit for the year of £20.0m (2019: £28.9m).

As set out in the Group Statement of Financial Activities, our total expenditure for this year was £356.5m (2019: £366.9m), of which £188.9m (2019: £174.5m) was directly attributable to our trading activities, primarily our retail business.

Income

In 2019-20, we generated total income of £150.9m (2018: £168.0m), inclusive of the profit generated by our retail trading activities, towards our vision of a world free from the fear of heart and circulatory disease. This represented a decrease of £17.1m (10%) on last year. Legacy and fundraising income contributed 89.3% of total income. The balance came from the profit generated by our retail activities (6.4%), together with investment and other income (4.3%).

Legacies remain our largest single source of income at £80.8m, following a record-breaking prior year (2019: £84.9m). Income from other fundraising activities grew marginally in the year to £53.9m (2019: £53.2m), reflecting the commitment of our many supporters, volunteers and corporate partners in numerous events and community activities across the UK.

In BHF Retail, we have the largest charity retailer in the UK and one of the largest eBay charity retailers in the world. Through 2019-20 the business was trading well in very challenging market conditions. However, the spread of Covid-19 caused increasing disruption, leading to the complete closure of income-generating activities from 19 March. Overall, BHF Retail generated a profit of £9.7m in 2019-20, down from £22.9m in the prior year. The £13.2m decline in profit included an estimated £4.9m loss of net income following the March closure as well as £2.7m impact of incremental provisions and asset impairments in part reflecting the ongoing impact on trade of the Covid-19 pandemic. Gross retail income, including donations received in BHF shops, and income from the Coronavirus Job Retention Scheme, increased by 1.2% to £195.3m (2019: £192.9m). Like-for-like shop sales were broadly flat through the first 11 months of the year, a solid performance in a challenging market. However, in March, the shops experienced a steep decline in activity as the impact of Covid-19 developed, culminating in the complete closure of the estate as above. This resulted in a full year like-for like shop sales decline of 3.1%. As at 31 March 2020, the BHF operated 750 shops

(2019: 738), including 553 standard outlets (2019: 553) and 197 Home stores (2019: 185). During 2019-20, we opened 11 new standard outlets and 14 Home stores, resited seven shops and stores and closed a total of 13 shops and stores. Retail sales performance continued to benefit from growth in online channels, particularly through eBay, with total sales reaching £6.7m in the year, up 18% on 2018-19. Total retail trading costs were £185.6m (2019: £170.0m), a 9.2% increase on the prior year. This reflected the growth in the shop and store portfolio across the year, together with ongoing investment in our staff and our infrastructure. Retail costs also included the £2.7m cost of incremental provisions and asset impairments.

During the financial year, investment in the direct costs of generating funds decreased by 9% to £43.3m (2019: £47.6m). As a result, the BHF generated £107.6m of net income for charitable purposes in the financial year (2019: £120.4m).

Charitable expenditure

During 2019-20, our charitable expenditure totalled £127.6m, down from £149.3m in 2018-19. The prior year represented a record annual level of spending for the BHF, inclusive of quinquennial funding for Centres of Research Excellence and Accelerator Awards (£34m). Total charitable expenditure in 2019-20 primarily reflected £99.7m (2019: £128.2m) of additional funding for world-class research into heart and circulatory diseases which, after adjusting for cancellations and discounting as outlined below, and including allocated support costs, is reported as a total investment of £93.1m (2019: £114.9m).

In addition, £34.5m (2019: £34.4m) was invested to fund Healthcare Innovation activities including information and support for patients, campaigns to influence government policy, and testing innovations in heart and circulatory health and care.

As noted above, our five research funding committees awarded 217 new research grants worth £99.7m (2019: £128.2m), including supplements made to new and existing grants. The Chairs and Programme Grants Committee

Financial review

spent £42.2m funding a range of research projects including £21.2m for programme grants and £13.0m for special projects, £10m of which was used to support the BHF Data Science Centre. A further £29.5m was awarded for fellowships (including funding for 44 new students on 11 four-year PhD programmes), £22.6m for project grants, £3.8m for clinical studies and £1.4m for translational awards (representing expected payments to the completion of the next milestone). We also awarded £0.2m seed funding to the four shortlisted applicants for the Big Beat Challenge.

The total reported investment in research of £93.1m (2019: £114.9m) 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.

The investment in Healthcare Innovation of £34.5m (2019: £34.4m) included £3.1m on our Innovate area, which works with the NHS, industry, academia and other partners to test, develop and evaluate new products and services. In 2019-20, the focus was on developing The Circuit: National Defibrillator Network, with £1.9m (2019: £1.2m) invested in developing a network which will help to save more lives from out-of-hospital cardiac arrests by allowing bystanders to be directed to their nearest defibrillator. In addition to this, £0.7m was awarded for grants under the Hope for Hearts Fund, in partnership with the British Society for Heart Failure, and supported by a voluntary donation from pharmaceutical firm Novartis.

Our Involve teams focus on engaging more people in their health and care, and in the work of the BHF, to improve outcomes and generate support. In 2019 we invested £6.0m in this programme, including £3.1m (2019: £4.3m) providing information to those affected by heart and circulatory diseases through Heart Matters Magazine, and a wide range of other digital and print resources, £0.9m in our community health programmes and £0.7m on our helpline and clinical support team.

Our Influence function focuses on evidence-based policy making and influencing of key government and health system decision-makers with a team based throughout the UK. In 2020, we spent £5.6m to support this programme, including £1.8m (2019: £1.9m) on working with health services at a regional and local level to bring about improvements for those affected by heart and circulatory disease, and £3.8m (2019: £1.4m) on policy and public affairs activity, including a high-profile campaign which aimed to raise awareness of the damaging impact of air pollution. 2019-20 also saw £0.3m invested in a new health intelligence function which supports insight-led prioritisation and decision-making activities across Healthcare Innovation and the rest of the BHF.

Alongside these activities, we spent £10.4m (2019: £10.9m) on marketing and communications as part of our charitable activities, ensuring that people understand what the BHF does and including access to the latest research breakthroughs, as well as information to better understand and manage their health.

Balance sheet

As at 31 March 2020, total cash, deposits and investments were £258.1m, a decrease of £41.3m in the year. This decrease reflected the planned use of our investment and cash reserves to fund our research commitments, as further discussed under 'Reserves' below, as well as a £16.8m net investment valuation loss in a volatile market.

Our cash and investment portfolio is held to help us ensure we are always in the position to settle grant commitments, the total provision against which was £348.0m as at 31 March 2020 (2019: £341.5m). Grants awarded are commitments by the BHF to reimburse recipients for expenditure properly incurred in accordance with grant agreement. 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 awards in our accounts and its subsequent payment, and the full

grant commitment may not be utilised in full. These factors are reflected in the year end provision.

At the end of the financial year, the BHF Group is reporting total net assets of £19.4m compared to £56.2m last year. Total Unrestricted Funds in the Group balance sheet showed a deficit of £7.1m (2019: surplus of £30.9m). The reduction in net assets principally reflects a £41.3m reduction in cash and investments as discussed above. The deficit on reserves includes the impact of the planned income and expenditure deficit for the year of £20.0m (2019: £28.9m), with the deficit expected to increase further in 2020-21 given the material impact of Covid-19 on income generation. However, after careful consideration, the Trustees have concluded that a deficit on reserves is a position that can be maintained, taking into account the relatively long-term nature of the BHF's grant liabilities, our cash and investment portfolio and the considerable diversity of our fundraising activities, including legacies, which provide ongoing cash resources to fund research grant liabilities. Of our of total research liabilities of £348.0m, £233.4m of these commitments are long-term and will be funded, in part, by income generated in future years. As outlined in the reserves policy below, the key measure of sustainability for the BHF is current and future liquidity cover.

Reserves policy

The Board of Trustees considers the key measure of sustainability for the BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. Consequently,

Trustees have set an appropriate reserves policy (reviewed annually) relating to liquidity, based on the relationship between readily realisable assets and the cash required to settle grant liabilities and sustain the BHF's operations for an anticipated period, as explained below.

Trustees have decided that, after an allowance for future income expectations, the BHF should at all times maintain cash and readily realisable assets sufficient to fund between not less than 12 and not more than 24 months of forecast cash outflow to settle grant awards, plus 12 months of non-retail operating costs (excluding direct costs of income generation). In the event of the BHF facing difficult financial circumstances, these reserves would allow us to both meet our responsibilities to grant holders and for operations to continue during a period of managed adjustment to these new circumstances. Based on the current grants position, this policy requires us to hold between £90m and £112m in liquid and readily realisable assets.

At 31 March 2020, our total cash, deposits and investments of £258.1m was therefore significantly above the upper end of the reserves range. Our strategic plans assumed the excess would reduce over the medium term, as we have been awarding total research grants at a level above our net income generated after non-research charitable spend. However, with the material impact of Covid-19 on income generation in 2020, and an uncertain outlook beyond, we now expect the excess to be applied in protecting our charitable mission in the shorter term.

Reserves and grant commitments

	2020	2019
	£m	£m
Equity growth portfolio (excluding cash held for investment purposes)	153.6	179.2
Short-dated corporate bond portfolio	35.7	55.0
Cash and cash equivalents	68.8	65.2
Total Cash and investments	258.1	299.4
Grants – year end provision	348.0	341.5
Unrestricted funds	(7.1)	30.9
Total funds	19.4	56.2

Financial review

Investment policy and performance

The BHF held total cash, deposits and investments of £258.1m as at 31 March 2020, a decrease of £41.3m on 2019. The BHF has three portfolios: an equity growth portfolio, a short-dated corporate bond portfolio and a cash portfolio.

The investment objective of the growth portfolio, which was valued at £153.6m as at 31 March 2020 (2019: £179.2m) is to provide real growth over a five to ten year horizon. The growth portfolio consists almost entirely of equities. During 2019-20, it was split between a UK equity portfolio managed by Smith & Williamson Investment Management LLP and a global equity portfolio managed by Schroder Investment Management Limited. Since the year end, a total of £75.9m has been transferred to the cash portfolio to increase the BHF's liquidity position. This included the total balance on the UK equity portfolio. The growth portfolio generated a total return, net of fees, for the year ended 31 March 2020 of -7.7%, against a benchmark of -10.2%.

In addition, a short-dated corporate bond portfolio was created during the 2017-18 financial year, which is managed by Royal London Asset Management (RLAM), with £35.7m held as at 31 March 2020 (2019: £55.0m). The portfolio is constructed such that the coupon and maturity payments generated broadly match the forecast net cash requirements of the BHF's research funding commitments over the medium term. The short-dated corporate bond portfolio generated a total return, net of fees, for the year ended 31 March 2020 of 0.61%. The growth and short-dated corporate bond portfolios included a total of £4.1m of cash held for investment purposes as at 31 March 2020 (2019: £5.5m).

To balance short-term cash requirements and investment risks, our cash portfolio invests in short-term fixed interest investments also managed by RLAM, with £64.4m held as at 31 March 2020 (2019: £53.8m). These readily realisable investments are reported within the total Cash at Bank on the balance sheet of £68.8m (2019: £65.2m). The investment objective

of the cash portfolio is to preserve the absolute capital value of the assets. The benchmark is to earn a return net of fees in excess of the one month inter-bank LIBOR rate. The RLAM cash portfolio generated a total return for the year ended 31 March 2020 of 0.65%, against the benchmark return of 0.62%.

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.

All investment managers are asked to demonstrate effective systems of control, including annual compliance with the requirements of the AAF assurance framework (or equivalent) on internal controls. The total return on investments for the year (including net investment income) was a net loss of £11.6m (2019: net gain of £16.3m).

Ethical investment policy

We take care to ensure that the investment portfolio does not have exposure to investments that may be inconsistent with our mission and objectives. To this end, no direct or indirect investment is permitted in any company in the tobacco industry (defined as a company deriving more than 5% of turnover from the manufacture of tobacco or tobacco-related products).

Pensions

The BHF UK Retirement Plan, a defined contribution scheme, is available for employees to join at any time. Contributions made to the Plan during the financial year totalled £4.7m (2019: £4.4m).

In addition, the Charity retains a funding obligation to the BHF UK-defined benefit pension scheme ('the Scheme'), which was closed to new entrants from 30 June 2001 and to future accrual from 31 May 2016. The Scheme remains subject to a formal triennial funding valuation, with the most recently completed being as at 1 July 2017, which showed a funding deficit of £9.4m, inclusive of the adoption of a lower risk "self-sufficiency" funding

target. Following discussion with the Scheme trustees, a £10.0m special contribution was made in August 2018, which was agreed to be sufficient to eliminate the shortfall, with no further contributions expected to be 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 2020 showed a surplus of £15.5m (2019: a surplus of £9.3m). 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 the BHF in the form of a reduction in future contributions or a cash refund. This is further explained in note 14 to the financial statements.

Charitable activity in Scotland

The BHF has charity shops in Scotland and receives income from other fundraising activities undertaken in Scotland. In 2019-20, 27 research grants totalling £10.3m were awarded to the

UK Carbon Footprint Data 2019-20

Scope	Description	tCO2e	
Scope 1	Combustion of fuel on site and transportation		
	Natural gas ²	1,128	
	Vehicle fuel	762	
	Gas oil ¹	6	
Total		1,896	
Scope 2	Purchased energy		
	Location based - UK grid ²	5,808	
	Market based	0	
Total		5,808	
Scope 3	Supply chain emissions		
	Well to tank	1,238	
	Transmission and distribution	493	
Total		1,731	
	Total location based	9,435	
	Total market based	3,627	
Intensity Ratio	tCO2e/£1m turnover	Location based	28.0
		Market based	10.8

Energy usage

Total consumed		kWh
Electricity		22,722,966
Natural gas ²		5,428,191
Vehicle fuel		2,754,607
Gas oil ¹		19,128
Total		30,924,892
Electricity	Carbon 0% ³	100%

Notes

1. Excludes some volunteer mileage claims not separated from overall expenses
2. Excludes landlord sites where utilities are not billed separately
3. EDF Blue for Business zero carbon

Financial review

Universities of Aberdeen, Dundee, Edinburgh, Edinburgh Napier, Glasgow, St Andrews, Stirling and Strathclyde. The Charity is registered in England, Wales, Scotland and Northern Ireland. Further information on our activities in each nation is available at bhf.org.uk.

Trading subsidiaries

The British Heart Foundation has three wholly owned trading subsidiary undertakings. The profit distributed to the Charity in the year from the subsidiaries (British Heart Foundation Ventures Ltd, BHF Shops Ltd and London to Brighton Bike Ride Ltd) was £8.5m (2019: £9.3m). Profits of trading subsidiaries are detailed in note 13 to the accounts.

Streamlined energy and carbon reporting

The BHF is reporting for the first 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. As this is the first reporting year, no emissions from previous years are available as a comparison. 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 2019 carbon conversion factors for all fuels, other than the market-based electricity, which has been taken from EDF as the UK supplier.

As noted on page 62, the BHF recognises the threats posed by climate change, pollution and resource depletion. During the financial year we have launched a Sustainability Policy, which reflects a commitment to reduce the energy

consumption and the carbon impact of our operations. As part of our commitment, BHF Retail has converted our shops to LED and low-energy lighting, which we estimate will reduce our CO₂ emissions by 11,600 tonnes over 5 years. We have now started a fleet review with the Energy Saving Trust to identify where Ultra Low Emission Vehicles can meet our operational and financial needs. We were delighted that our progress to date was recognised through the award of Greenest Charity Retailer 2019 by the Charity Retail Association.

Going concern

The Trustees must satisfy themselves as to the BHF's ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. At the current year end, this requires consideration of the ongoing impact of Covid-19 on both the operations of the BHF and the wider economy. It is now clear that the increasing effects of Covid-19 will result in a material reduction in our expectations for income generation for the next financial period ending 31 March 2021, as well as greater uncertainty about the timing and speed of any subsequent recovery. Unfortunately, a material reduction in net income has implications for our capacity to deliver charitable mission, such that we anticipate a comparable reduction in new medical research funding, although we remain committed to supporting existing research to its successful conclusion.

As set out above, the BHF had the benefit of entering this period of unprecedented challenge with total cash, deposits and investments of £258.1m, significantly above the upper end of the defined reserves range. Post year end, this position was strengthened by a £26.6m equity valuation gain in the 3 months to 30 June 2020 as markets rebounded. In addition, to increase the liquidity and stability of our reserves, since the year end £75.9m of value has been realised from equities and transferred to our cash reserves. This provides additional assurance given, as a medical research funding charity with significant commitments at the balance sheet date, the focus

of our reserves policy and our review of financial viability is that the BHF will continue to have access to sufficient liquid resources to meet its obligations as they fall due.

In the context of our investment and cash reserves, the Trustees reviewed financial forecasts beyond a period of 12 months from the approval of the financial statements. This included assessment of budgets, business plans and cash flow forecasts, inclusive of a stress-test downside scenario. As a result of this review, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they 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 and adequate risk management and internal control systems in place to manage the strategic and operational risks the Charity is, and could be, exposed to.

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

- A BHF Risk Management Framework which meets the Charity Commission's requirements and follows good practice from the Institute of Risk Management (IRM).
- An Internal Audit function supported by BHF's internal audit partner (Deloitte until December 2019: Crowe UK from January 2020 onwards), which delivers a risk-based audit programme approved by our Audit and Risk Committee. The Audit and Risk Committee reviews internal audit follow up by BHF management, as well as more detailed reports from senior management on key areas of risk.
- All major programmes and projects are scrutinised by the Executive Group and monitored through an Operations Board to ensure they are properly planned and implemented.

Risk management

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

In March 2020, the Trustees completed their annual review of the CRR. In the course of this review, the Board has considered:

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

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

Principal risks and uncertainties

Risk	Management
Impact of Covid-19 (Coronavirus) on our people, our operations and our ability to deliver our strategy aims to 2030.	<p>As the year ended, the organisation was taking several steps to manage the impact of the emerging Covid-19 (Coronavirus) risk, including:</p> <ul style="list-style-type: none">• Invoking the Crisis and Business Continuity Plan and managing the response through a Gold, Silver and Bronze Response Group structure.• Coordinating internal and external communications, led by Gold and Silver Response Groups. This supported consistency and ensured alignment with government guidance.• Introducing additional hygiene measures in Retail and Office locations prior to closure.• Temporary suspension of trading across all BHF stores in order to protect the public and our people. Office locations and online shops were also closed.• Wellbeing and Support Workstream was established to support managers and staff whilst working remotely, providing emotional and practical support including the extension of Employee Assistance Programme to volunteers.• Business Continuity Planning and monitoring of critical functions.• Monitoring and testing of technology resilience.
Economic pressures, competition, e-commerce and changes in consumer behaviour, exacerbated by Covid-19, impact negatively on voluntary income.	<ul style="list-style-type: none">• Monitoring, review and management of the financial impact of Covid-19 impact on BHF finances.• Annual budgeting and ongoing management reporting and monitoring of financial performance.• The preparation of long-term financial forecasts aligned to the BHF's strategy to 2030 that target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends.• Uncertainty around 'Brexit' is kept under close review and financial planning considers different eventualities.
Incidents that damage reputation and/or negatively impact operations (including cyber security, serious fraud, major health and safety incidents, safeguarding and internal process failures)	<ul style="list-style-type: none">• Proactive detection, monitoring, reporting, 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, safeguarding and legal that support organisation-wide events and operations.• Continuing programme of health and safety improvements training is being delivered to strengthen our safety management system.• Continuing programme to drive IT improvements and strengthening of infrastructure and cyber security to protect BHF assets.• Review and reissue of Safeguarding policy, procedures and training.• Review and testing of incident management framework, business continuity and disaster recovery plans.
Changes in government regulatory requirements and/or charity sector guidance negatively impact on the 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 on an ongoing basis to ensure potential risks can be proactively managed.• Active programmes of advocacy, influencing and senior level engagement to ensure that our views are shared.• Senior BHF and partner representation at key events and forums to help shape the research agenda.

Risk	Management
BHF strategy and activities are not properly or sufficiently focused in order for the charity to meet its objectives.	<ul style="list-style-type: none">• The BHF's Executive Group and Trustees have developed a new Strategy to 2030 that sets out how the BHF aims to play a leading role in achieving significant improvements in heart and circulatory health.• BHF's Executive Group and Trustees will continue to routinely scrutinise alignment with, and progress of the BHF strategy, in particular assessing the impact (if any) of Covid-19 on the ability of the organisation to meet its strategic aims.• 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.
The BHF is exposed to financial risk and market movements through its cash and investment portfolios, and via the assets and liabilities of a defined benefit pension scheme.	<ul style="list-style-type: none">• Expert financial advice informs investment and treasury policies that ensure our portfolio is adequately diversified and managed.• 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 the BHF as sponsoring employer, ensure expert advice informs the Scheme's investment and liability management policies.
Attracting, developing and retaining talented staff in a competitive employment market impacted by the uncertainties of Covid-19 and 'Brexit' combined with the reliance on significant levels of volunteer support both in fundraising and retail operations.	<ul style="list-style-type: none">• Targeted communication during the uncertainties of Covid-19 to keep employees and volunteers engaged.• Employee and volunteer engagement surveys and Gender Pay Gap reporting.• An active communication programme using our intranet site to ensure staff and volunteers are always informed on the BHF's strategy and the progress being achieved.• Monitoring of trends in the sector with regards to Brexit (staff and volunteering).• Regular benchmarking of compensation and benefits.• Talent management, development and succession planning programmes.• Ongoing proactive employee and volunteer recruitment campaigns.• Ongoing review of operational practices to ensure the safety of all, with a particular focus on protecting our many colleagues, volunteers and supporters who are in higher risk categories for Covid-19.
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.• Independent programme assurance of key change programmes.
Britain's withdrawal from the European Union has a negative impact on our ability to attract researchers, or collaborate with European research institutions.	<ul style="list-style-type: none">• Close monitoring of the potential for 'Brexit' to impact on BHF's ability to maintain close working links with European research institutions, and the potential impact on our ability to attract top class researchers.• Bilateral agreements are in place with European and global institutions.• Engaging with BHF-funded researchers to better understand the impact.• Engaging with relevant sector organisations to advocate and influence in the interest of our beneficiaries.

Legal structure and governance

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

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

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

The Board also delegates specific responsibilities and activities to various sub-committees, including the Audit & Risk, Investment, Retail, Nominations and People and Remuneration committees. Our investment in research is overseen by five medical committees with responsibility for specific areas of research including the review of grant requests and other scientific award proposals. An organisation chart listing all our current committees can be found on page 87.

Our governance streams

Our committees and groups are arranged into one of three streams – Governance, Operational or Advisory. In this way, the broad function of each committee and the way they contribute to the running of the BHF is immediately apparent. For each stream, common terms of reference supplement specific terms of reference relevant to that committee and so make the decision-making process quicker and simpler.

Governance stream

The Trustees have the ultimate responsibility for running the charity, with 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 for the BHF, where it is beneficial to the BHF, the Trustees have delegated certain tasks to directly accountable committees. These 'Government Committees' are comprised of members with relevant specialist knowledge. There are currently three Governance Committees – Audit and Risk, Nominations and People and Remuneration – each of which has members that are independent of the Trustees and are experts in areas appropriate to their committee's work.

Operational stream

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

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

Each operational committee operates within clearly defined delegated authority and

budgetary limits set by the Board to further the strategic aims of the charity.

Advisory communities

The BHF advisory communities cover specific areas of expertise, each designed to support BHF's key strategic themes. Working with supporters, specialist advisers, patient representatives and other key stakeholders to drive the new strategy through its key themes, these groups:

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

The advisory communities currently comprise a Retail Committee.

Advisory Council

Our Advisory Council comprises the Board of Trustees and the members of all BHF governance committees, operational committees and advisory communities, and is chaired by Professor Sir Kent Woods, our Vice-Chair of the Board of Trustees. Advisory Council members are invited to attend a one-day Annual Conference. The aim of this

meeting is to seek input and expert advice towards BHF's strategy and future direction.

Charity Governance Code

The Charity Governance Code is designed as a tool to support continuous improvement. The Board has reviewed and will regularly revisit the Code's key principles to ensure the highest standards of governance. Areas of particular focus this year have been:

Board effectiveness

During 2019-20, a Board evaluation survey was carried out. This included a review of Board composition, skills, knowledge, experience and culture; and created a programme of work to ensure the Trustees have the necessary skills, information and time to ensure effective decision-making.

Board diversity and inclusion

The Board believes that a balance of experience, skills, knowledge and backgrounds is vital to providing a variety of different perspectives to its discussions and enhancing the Board's decision-making. Diversity, including gender and ethnic background, is considered as part of the annual board evaluation process, and each year, new trustee appointments are evaluated against the existing skills, knowledge and experience on the Board.



Legal structure and governance

Board of trustees

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

We are pleased to welcome one new Trustee, Karen Frank, who joined the Board of Trustees this year. The Board of Trustees is extremely grateful to all our Advisory Council and committee members for their support during the year. Our particular thanks go to Dr Robert Easton who retired from the Board of Trustees this year, having played a huge role in the direction of the BHF during his tenure.

Chair

Dr Douglas Gurr

Members

Dr Sarah Clarke MA MD FRCP FESC FACC
Professor Dame Anna Dominiczak
DBE MD FRCP FAHA FRSE FMedSci
Daryl Fielding BSc
Karen Frank (from October 2019)
Timothy Howe QC
Professor John Iredale FRCP FRSE FMedSci
Professor David Lomas
PhD ScD FHEA FRCP FMedSci
Iain Mackay MA CA
Professor Sussan Nourshargh
PhD FBPhS FSB FMedSci
Peter Phippen
Professor Liam Smeeth FRCGP PHD
Professor Sir Kent Woods FMedSci

Retired during the year

Dr Robert Easton BSc ARCS DPhil
(to October 2019)

Recruitment, induction and training of trustees

The Nominations Committee is, amongst other things, responsible for recruiting members of the Board of Trustees and the committees and communities comprising the Advisory Council. One of its aims is to ensure a broad mix of skills

and backgrounds. The Nominations Committee meets regularly to review the composition of the Board of Trustees and the Advisory Council, and to act on any upcoming vacancies. Trustee and Advisory Council vacancies are advertised as necessary. BHF will also approach individuals thought to have the right skills.

New Trustees and Advisory Council members are invited to spend time with members of the Executive Group as part of their induction. This is a chance to learn about the BHF and identify opportunities to get 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 offered on a regular basis.

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

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

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

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. 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:

Decision making

As part of their induction, the Trustees are briefed on their duties, which are fulfilled partly through the governance structure detailed on pages 86-93. The Board receives a Quarterly Strategic Performance Report, 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.

For further details on our Risk Management Framework and principal risks and uncertainties please refer to pages 83-85.

Stakeholder engagement – our staff and volunteers

During the year, the remit of the Remuneration Committee was expanded in order to assist the Board of Trustees in fulfilling its governance duties in relation to staff and volunteers. The new Remuneration and People Committee will additionally review feedback from employee and volunteer engagement surveys, and other initiatives relating to health at work, equality, diversity and inclusivity, to ensure that any concerns around culture or policy are brought to the attention of the Trustees and assist them in promoting a culture whereby everyone at BHF is treated equally and with respect, and is able to give of their best.

For further details on how we engage with our staff and volunteers please see pages 90-93.

Stakeholder engagement – business relationships with suppliers, customers and others

The delivery of our charitable aims and objectives is dependent on a range of relationships with universities, suppliers and other business partners. The Board has encouraged management to develop and maintain trusted partnerships with each, and expects our partners to be aligned with the values of the BHF. We seek always to

act with honesty and integrity in all that we do to deliver the best value for money in our goal to beat heartbreak forever.

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.

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.

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 Board recognises the threats posed by climate change, pollution and resource depletion and the need to address these through effective and ethical decision making. We have launched our Sustainability Policy this year with a series of commitments to ensure that our environmental and economic impact are considered.

For further information on sustainability initiatives in our shops and stores can be found on pages 62-63, and our Streamlined Energy and Carbon Reporting on page 82.

Public benefit

In reviewing our aims and objectives, and planning future activities, the Trustees have taken

Legal structure and governance

into account the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives and aims of the BHF.

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

BHF Fundraising

At the BHF, our supporters are at the heart of everything we achieve, and our fundraised income represents 89% of our total income (net of retail costs). We have a diverse range of fundraising activities, ranging from legacies, which represent over half of our fundraised income, through to events, individual giving and community fundraising. The BHF is registered with the Fundraising Regulator and we, along with all fundraising partner organisations are committed to meeting the standards as set out in the Code of Fundraising Practice:

www.fundraisingregulator.org.uk/code

Fundraising activity and overall strategy is regularly addressed by the Board of Trustees in exercise of their duties under CC20 Charity Commission guidance. They, together with our Audit and Risk Committee, monitor significant risks and ensure they are being properly addressed. The Executive Group has oversight of all fundraising activities and monitors performance against key indicators to identify any significant challenges or changes that are required.

Fundraising on our behalf

Speaking to donors both in person and over the telephone remains an important part of our fundraising efforts. We continue to monitor all public fundraisers through our dedicated

mystery shopping, training evaluation, doorstep shadowing and telephone call monitoring programme in line with the requirements set out in The Charities (Protection and Social Investment Act) 2016. We ensure that BHF fundraising staff deliver formal fundraising training to all agency partners throughout the year.

Vulnerable people

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

Complaints

From the millions of contacts we have with supporters each year, in 2019-20 we received 618 complaints about our fundraising practices (2018-19, 1,374 complaints). We take all complaints very seriously and respond according to our Complaints Policy.

While we received no complaint investigations through the Fundraising Regulator in 2019-20, we implemented enhanced internal processes to ensure compliance with the Fundraising Preference Service.

The Board of Trustees receives a regular 'Voice of the Customer Report' 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 the BHF under authority delegated to it by the Board of Trustees. It proposes to the Board of Trustees where the BHF should invest its time, money and expertise, including an annual discussion of strategy supported by financial forecasts. It proposes an annual operating budget to the Board of Trustees for approval and monitors financial performance accordingly. The Executive Board members are detailed below:

Chief Executive

Simon Gillespie OBE (to December 2019)
Dr Charmaine Griffiths (from February 2020)

Medical Director

Professor Sir Nilesh Samani

Director of Fundraising

Amanda Bringans

Director of Marketing & Engagement

Carolan Davidge (Acting Chief Executive from December 2019 to February 2020)

Chief Technology Officer

Ursula Dolton

Chief Financial Officer

Martin Miles FCA

Director of People & Organisational Development

Kerry Smith

Commercial Director

Mike Taylor

Director of Healthcare Innovation

Jacob West

Company Secretary

Head of Legal & Governance and Company Secretary

Sam Ryan

Our staff and volunteers

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

At 31 March 2020 we had a paid workforce of 4,558, spread right across the UK, (3,680 of whom are employed in our retail operation). The full-time equivalent headcount is detailed within note 4 to the accounts on page 108.

Our team's skill, experience and commitment have enabled the BHF to continue to push the boundaries as the UK's leading independent funder of cardiovascular research. It is therefore essential for the BHF to be able to attract and retain the best talent, and having an appropriate reward strategy is one of the many ways the BHF can secure this. The Executive Group is responsible for our reward strategy and policies, and the annual remuneration review is established by the Executive Group and approved by the Board of Trustees. This is further discussed below.

Our volunteers continue to make an extraordinary contribution. Their annual financial contribution is vital, but their impact goes way beyond money. To many people across the UK, volunteers are the public face of our Charity. Our 18,786 retail and fundraising volunteers inform people about our work and services and raise vital funds on our behalf, providing essential support within our retail outlets. They also act increasingly as passionate and informed advocates, campaigning on our behalf and helping to recruit more supporters. It is by working together in this way that we will achieve our goal of beating heart and circulatory diseases.

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

Legal structure and governance

The BHF gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by 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 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 regular all-staff updates across our main sites. 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.

Since the outbreak of the Covid-19 pandemic, our top priority has been protecting the health and wellbeing of our staff, volunteers and supporters as well as the 7.4 million people across the UK living with heart disease.

Executive pay

We have a detailed Reward Policy, which sets out our guiding principles for reward at the BHF.

The remuneration for the Executive Group is set, monitored and reviewed by the People & Remuneration Committee, which is chaired by an

independent senior human resources specialist.

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

Our Chief Executive's annual salary at 31 March 2020 was £189,000. Her salary is around the median for the charity sector, according to Third Sector's 2019 survey of executive pay. This survey also identified the BHF as the 17th largest charity by income, but only the 54th by salary for the highest paid employee.

- The ratio between our highest and median salary (including retail) is 9.3 to 1.
- The ratio between our highest and median salary (excluding retail) is 4.9 to 1.

Gender pay gap

The average gender pay gap at the BHF is 8.7% in favour of men, compared to a national average of 17.3%. We continue to dedicate our organisation to taking more steps to narrow the gap even further, and we're proud to be an organisation where half of our senior leaders are women.

Trustees' indemnity

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

Patron

The BHF is honoured to have the continued support of His Royal Highness The Prince Phillip KG KT, who has been our Patron since the Charity was founded in 1961.

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 28 July 2020.



Sam Ryan

Head of Legal & Governance and
Company Secretary
28 July 2020

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (which together form United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

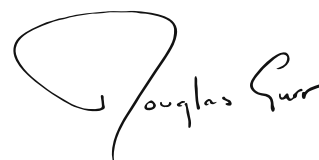
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

In so far as the Trustees are aware;

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



Dr Douglas Gurr
Chairman
28 July 2020

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

Report on the audit of the financial statements

Opinion

In our opinion, the 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 charity's affairs as at 31 March 2020 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 2020; 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.

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 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

Independent auditors' report to the members and trustees of the British Heart Foundation (continued)

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) 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 set out on page 94, 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.

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

www.frc.org.uk/auditorsresponsibilities

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 charity'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 received 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.



Nicholas Boden

(Senior Statutory Auditor)

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

London, 28 July 2020

Group statement of financial activities for the year ended 31 March 2020

(Incorporating a Group income and expenditure account)

Company reg. number: 699547

		2020			2019		
		Unrestricted funds	Restricted and endowment funds	Total funds	Unrestricted funds	Restricted and endowment funds	Total funds
		£m	£m	£m	£m	£m	£m
Income from							
Donations and legacies	Note 2	121.1	11.4	132.5	127.3	8.8	136.1
Investments		6.5	-	6.5	6.9	-	6.9
Other income		0.9	-	0.9	0.1	-	0.1
Total fundraising income		128.5	11.4	139.9	134.3	8.8	143.1
Expenditure on							
Raising funds: donations and legacies	4	(38.7)	-	(38.7)	(41.8)	-	(41.8)
Investment management fees	4	(1.3)	-	(1.3)	(1.3)	-	(1.3)
Total fundraising costs		(40.0)	-	(40.0)	(43.1)	-	(43.1)
Fundraising contribution		88.5	11.4	99.9	91.2	8.8	100.0
Trading income	3	196.6	-	196.6	193.8	1.1	194.9
Trading costs	3/4	(188.9)	-	(188.9)	(174.5)	-	(174.5)
Contribution from trading activities		7.7	-	7.7	19.3	1.1	20.4
Net income available for charitable purposes		96.2	11.4	107.6	110.5	9.9	120.4
Charitable expenditure							
Research	4	(83.2)	(9.9)	(93.1)	(105.3)	(9.6)	(114.9)
Healthcare Innovation	4	(34.2)	(0.3)	(34.5)	(34.2)	(0.2)	(34.4)
Total charitable expenditure		(117.4)	(10.2)	(127.6)	(139.5)	(9.8)	(149.3)
Net income before (loss)/gain on investments		(21.2)	1.2	(20.0)	(29.0)	0.1	(28.9)
Represented by							
Total income		325.1	11.4	336.5	328.1	9.9	338.0
Total expenditure		(346.3)	(10.2)	(356.5)	(357.1)	(9.8)	(366.9)
Net income before (loss)/gain on investments		(21.2)	1.2	(20.0)	(29.0)	0.1	(28.9)
Net gain/(loss) on investments	7	(16.8)	-	(16.8)	10.7	-	10.7
Net (expenditure)/income		(38.0)	1.2	(36.8)	(18.3)	0.1	(18.2)
Other recognised losses							
Actuarial gain on defined benefit pension scheme and impact of pension ceiling	14	-	-	-	(8.5)	-	(8.5)
Net movement in funds		(38.0)	1.2	(36.8)	(26.8)	0.1	(26.7)
Reconciliation of funds							
Funds balances brought forward at 1 April	5	30.9	25.3	56.2	57.7	25.2	82.9
Total funds carried forward	5	(7.1)	26.5	19.4	30.9	25.3	56.2

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations. Gross income for the year for the parent charity is £316.7m (2019: £320.5m) and gross expenditure is £337.4m (2019: £349.9m). The notes on pages 101 to 119 form an integral part of these financial statements.

Balance sheets as at 31 March 2020

Company reg. number: 699547

		Group		Charity	
		2020	2019	2020	2019
	Note	£m	£m	£m	£m
Fixed assets					
Tangible assets	6	40.0	35.7	40.0	35.7
Investments	7	189.3	234.2	189.3	234.2
Total fixed assets		229.3	269.9	229.3	269.9
Current assets					
Inventories		6.1	5.5	-	-
Debtors	8	92.0	85.2	99.6	99.4
Cash and cash equivalents		68.8	65.2	66.9	56.1
Total current assets		166.9	155.9	166.5	155.5
Creditors and provisions: amounts falling due within one year					
Provision for research and other grant awards	9	(114.6)	(113.4)	(114.6)	(113.4)
Other creditors	10	(24.5)	(25.7)	(24.1)	(24.6)
Total current liabilities		(139.1)	(139.1)	(138.7)	(138.0)
Net current assets		27.8	16.8	27.8	17.5
Total assets less current liabilities		257.1	286.7	257.1	287.4
Provisions falling due after more than one year					
Provision for research and other grant awards	9	(233.4)	(228.1)	(233.4)	(228.1)
Provision for liabilities and charges	11	(4.3)	(2.4)	(4.3)	(2.4)
Total provisions due after more than one year		(237.7)	(230.5)	(237.7)	(230.5)
Net assets excluding pension liability		19.4	56.2	19.4	56.9
Defined benefit pension liability	14	-	-	-	-
Net assets including pension liability		19.4	56.2	19.4	56.9
Represented by:					
Endowment funds	5	7.5	7.5	7.5	7.5
Restricted income funds	5	19.0	17.8	19.0	17.8
Unrestricted funds					
General funds	5	(7.1)	30.9	(7.1)	31.6
Pension reserve	14	-	-	-	-
Total unrestricted funds		(7.1)	30.9	(7.1)	31.6
Total funds		19.4	56.2	19.4	56.9

The Charity's net movement in funds for the year was a decrease of £36.8m (2019: decrease of £26.5m).

The financial statements on pages 98 to 119 were approved by the Board of Trustees on 28 July 2020, and signed on its behalf by:



Dr Douglas Gurr, Chairman



Iain Mackay, Chairman of the Audit & Risk Committee

Members of the Board of Trustees

The notes on pages 101 to 119 form an integral part of these financial statements.

Group statement of cash flows for the year ended 31 March 2020

	2020 £m	2019 £m
Cash flows from operating activities		
Net cash flow from operating activities	(18.1)	(19.2)
Cash flows from investing activities		
Investment income	6.5	6.9
Purchase of investments	(60.8)	(77.4)
Proceeds from sale of investments	88.9	100.8
Purchase of tangible fixed assets	(13.1)	(14.0)
Proceeds from sale of tangible fixed assets	0.2	0.1
Net cash inflow from investing activities	21.7	16.4
Net increase/(decrease) in cash and cash equivalents	3.6	(2.8)
Cash and cash equivalents at 1 April	65.2	68.0
Cash and cash equivalents at 31 March	68.8	65.2
Reconciliation of net cash flow from operating activities:		
Net income/(expenditure)	(36.8)	(18.2)
Add/(less):		
Depreciation	8.0	7.1
Impairment provision	0.5	-
Loss on sale of fixed assets	-	0.1
Investment income	(6.5)	(6.9)
Net loss/(gain) on investments	16.8	(10.7)
Defined benefit scheme pension costs recognised in SOFA	0.1	0.1
Employer contributions to defined benefit pension scheme	-	(10.6)
(Increase) in stock	(0.6)	(0.1)
(Increase) in debtors	(6.8)	(4.3)
Decrease in creditors	(1.2)	(0.1)
Increase in provision for liabilities and charges	1.9	(0.1)
Increase in provision for research grant and other awards	6.5	24.5
Net cash flow from operating activities	(18.1)	(19.2)

The notes on pages 101 to 119 form an integral part of these financial statements.

Notes to the accounts

1. Accounting policies

The Statement of compliance

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

The BHF constitutes a public benefit entity as defined by FRS 102.

Basis of Preparation

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

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 2020, the Trustees are required to consider whether the BHF can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the position of the BHF in the context of the current Covid-19 pandemic, for the reasons set out below.

The BHF had the benefit of entering this period of unprecedented challenge with total cash, deposits and investments of £258.1m, significantly above the upper end of the defined reserves range. Post year end, this position was strengthened by a £26.6m equity valuation gain in the 3 months to 30 June 2020. In addition, to increase the liquidity and stability of our reserves, since the year end £75.9m of value has been realised from equities and transferred to our cash reserves. This provides additional assurance given, as a medical research funding charity with significant commitments at the balance sheet date, the focus of our reserves policy and our review of financial viability is that the BHF continues to have access to sufficient liquid resources to meet its obligations as they fall due.

In the context of our investment and cash reserves, the Trustees reviewed financial forecasts beyond a period 12 months from the approval of the financial statements. This included assessment of budgets,

business plans and cash flow forecasts, inclusive of a stress-test downside scenario. The forecasts reflected the expectation that Covid-19 will cause a material reduction in income generation for the next financial period ending 31 March 2021, as well as uncertainty about the timing and speed of any subsequent recovery. Such a reduction has a direct impact on our capacity to deliver charitable mission, such that a comparable reduction in new medical research funding is assumed.

The Trustees, after reviewing the BHF's budgets, business plans, cash flow forecasts and investment and cash reserves, consider that the Group and Charity have sufficient resources available at the date of approval of this report. Accordingly, the Trustees are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report and Accounts.

Reporting period

The financial statements for the year ended 31 March 2020 incorporate the trading results of our retail operations for the 52 week period ended 28 March 2020 (2019: 52 week period ended 30 March 2019).

Basis of consolidation

The financial statements of the BHF and its three 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.

Notes to the accounts

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** (including those raised through volunteer fundraising) are recognised when income has been received. **Gift Aid income** on donations is accrued when there is a valid declaration from the donor.
- **Retail income** is recognised at point of sale. Goods donated for sale are included as income at the point of sale. Gift Aid income claimed under the UK Retail Gift Aid scheme is estimated and accrued at the point of sale.
- **Legacy income** is recognised in the statement of financial activities when the BHF has entitlement to the income, receipt is probable and the income can be reliably measured. For the majority of legacies, entitlement is determined when probate has been granted. Where probate information is not

available or probate is not required to execute an estate, our entitlement is estimated with consideration to the date we are notified of the legacy, our history of similar legacies and any other information available for a specific estate. Revisionary interests involving a life tenant are not recognised unless the life tenant has passed away.

Income is estimated based on the best available information at the time. Where estate accounts or notification of expected income have not been received for an estate, income is estimated using a portfolio approach based on historical experience of income from similar legacies. Historical legacies of a material value are excluded from our legacy portfolio valuation model.

- For **event income**, entitlement is counted at the date of the event. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued.
- Income from **government grants**, is recognised when the charity has entitlement to the funds and any performance conditions attached to the grants have been met.
- **Investment income**: interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity. Dividends are recognised once the dividend has been declared and the right to receive payment has been established.

- **Donated professional services** and donated facilities are recognised as income, if a value can be reliably measured, at the value to the charity when received. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers, including professional services provided directly by volunteers.

Expenditure

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

- Costs of raising funds (donations and legacies) comprise costs incurred in generating donation and legacy income, including fundraising staff costs and fundraising marketing costs.
- Trading costs comprise costs associated with operating our retail operations together with costs of running trading activities conducted to generate fundraising income, such as events and lottery costs.
- Charitable expenditure includes costs of grant awards and other direct costs incurred towards achieving the BHF's charitable objectives.

Grant expenditure is recognised in the year of award and when communicated to recipient in line with the SORP (see 'awards' for more detail on individual grant types).

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

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

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

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

Awards

Grants awarded are included within charitable expenditure when the award of the grant has been communicated to the recipient. Grants awarded are commitments by the BHF to reimburse grant recipients for expenditure incurred, up to the value of the grant award. Grant payments are made to recipients retrospectively when invoiced by the recipient and when supporting evidence of costs incurred has been

provided. Grants are recognised as a provision, reflecting the uncertainty of the timing and value of payment for grants. To calculate the grants award provision, the timing and value of grant payments is estimated using a portfolio approach based on historical experience of similar grant awards. The expected underspend against award value reflected within the grant provision range from zero to 15% of award value and at 31 March 2020 reflects 7.3% (2019: 7.4%) 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 2020 was 0.14% (2019: 0.66%).

Chairs of BHF Professors

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

Programme Grants

Awards run initially for five years with a two and a half year review and can be extended

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

Other Research Grants

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

Healthcare Innovation

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

Fund accounting

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

Notes to the accounts

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

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

The holding values and estimated useful lives of assets are regularly reviewed for impairment and where deemed appropriate, are written down.

Investments

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

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

Foreign currency

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

Cash and cash equivalents

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

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. Inventory does not include goods donated

for sale as it is impractical to measure the fair value of these donated items reliably.

Pension costs

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

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

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. The Group has taken advantage of the exemption in respect of lease incentives on

leases in existence at the date of transition to FRS 102 (1 April 2014) and continues to credit these lease incentives to the statement of financial activities over the period to the first rent review date on which the rent is adjusted to market rates.

Taxation

As a registered charity the BHF is entitled to certain exemptions from corporation tax on profits from investments and any trading activities carried on in furtherance of the Charity's primary objectives. The subsidiary companies make qualifying donations of all taxable profits to the BHF and thus do not incur corporation tax. Costs are recorded net of recoverable VAT as the Group is able to reclaim a proportion of VAT paid, because of its trading activities, using the partial exemption method.

Significant areas of estimation and judgement

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

Critical accounting judgements

- In the event that the FRS 102 valuation of the defined benefit pension scheme identifies a net surplus, judgement is applied regarding the extent to which any such surplus is available to the BHF in the form of a reduction in future contributions or a cash refund. Where such a surplus is not

deemed available to the BHF, an asset ceiling is applied, as further discussed in note 14.

Sources of estimation uncertainty

- Accrued legacy income is estimated based on the best information available at the balance sheet date. Historical average legacy income is used to provide an estimated valuation where no specific information is available.
- 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 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.

Notes to the accounts

2. Donations and legacies

	2020		2019
	Unrestricted funds	Restricted funds	Total funds
	£m	£m	£m
Legacies	79.8	1.0	80.8
Donations	23.9	10.3	34.2
Donations received in BHF Shops	2.6	-	2.6
Volunteer fundraising	14.8	0.1	14.9
Total	121.1	11.4	132.5

The charity has received notification of 337 legacies (2019: 370) with an estimated value of £10.5m (2019: £11.4m) which are not included in legacy income. This includes legacies which are subject to a life interest, legacies which have not yet been granted probate, and contentious legacies.

3. Trading activities

	2020		2019
	Income/direct costs	Support cost allocation	Total
	£m	£m	£m
Retail income*	196.6	-	196.6
Retail costs	(185.1)	(3.8)	(188.9)
Retail net profit	11.5	(3.8)	7.7
Income from fundraising trading activities	4.8	-	4.8
Costs of fundraising trading	(3.3)	-	(3.3)
Net fundraising trading income	1.5	-	1.5
Contribution from trading activities	11.5	(3.8)	7.7
Represented by:			
Total trading income	196.6	-	196.6
Total trading costs	(185.1)	(3.8)	(188.9)
Contribution from trading activities	11.5	(3.8)	7.7

*2020 includes income of £53.0m (2019: £50.1m) representing donations from our supporters on which Gift Aid has been claimed from sale of goods through the Retail Gift Aid Programme.

4. Expenditure

	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2020	Total 2019
	£m	£m	£m	£m	£m	£m
Expenditure on raising funds						
Costs of raising funds	-	17.9	17.0	3.8	38.7	41.8
Investment management fees	-	-	1.3	-	1.3	1.3
Total fundraising costs	-	17.9	18.3	3.8	40.0	43.1
Expenditure on trading activities						
Retail costs	-	71.4	110.4	3.8	185.6	170.0
Other trading costs	-	-	3.3	-	3.3	4.5
Total trading costs	-	71.4	113.7	3.8	188.9	174.5
Expenditure on charitable activities						
Research	90.7	1.1	0.5	0.8	93.1	114.9
Healthcare Innovation	2.2	6.2	22.3	3.8	34.5	34.4
Total charitable expenditure	92.9	7.3	22.8	4.6	127.6	149.3
Support cost allocated	-	9.5	2.7	(12.2)	-	-
Total expenditure	92.9	106.1	157.5	-	356.5	366.9

Support costs included in gross expenditure

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

Support cost 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.

	Charitable expenditure				Total	Total
	Fundraising	Trading	Research	Healthcare Innovation	2020	2019
	£m	£m	£m	£m	£m	£m
CEO, strategy and legal	0.5	0.3	0.1	0.7	1.6	2.2
Information technology	0.8	1.9	0.2	1.0	3.9	3.8
Finance, risk and procurement	0.9	0.8	0.2	0.6	2.5	3.1
Human resources	1.3	0.6	0.3	1.3	3.5	3.1
Facilities management	0.1	0.1	-	0.1	0.3	0.4
Governance costs	0.2	0.1	-	0.1	0.4	0.5
Total	3.8	3.8	0.8	3.8	12.2	13.1

	2020	2019
	£m	£m
Support costs are made up of:		
Staff cost	9.5	9.6
Other costs	2.7	3.5
Total	12.2	13.1

Notes to the accounts

4. Expenditure (continued)

Gross expenditure for the year is stated after charging:	2020	2019
	£m	£m
Operating lease rentals (land and buildings)	28.9	27.6
Loss on disposal of fixed assets	-	0.2
Depreciation charge for the year	8.0	7.1
Provision for impairment	0.5	-

Auditors' remuneration(*)
Audit fee

*Auditors' remuneration comprises £107,855 (2019: £64,264) for the audit of the charity and £18,845 (2019: £17,948) audit fees of subsidiary undertakings. In addition £8,900 (2019: £7,775) was incurred in respect of British Heart Foundation Staff Pension Scheme and £6,000 (2019: £18,000) in respect of non-audit services. All numbers exclude VAT.

Staff and Trustee information	2020	2019
Staff costs	£m	£m
Wages and salaries	91.2	86.5
Social security costs	7.7	7.2
Pension costs (see note 14)	4.8	4.5
Other benefits	0.9	0.9
Other staff costs	1.5	1.2
Total	106.1	100.3

Wages and salaries include redundancy cost of £ 0.2m (2019: 0.2m) arising from restructuring activities completed during the year.

All staff are employed by the BHF. The average number of staff, employed in the year, was:	2020	2019
Head office	893	698
Regions	70	66
Shops	3,470	3,477
Total	4,433	4,241

Reflecting:		
Full time staff	2,693	2,633
Part time staff	1,740	1,608
Total	4,433	4,241

Full time equivalent average headcount	3,605	3,485
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The following numbers of staff have emoluments above £60,000:	2020	2019
Between £60,000-£70,000	37	43
Between £70,001-£80,000	22	19
Between £80,001-£90,000	18	11
Between £90,001-£100,000	1	6
Between £100,001-£110,000	1	3
Between £110,001-£120,000	3	1
Between £120,001-£130,000	1	2
Between £130,001-£140,000	1	1
Between £140,001-£150,000	1	-
Between £150,001-£160,000	1	1
Between £160,001-£170,000	1	-
Between £190,001-£200,000	-	1
Between £200,001-£210,000	1	-
Between £210,001-£220,000	-	1

The key management personnel of the BHF are the members of the Executive Group, further details of the membership and function of which is provided on page 91-92. The total employee benefits of the Executive Group in the year was £1.3m (2019: £1.2m).

Trustee costs: no Trustees received any remuneration for services as members of the Board of Trustees, but a total of £2,578 (2019: £3,239) was reimbursed to three (2019: six) members for travelling expenses to and from meetings. As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £11,480 (2019: £10,640). Total Donations from Trustees amounted to £50,918 (2019:£128,020).

5. Statement of funds

	Note	Balance 1 April 2019	Income	Expenditure	Net investment gain	Actuarial gain and impact of asset ceiling	Balance 31 March 2020
		£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)							
Unallocated legacies	d	5.4	0.5	(3.6)	-	-	2.3
Research	e	0.3	4.8	(2.3)	-	-	2.8
Healthcare Innovation	f	0.2	0.8	(0.3)	-	-	0.7
Oxford IDRM	g	3.8	3.6	-	-	-	7.4
Mending Broken Hearts Appeal	h	8.1	1.7	(4.0)	-	-	5.8

Total restricted funds	17.8	11.4	(10.2)	-	-	19.0
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Unrestricted funds (Group)	30.9	325.1	(346.3)	(16.8)	-	(7.1)
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Unrestricted funds (Charity)	31.6	305.3	(327.2)	(16.8)	-	(7.1)
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Total Group funds	56.2	336.5	(356.5)	(16.8)	-	19.4
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Total Charity funds	56.9	316.7	(337.4)	(16.8)	-	19.4
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Notes

- a. The Chair endowment trusts represent permanent endowments returned to the BHF by certain universities (see below). The interest earned on the money held is restricted and expended on the BHF's Chairs of Cardiovascular Medicine.
- b. Income from the G M Yule bequest is available for the general activities of the charity.
- c. Income from the Dr John A Gordon memorial trust fund is restricted to expenditure on Healthcare Innovation activities.
- d. 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.
- e. Income where the donor has specified that the donation should be expended on the BHF's research activities.
- f. Income where the donor has specified that the donation should be expended on the BHF's Healthcare Innovation activities. This includes the Miles Frost Fund.
- g. Income collected to contribute to the build of a world-leading centre for stem cell technology, the Institute of Developmental and Regenerative Medicine (IDRM), at Oxford University.
- h. Income from Mending Broken Hearts ("MBH") 50th anniversary appeal expended on the BHF's charitable activities.

Endowment of Chairs of BHF Professors

The BHF has 31 Chairs of BHF Professors as at 31 March 2020. Of this number, 3 universities hold endowments and 6 previously returned endowments are held on the BHF balance sheet as permanent endowment funds with the income being used to part fund the ongoing cost of the chairs.

Notes to the accounts

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	40.0	-	-	40.0
Investments	189.3	-	-	189.3
Current assets	140.4	19.0	7.5	166.9
Current liabilities	(139.1)	-	-	(139.1)
Long-term liabilities	(237.7)	-	-	(237.7)
Total net assets as at 31 March 2020	(7.1)	19.0	7.5	19.4
At 31 March 2019	30.9	17.8	7.5	56.2

Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	40.0	-	-	40.0
Investments	189.3	-	-	189.3
Current assets	140.0	19.0	7.5	166.5
Current liabilities	(138.7)	-	-	(138.7)
Long-term liabilities	(237.7)	-	-	(237.7)
Total net assets as at 31 March 2020	(7.1)	19.0	7.5	19.4
At 31 March 2019	31.6	17.8	7.5	56.9

6. Tangible fixed assets

Group and Charity	Freehold property	Short leasehold property	Shop fixture and fittings	Vehicles	Furniture and equipment	Computers	Assets under construction	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 April 2019	2.4	30.8	29.1	2.6	12.8	22.7	6.4	106.8
Additions	-	4.3	1.1	0.5	0.6	3.0	3.5	13.0
Disposals	-	(0.5)	(0.7)	(0.5)	(0.4)	(0.7)	-	(2.8)
At 31 March 2020	2.4	34.6	29.5	2.6	13.0	25.0	9.9	117.0
Accumulated depreciation								
At 1 April 2019	0.5	19.2	21.0	1.6	10.7	18.1	-	71.1
Depreciation charge	-	2.3	2.0	0.5	0.8	2.4	-	8.0
Provision for impairment	-	0.5	-	-	-	-	-	0.5
Disposals	-	(0.5)	(0.6)	(0.5)	(0.4)	(0.6)	-	(2.6)
At 31 March 2020	0.5	21.5	22.4	1.6	11.1	19.9	-	77.0
Net book values								
At 31 March 2020	1.9	13.1	7.1	1.0	1.9	5.1	9.9	40.0
At 31 March 2019	1.9	11.6	8.1	1.0	2.2	4.5	6.4	35.7

There are no future capital expenditure commitments on specific projects for the Group (2019: £1.0m).

7. Investments

Group and Charity	2020	2019
Analysis of movement	£m	£m
Market value at 1 April	234.2	246.9
Purchase of investments at cost	60.8	77.4
Disposals	(88.9)	(100.8)
	206.1	223.5
Net (loss)/gain on investments	(16.8)	10.7
Market value at 31 March	189.3	234.2
Original cost	171.6	193.6
Represented by		
Listed investments: equities	150.4	173.9
Short dated corporate bonds	34.8	54.8
Cash held for investment purposes	4.1	5.5
Total investments at 31 March	189.3	234.2

Listed investments include overseas investments of £104.7m (2019: £108.7m).

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

The Charity holds 100% shareholdings in the three (2019: three) subsidiary undertakings within the Group; these are valued at cost of £6 (2019: £6) (see note 13).

For investments sold during the financial year, the realised gain against historic cost was £6.0m (2019: £9.6m).

8. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Amount owed by subsidiary undertakings	-	-	7.6	14.0
Sundry debtors	4.7	3.7	4.9	4.1
Tax recoverable	5.2	3.2	5.2	3.2
Prepayments	10.6	11.8	10.6	11.8
Accrued income	2.2	1.9	2.0	1.7
Accrued legacies	69.3	64.6	69.3	64.6
Total debtors	92.0	85.2	99.6	99.4

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. Research and other awards

Group and Charity	Healthcare Innovation	Research	2020	2019
	£m	£m	£m	£m
Provision for research and other grant awards				
Grants awarded during the year	2.4	99.7	102.1	129.8
Movement in estimated grant underspend	(0.2)	(11.6)	(11.8)	(16.9)
Decrease in grant discount	-	2.6	2.6	1.0
Net research grant awards as recognised in the statement of financial activities	2.2	90.7	92.9	113.9
Payment made during the year	(2.1)	(84.3)	(86.4)	(89.4)
Net movement in provision during the year			6.5	24.5
Grant provision at 1 April			341.5	317.0
Grant provision at 31 March			348.0	341.5
Awards falling due within one year			114.6	113.4
Awards falling due after more than one year			233.4	228.1
Grant provision at 31 March			348.0	341.5
Research and other grant awards commitments				
Total grants awarded and unpaid at 31 March, including conditional grant awards (total grant commitments)			411.4	412.0
Less conditional translation awards and Chairs grants*			(10.4)	(14.7)
Total unconditional grant awards outstanding at 31 March			401.0	397.3
Less estimated future grant award underspend*			(52.3)	(52.5)
Less grant discount			(0.7)	(3.3)
Grant provision at 31 March			348.0	341.5

*The BHF has a contingent liability of £62.7m (2019: £67.2m) including £10.4m (2019: £14.7m) for awards conditional upon the favourable outcome of scientific reviews and £52.3m (2019: £52.5m) 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 0.14% (2019: 0.66%) has been applied to both amounts recognised in the financial statements as grant creditors and grant commitments (not applied to the financial statements). The discount rate applied is the Gilt under 10 years rate. The gross discount value included in total liabilities for research grant awards is £0.7m (2019: £3.3m) and for Healthcare Innovation grant awards £0.0m (2019: £0.0m).

9. Research and other awards (continued)

The Charity occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees in senior research capacities. In certain cases, the Trustee may hold a senior position in the institution the BHF funds. In this context, the grant funding is regarded as being between related parties, as set out in note 16. All grants are made to institutions, and a list of awards made during the year is available on the Charity's website at:

bhf.org.uk/for-professionals/information-for-researchers/previous-awards (this is unaudited).

The top 50 grants made in 2019-20 are listed below.

Institution	Activity	Number of grants	2020 £m
King's College London	Research	7	7.2
University College London	Research	6	4.4
University of Edinburgh	Research	5	3.6
University of Oxford	Research	5	5.2
Queen Mary, University of London	Research	4	4.1
University of Cambridge	Research	3	2.9
University of Glasgow	Research	3	2.5
Imperial College London	Research	3	2.7
University of Birmingham	Research	2	1.2
University of Leeds	Research	2	1.2
University of Bristol	Research	1	0.6
Health Data Research UK	Research	1	10.0
University of Leicester	Research	1	0.6
University of Leicester	Healthcare Innovation	1	0.3
London School of Hygiene and Tropical Medicine	Research	1	0.4
University of Manchester	Research	1	0.6
University of Reading	Research	1	1.4
University of Sheffield	Research	1	0.8
St George's, University of London	Research	1	0.7
Action on Smoking and Health (ASH)	Healthcare Innovation	1	0.9
Total		50	51.3
Other grants paid to institutions	Research		49.6
	Healthcare Innovation		1.2
Total grants and awards			102.1

Notes to the accounts

10. Other creditors

	Group		Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Sundry creditors	5.3	6.9	5.2	6.7
Taxes and social security	1.9	1.8	1.9	1.8
Accruals	14.7	14.5	14.4	14.1
Deferred income	1.5	1.7	1.5	1.2
Holiday pay accrual	1.1	0.8	1.1	0.8
Other creditors total	24.5	25.7	24.1	24.6

Deferred income	Group		Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Deferred income at 1 April	1.7	1.8	1.2	1.4
Released during the year	(1.7)	(1.8)	(1.2)	(1.4)
Income received during the year to be deferred	1.5	1.7	1.5	1.2
Deferred income at 31 March	1.5	1.7	1.5	1.2

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

11. Provisions for liabilities and charges

	Group		Charity	
	2020	2019	2020	2019
	£m	£m	£m	£m
Provision at 1 April	2.4	2.5	2.4	2.5
Dilapidations provision utilised in year	(0.4)	(0.5)	(0.4)	(0.5)
Provision accrued in year	2.3	0.4	2.3	0.4
Provision at 31 March	4.3	2.4	4.3	2.4

The provision comprises the estimated future unavoidable lease costs of £0.5m (2019: £nil) 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 £3.8m (2019: £2.4m), based on the dilapidation costs required, provided the lease is not renewed. Prior to confirmation of the payment amount and date, estimations are made based on historical data; the ongoing monitoring of lease contracts; and continuous liaison with property developers.

12. Operating leases

At 31 March 2020 the Group had total commitments under non-cancellable operating leases as follows:

	2020	2019
	£m	£m
Payment due:		
Within one year	25.8	26.1
Between two and five years	70.0	73.4
After five years	29.5	33.5
Total	125.3	133.0

13. Subsidiary undertakings

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

Company name	Registered company number	Activity
British Heart Foundation Ventures Ltd	02767880	Making commission arrangements and sponsorship agreements
BHF Shops Ltd	02472513	Retailing new (non donated) goods in BHF shops
London to Brighton Bike Ride Ltd	02672643	Owning rights to, and operating, London to Brighton Bike Ride

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

During the year the British Heart Foundation purchased the assets of London to Brighton Bike Ride Ltd, including the rights to run the annual London to Brighton Bike Ride for a price of £610,000.

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

	British Heart Foundation Ventures Ltd	BHF Shops Ltd	London to Brighton Bike Ride Ltd	2020	2019
	£m	£m	£m	£m	£m
Turnover	0.6	31.1	0.8	32.5	30.6
Cost of sales	-	(18.2)	-	(18.2)	(16.3)
Gross profit	0.6	12.9	0.8	14.3	14.3
Other income	-	-	0.6	0.6	
Other costs	-	(5.0)	(0.6)	(5.6)	(5.3)
Net taxable profit	0.6	7.9	0.8	9.3	9.0
Distribution to parent	0.6	7.9	-	8.5	(9.3)
Assets	0.6	7.9	-	8.5	14.9
Liabilities	(0.6)	(7.9)	-	(8.5)	(15.6)
Net assets	-	-	-	-	(0.7)

Notes to the accounts

14. Pensions

The BHF operates a defined contribution scheme and a defined benefit scheme for its employees. The total pension cost for the financial year was:

Pension costs	2020	2019
	£m	£m
Defined contribution scheme	4.7	4.4
Defined benefit scheme	0.1	0.1
	4.8	4.5

i) Defined contribution scheme

The BHF operates a defined contribution scheme, the total cost of which for the year ended 31 March 2020 was £4.7m (2019: £4.4m). From 1 August 2013, all employees have been automatically enrolled into the defined contribution scheme and BHF contributes between 2% and 25% of pensionable salaries.

ii) Defined benefit scheme

The BHF operates a defined benefit scheme, whose assets 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 2017 and issued in August 2018. The market value of the scheme's assets at that date was £48.5m. The next valuation is due as at 1 July 2020. In agreeing the 2017 valuation, the BHF and the Scheme Trustees agreed to move the Scheme to a lower risk strategy of investing in corporate bonds and liability driven investments. On this basis, the valuation revealed a funding shortfall of £9.4m which was fully eliminated by a one-off contribution of £10.0m in August 2018. Previously, in April 2018 the BHF Scheme made a final contribution of £532,000 as part of a deficit reduction programme agreed following the 2014 valuation. The BHF will continue to separately settle the cost of running the Scheme, but no further contributions to the Scheme are currently anticipated.

In accordance with the requirements of the relevant accounting standard (FRS 102), the full actuarial valuation of the defined benefit scheme dated 1 July 2017 has been updated at 31 March 2020 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 2020 of £15.5m (2019: surplus of £9.3m). In accordance with FRS 102, this surplus is not recognised, as future economic benefits are not deemed available to the BHF in the form of a reduction in future contributions or a cash refund.

The major assumptions used for the actuarial valuation were:

	2020	2019	2018	2017	2016
	%	%	%	%	%
Salary growth	2.6	3.6	3.5	4.6	4.4
Pension increases in payment - Limited Price Indexation	2.0	2.6	2.5	2.6	2.4
Pension increases in payment - guaranteed	5.0	5.0	5.0	5.0	5.0
Discount rate	2.3	2.4	2.6	2.8	3.8
Inflation - RPI	2.6	3.6	3.5	3.6	3.4

Mortality

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

	2020	2019
Male	86.7	86.6
Female	89.0	88.9

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

Male	87.7	87.6
Female	90.2	90.0

14. Pensions (continued)

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

	Asset categories as a percentage of plan assets	
	2020	2019
	%	%
Corporate bonds	76.0	74.0
Liability Driven Investment (LDI) funds	23.0	26.0
Cash/other	1.0	-

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

	2020	2019
	£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	(1.5)	(1.5)
Interest on pension scheme liabilities	1.3	1.4
Interest effect of the asset ceiling	0.2	0.1
Total	0.1	0.1

Analysis of actuarial gain and effect of asset ceiling

Actuarial gain before consideration of asset ceiling	6.0	0.7
Amounts not recognised due to effect of asset ceiling	(6.0)	(9.2)
Total actuarial gain and effect of asset ceiling	-	(8.5)

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		Net liability recognised in the balance sheet	
	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m
Scheme (liabilities)/assets at the start of the year	(55.8)	(52.6)	55.8	50.5	-	(2.1)
Current service cost	-	-	-	-	-	-
Interest cost	(1.3)	(1.4)	-	-	(1.3)	(1.4)
Interest income on assets	-	-	1.3	1.5	1.3	1.5
Employer contributions	-	-	-	10.5	-	10.5
Actuarial gain and effect of asset ceiling	2.4	(2.9)	(2.4)	(5.6)	-	(8.5)
Benefits paid	1.2	1.1	(1.2)	(1.1)	-	-
Scheme (liabilities)/assets at the end of the year	(53.5)	(55.8)	53.5	55.8	-	-

The fair value of the scheme assets at 31 March 2020 is £69.0m (2019: £65.1m) reduced as a result of an asset ceiling imposed of £15.5m (2019: £9.3m) to reflect the requirement of FRS102 not to recognise the scheme surplus as an asset.

Notes to the accounts

14. Pensions (continued)

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

	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m
Defined benefit obligation	(53.5)	(55.8)	(52.6)	(53.9)	(44.1)
Fair value of pension scheme assets (including asset ceiling)	53.5	55.8	50.5	47.7	43.0
Pension deficit	-	-	(2.1)	(6.2)	(1.1)
Experience gain/(loss) on pension scheme assets	6.0	0.7	3.7	(5.6)	(1.5)
Adjustments as a percentage of pension scheme assets	11%	1%	7%	12%	(3%)

Analysis of change in the effect of the asset limit

	2020 £m	2019 £m
Opening effect of the asset limits	9.3	-
Interest effect of the asset limit	0.2	0.1
Remeasurement of the asset limit	6.0	9.2
Closing effect on the asset limit	15.5	9.3

15. Financial instruments

		Group		Charity	
	Note	2020 £m	2019 £m	2020 £m	2019 £m
Financial assets at fair value through statement of financial activities					
Investments	7	189.3	234.2	189.3	234.2
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	8	-	-	7.6	14.0
Sundry debtors	8	4.7	3.7	4.9	4.1
Accrued income	8	2.2	1.9	2.0	1.7
Accrued legacies	8	69.3	64.6	69.3	64.6
Cash and cash equivalents		68.8	65.2	66.9	56.1
		145.0	135.4	150.7	140.5
Financial liabilities at fair value through statement of financial activities					
Grants provision	9	348.0	341.5	348.0	341.5
		348.0	341.5	348.0	341.5
Financial liabilities that are debt instruments measured at amortised cost					
Sundry creditors	10	5.3	6.9	5.2	6.7
		5.3	6.9	5.2	6.7

16. Related Party Transactions

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 FRS102 definition of 'related party transactions'.

As set out in note 9, the Charity occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees and members of BHF staff in senior research capacities. All such grants are made to institutions, with a summary of the top 50 grants provided. However, 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 hold a position of influence in both parties to the transaction. Such instances are set out below, although in no case was the Trustee involved in either the grant funding decision or the grant application process:

- Professor John Iredale is a Trustee of the Charity and Pro Vice Chancellor of University of Bristol, which received £3.2m of grant funding during the year ended 31 March 2020 (2019: £3.0m).
- Professor Dame Anna Dominiczak is a Trustee of the Charity and Vice Principal of University of Glasgow, which received £3.9m of grant funding during the year (2019: £5.5m).
- Dr Robert Easton was a Trustee of the Charity up to 8 October 2019 and Pro-Vice Chancellor of University of Oxford, which received £7.8m of grant funding during the year (2019: £15.8m)
- Professor David Lomas is a Trustee of the Charity and Vice Provost of University College London, which received £6.0m of grant funding during the year (2019: £5.2m).
- Daryl Fielding is CEO of The Marketing Academy Foundation. During the year the Charity paid £648 to The Marketing Academy Foundation for recruitment services.

For the year the Charity received income of £7.9m (2019: £8.5m) from BHF Shops Ltd and £0.6m (2019: £0.8m) from British Heart Foundation Ventures Ltd, being a corporate Gift Aid payment to the parent charity. In addition, BHF Shops Ltd reimbursed the Charity £4.3m (2019: £3.6m) for services and other expenses incurred on its behalf. At the year end, the Charity was due £7.0m (2019: £12.8m) from BHF Shops Ltd, £0.6m (2019: £0.8m) from British Heart Foundation Ventures Ltd and £nil (2019: £0.4m) from London to Brighton Bike Ride Ltd.

17. Post balance sheet events

The declaration of a global pandemic by the World Health Organisation on 11 March 2020 and the subsequent UK wide 'stay at home' restrictions announced on 23 March are events that occurred before close of the reporting period of this annual report, 31 March 2020. Following government guidance, BHF immediately closed all shops and stores and cancelled all public fundraising events. In preparing this Annual Report the financial statements reflect the impacts of these adjusting events which occurred before year end and all material assumptions and estimations which impact on the financial statements have been updated to reflect the known impacts. The material judgements and areas of estimation that have been reviewed and reflected in the financial statements are:

- Tangible assets have been reviewed, and where the value of these assets has been impacted by the pandemic a provision has been made for the impairment of these assets.
- Inventory values have been reviewed to assess whether the realisable value is reduced as a result of the changed retail environment and provision has been made to reflect this.
- Operating leases have been reviewed and additional provisions have been taken where the expected future benefits from future lease commitments are lower than the future lease commitments.

The provision for research grant underspends was reviewed for appropriateness as an area of management judgement but there was no resulting adjustment in approach or methodology.

As a consequence of the pandemic, there have also been a number of events that have taken place after the balance sheet date of 31 March 2020 and before the signing of the financial statements. The impacts of these events, known as non-adjusting events, are not reflected within the financial statements. In order to be disclosed, these events must be sufficiently material to warrant disclosure. Non-adjusting post balance sheet events include:

- We are committed to continuing to support life-saving research despite the impact of the global pandemic. Our priority is ensuring that the research we fund is successfully completed and our researchers are fully supported. On 5 June 2020, in recognition that research laboratories have been closed and the work of many researchers redirected to Covid-19 related activity, we announced that we would consider applications for extensions to our existing grants, including the possibility of providing additional funding. All applications will be reviewed and decisions made on a case by case basis.
- Following the decline in equity market valuations during 2019-20 which contributed to the £16.8m net investment loss reported, markets have recovered in the period since 31 March. This has contributed to a £26.6m net investment gain for the BHF in the 3 month period to 30 June 2020.
- Since the 31 March year end, £75.9m has been transferred from the equity growth portfolio to the cash portfolio to increase the BHF's liquidity position. This included the total balance on the UK equity portfolio.
- In response to the significant impact on income generating activities, the BHF has successfully applied for and continues to receive UK government support, including from the Coronavirus Job Retention Scheme, Business Rates Relief and the Retail, Hospitality and Leisure Grant scheme.

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Heart transplants. Clot busting drugs. Pacemakers.
Breakthroughs born from visionary medical research.
Research you fund with your donations.

Heart and circulatory diseases kill 1 in 4 people in the UK.
They cause heartbreak on every street. But if research can
invent machines to restart hearts, fix arteries in newborn
babies, build tiny devices to correct heartbeats, and give
someone a heart they weren't born with – imagine what's next.

From heart attack and stroke, to vascular dementia and heart
failure, we won't stop funding research until we can cure and
treat every single one. Our research is the promise of future
prevention, cures and treatments.

The promise to protect the people we love. Our children.
Our parents. Our brothers. Our sisters. Our grandparents.
Our closest friends.

You and the British Heart Foundation.
Together, we will beat heartbreak forever.

Beat heartbreak forever.

Beat heartbreak from  heart diseases  stroke  vascular dementia  diabetes