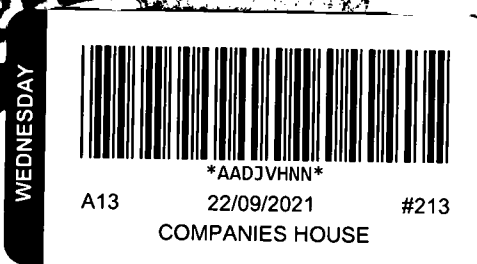
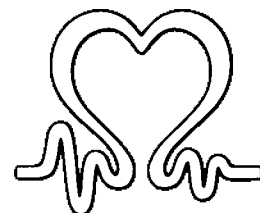


British Heart
Foundation



When the world turned to science

Annual Report and Accounts 2021

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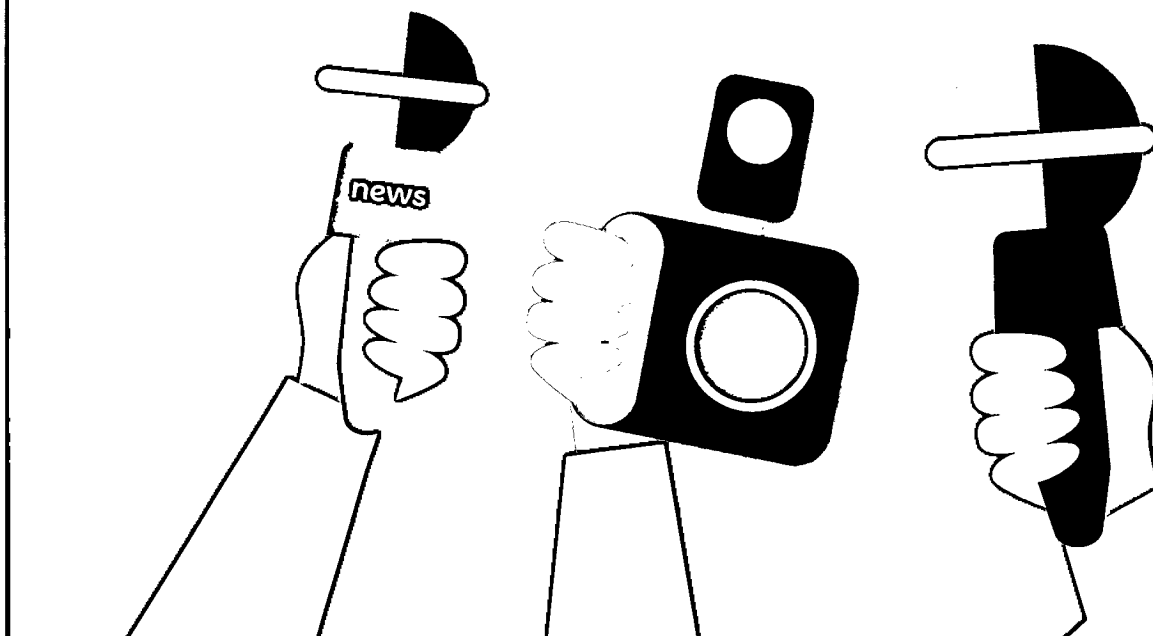
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Our headlines

Last year we faced our biggest challenge in our 60-year history. As grim headlines dominated around the world, the pandemic had a seismic impact on our organisation, halving our net income as all our retail stores were closed and our face to face fundraising activities were cancelled.

We had to respond swiftly, making some difficult decisions to manage our costs whilst protecting as much of our life saving research as we could and ensuring we were there for heart and circulatory disease patients who needed us more than ever. Despite these challenges, we honoured all existing research commitments, supported our researchers to respond to the crisis and continued to grant new funding, with almost £52 million of new grants issued in the last year.

Our response to the crisis, supported by our strong reserves position and robust fundraising performance, has put us in a strong position as we move into our recovery year and has meant we are feeling optimistic and excited for our next 60 years.



A tribute to our patron, HRH The Duke of Edinburgh

At the British Heart Foundation, we mourned the loss of our patron, HRH The Duke of Edinburgh.

The Duke of Edinburgh became our patron in the early 1960s when the British Heart Foundation began, and he played a vital role in helping us organise high profile fundraising events in support of our life saving research.

Prince Philip's commitment to the British Heart Foundation over the decades has included supporting the creation of the BHF Centres of Research Excellence, opening a cutting-edge medical scanning centre at the University of Edinburgh, and writing a foreword to our 50th anniversary book '50 years at the Heart of Health'.

More recently he attended our annual reception in 2015 and hosted a dinner event at St James' Palace in 2017 to celebrate his 55 years as patron. Prince Philip was regularly informed of the strides we are making to prevent, diagnose and treat heart and circulatory diseases, and we know he was moved by the personal stories of people affected by these conditions.

This year the British Heart Foundation celebrates its 60th birthday, in what was the Duke of Edinburgh's 100th year of life. Prince Philip's role as our patron was one aspect of a life characterised by support for good causes and devotion to public service. We are profoundly grateful for his support.

Dr Charmaine Griffiths, our Chief Executive, said: "We're deeply saddened by the death of our patron, Prince Philip HRH the Duke of Edinburgh, and offer our condolences to Her Majesty The Queen and the Royal Family.

"Prince Philip offered steadfast support to the BHF for nearly 60 years and was a remarkable advocate for the power of research to save and improve lives from heart and circulatory diseases."

**“
Prince Philip's role
as our patron was
one aspect of a life
characterised by
support for good
causes and devotion
to public service.
His contribution
will forever be
remembered.**

**Dr Douglas Curr
BHF Chairman**

Message from our Chairman



This has been an historic year. It's been a year of tragedies and loss, and of heightened fear and uncertainty for people with heart and circulatory diseases.

Covid-19 has caused us all to rely on science for solutions. And science has delivered in abundance, including developing, testing, and producing effective vaccines and therapeutics in record time.

It's important to recognise how much we have all lost in the last year, but we can also appreciate just how much we achieved. The British Heart Foundation has helped many thousands of people, supported life saving research, and ensured the long-term health of our organisation and our vital work.

I'm immensely proud of how we responded to the pandemic. I attribute our resilience to the dedication of our people, and the single-minded clarity of our mission. Another key factor has been our prudent management before the pandemic; our cash reserves ensured we could meet our financial obligations and continue essential research.

Early on in the Covid-19 outbreak, there was a clear link between this new infection and heart and circulatory diseases, creating additional stress and uncertainty for the people we support. This meant we needed to urgently provide information and reassurance to people, and also pursue new research into the links between these conditions. This year has also cemented the value of data science when it comes to reducing the impact of heart and circulatory diseases. Our prior investment in the BHF Data Science Centre has proven to be invaluable and will support predictive approaches to treatment and prevention.

In spite of our successes, the pandemic poses a major risk to our research mission. The pandemic reduced our net income and therefore our investment in new research by almost 50%. Even with astute management, our resources are diminished, and our mission is delayed. There is a significant danger to the entire research ecosystem, particularly if we cannot fund future studies.

On our 60th anniversary, I see both a legacy of life saving research, and a future that needs our continued contribution. We can be proud of our accomplishments, but while heart and circulatory diseases remain a leading cause of death in the UK, our mission remains urgent.

One poignant moment was the passing in April 2021 of our long-standing Patron HRH Prince Philip, Duke of Edinburgh. His energy and commitment well into his late 90s were an inspiration to all. I remember him telling me with gusto, "British Heart Foundation – marvellous organisation. Took it on because my doctor told me I should, and you jolly well do what your doctor says!"

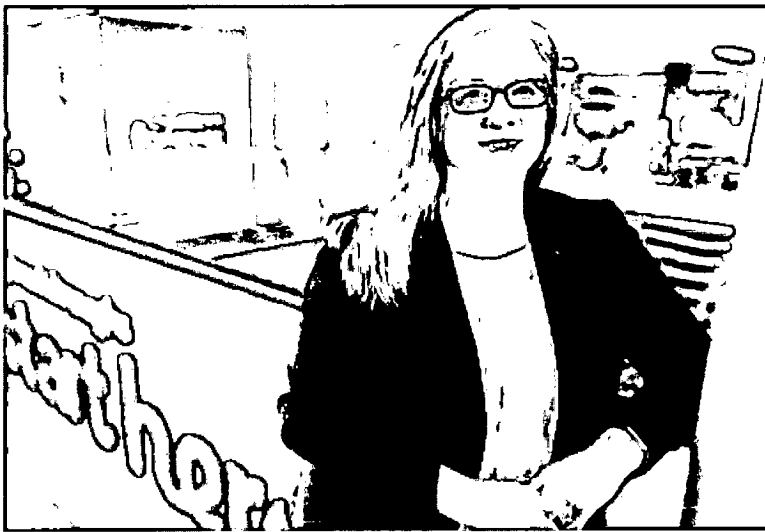
Thank you for supporting us. Thank you for offering your ingenuity, perseverance and creativity. Your commitment ensured we were able to support the people who count on us, continue our essential research, and be fully prepared to bounce back.

A handwritten signature in dark ink, reading "Douglas Gurr". The signature is fluid and cursive, with the first name "Douglas" written in a larger, more prominent script than the surname "Gurr".

Dr Douglas Gurr,
Chairman

Message from our Chief Executive

As we reflect on the past year, there's no doubt the pandemic remains the biggest challenge that the British Heart Foundation has ever faced.



At breakneck speed we had to switch to remote working, cancel much-loved fundraising events, and close all our shops and stores. Our income was devastated just as people with heart and circulatory diseases, many of whom are at increased risk from Covid-19, needed us more than ever.

It was clear from the start of the pandemic that Covid-19 threatened people with heart and circulatory diseases more than most, and we are proud to have been there for millions of people who turned to our BHF Coronavirus Hub for support.

Similarly, our commitment to our life saving research did not falter. We took urgent steps to protect over £450 million of investment in pioneering research, supported our scientists to redirect their research towards Covid-19, and partnered with the National Institute of Health Research to support flagship Covid-19 research projects.

There is no doubt it has been tough.

Our BHF team have lost colleagues and loved ones, some volunteered on the NHS frontline, others juggled caring for family and work, and we all had to adapt quickly to new ways of working. And we've had to make difficult choices to protect our life saving work, including changing structures, and I want to recognise those valued colleagues who have left the BHF for their enduring contribution.

From our researchers to fundraisers, Trustees to volunteers, collaborators to partners, we could not have asked more of our BHF family. We have seen the very best of our people and my heartfelt thanks also go to every person, organisation and network supporting the British Heart Foundation's work today. Your support has never been more needed.

As the vaccination roll out continues at speed and the BHF approaches its 60th birthday we can look to the future with hope once again. Our ambition to power our life saving work as a diverse and inclusive team only continues to grow. We are determined to recover our income, fund world-class research, and put people affected by heart and circulatory diseases at the heart of everything we do. We are about putting a dent in the universe, to be a driver for change, to inspire life-changing work. It is such a privilege to lead the BHF and our brilliant team at this historic moment. For six decades the organisation has powered progress for everyone affected by heart and circulatory diseases and, as we recover from our greatest challenge, today that spirit is stronger than ever.

Dr Charmaine Griffiths,
Chief Executive

Our strategy to 2030

Fresh challenges, fresh thinking

Our ambitious strategy to 2030 guides us towards our vision of a world free from the fear of heart and circulatory diseases. The pandemic raised significant challenges and created unforeseen opportunities. How our organisation adapted and responded in this crisis year was crucial.

The pandemic increased demand for our support, research and services. With 45% of Covid-19 death certificates in England's first wave mentioning heart and circulatory diseases and 130,000 fewer heart procedures taking place in England's hospitals during the first year of the pandemic, we had to address the overwhelming need for information and support for people living with heart and circulatory diseases.

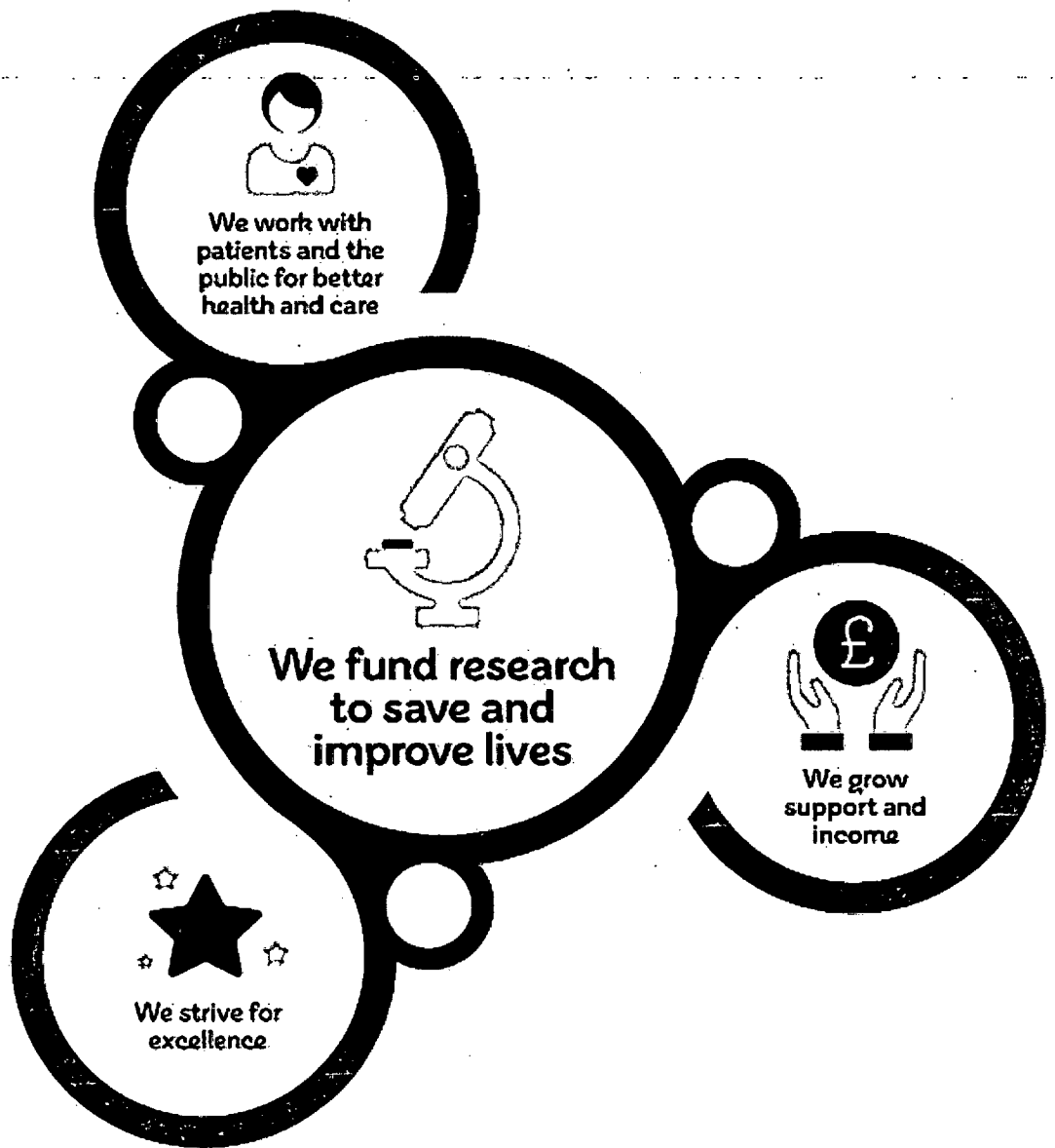
It was forecast that £310 million would be cut from medical research funding during 2021 as a result of Covid-19, so we needed to consider how we could address the shortfall in our own funding, and mitigate the potential impact on the entire research ecosystem.

Our strategy also needed to reflect new ways of working. How could we support our employees and volunteers as they adapted to working from home, closed shops, digital technologies and the stress of lockdowns? Our incredible achievements are the result of dedicated people pulling together, so supporting them remained a priority.

Our leadership team made the swift decision to pivot our strategy to guide us in our response to the crisis, prioritise our activities and deliver support where it was needed most. We decided to focus on four important areas:

- Promote information and support for heart and circulatory disease patients.
- Promote our life saving research, and maintain funding and confidence in it.
- Protect net income and financial sustainability.
- Support our people to adapt to changes and new ways of working.

While changes were essential to keep our strategy relevant in this crisis year, the fundamentals remain the same. We've made immense progress since our inception in 1961, helping to reduce annual UK deaths from heart and circulatory diseases by half, but we must achieve so much more. We know we can prevent more people from developing heart and circulatory diseases and ensure that people with existing conditions and risk factors are detected and treated early if we have more effective medicines and interventions. A persistent challenge we face is the gap between the burden of heart and circulatory diseases and the disproportionately low levels of research and healthcare investment when compared to many other diseases. But despite the difficulties we have had to overcome this year, we continue to tackle these challenges head on and deliver our strategy to 2030.



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.

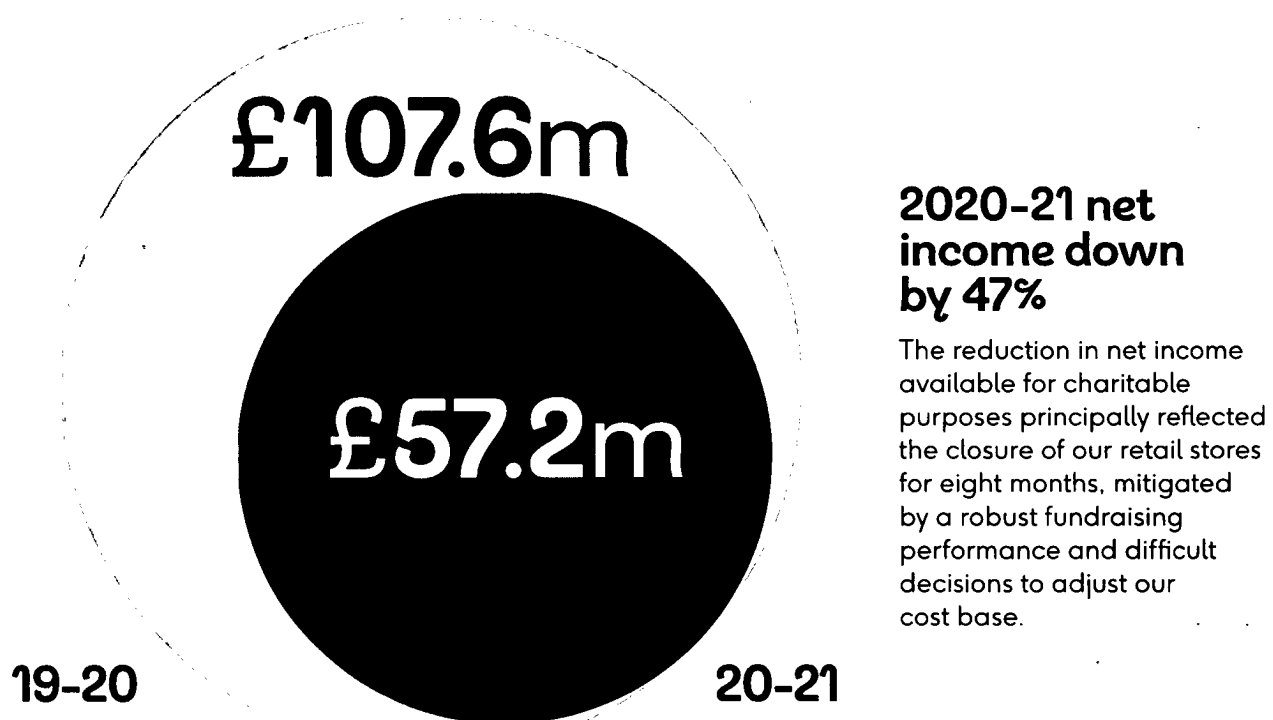
It's a bold ambition, and we cannot achieve it alone. But we believe the next ten years will see unparalleled progress.

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.

A year of critical financial challenge

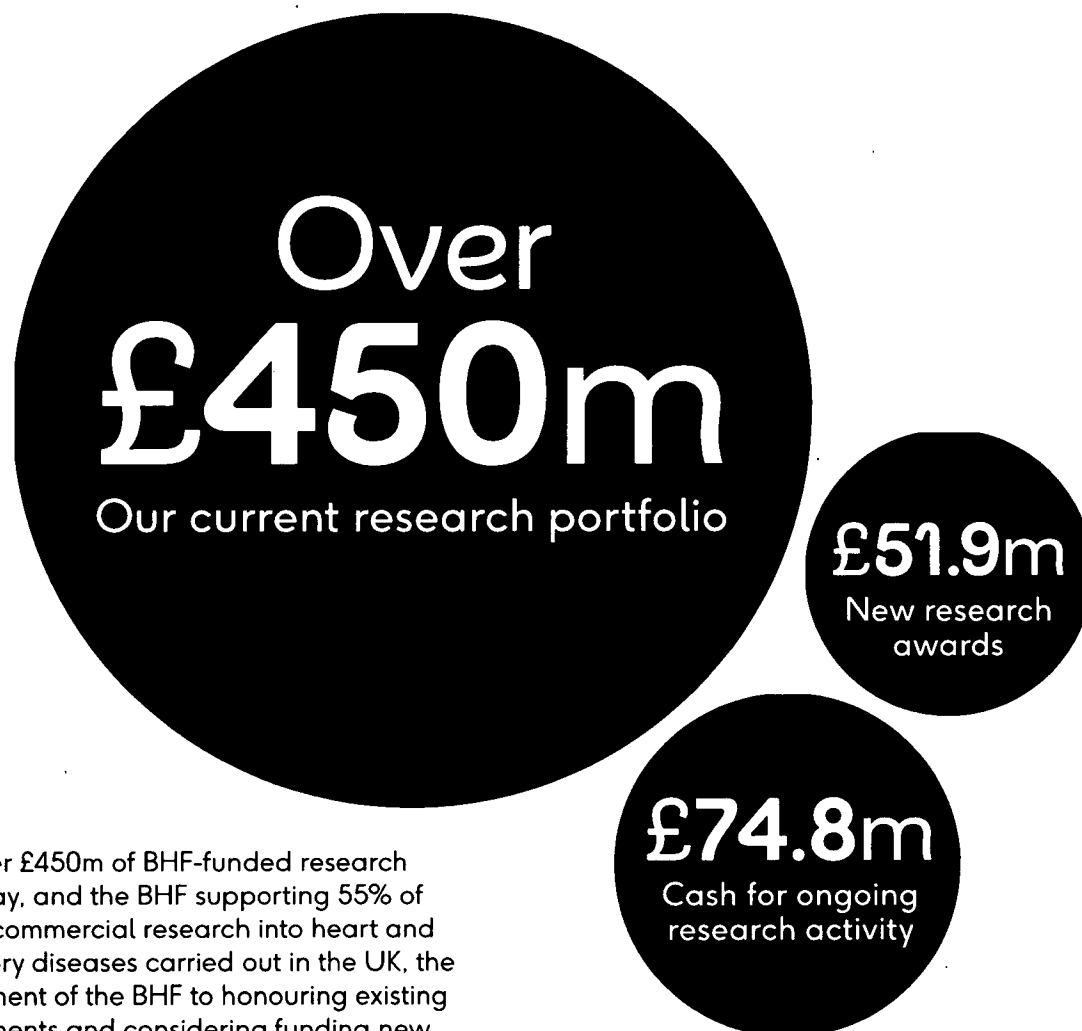
In a year that tested the BHF like no other, we are proud of our commitment to research. With significant disruption to our ability to generate income, we worked hard to mitigate the impact on our charitable mission, including accessing our financial reserves – which are held for that very purpose.

Net income impact



£254.6m Our financial reserves remain strong, supporting our research commitment

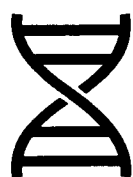
Our commitment to research



With over £450m of BHF-funded research underway, and the BHF supporting 55% of all non-commercial research into heart and circulatory diseases carried out in the UK, the commitment of the BHF to honouring existing commitments and considering funding new research projects, was essential.

Research in numbers

We are currently supporting:



900+
Projects



340
Students



508
Principle Investigators



Protecting our life saving
research mission

Backing the power of science

As the UK entered a national lockdown in March 2020, we knew the impact on our work would be devastating. A lockdown meant our shops closing and dozens of fundraising events being cancelled, including our flagship event, the London to Brighton Bike Ride.

We knew we had to protect research in the face of these challenging scenarios and make difficult decisions. We pledged to continue funding projects we had already committed to, but were forced to cut our budget for future research in half.

Dr Ricky Vaja
King's College London



11 March 2020

WHO declares Covid-19 a global pandemic

Research under threat

Protecting the future of cardiovascular research

Covid-19 is the greatest financial challenge we've faced in our 60-year history. The BHF-funded research has advanced the prevention, diagnosis and treatment of many heart and circulatory diseases – the world's biggest killers and major cause of disability worldwide. With less money available to fund fewer research projects, there is a danger that the pace of progress is slowed, and our mission delayed.

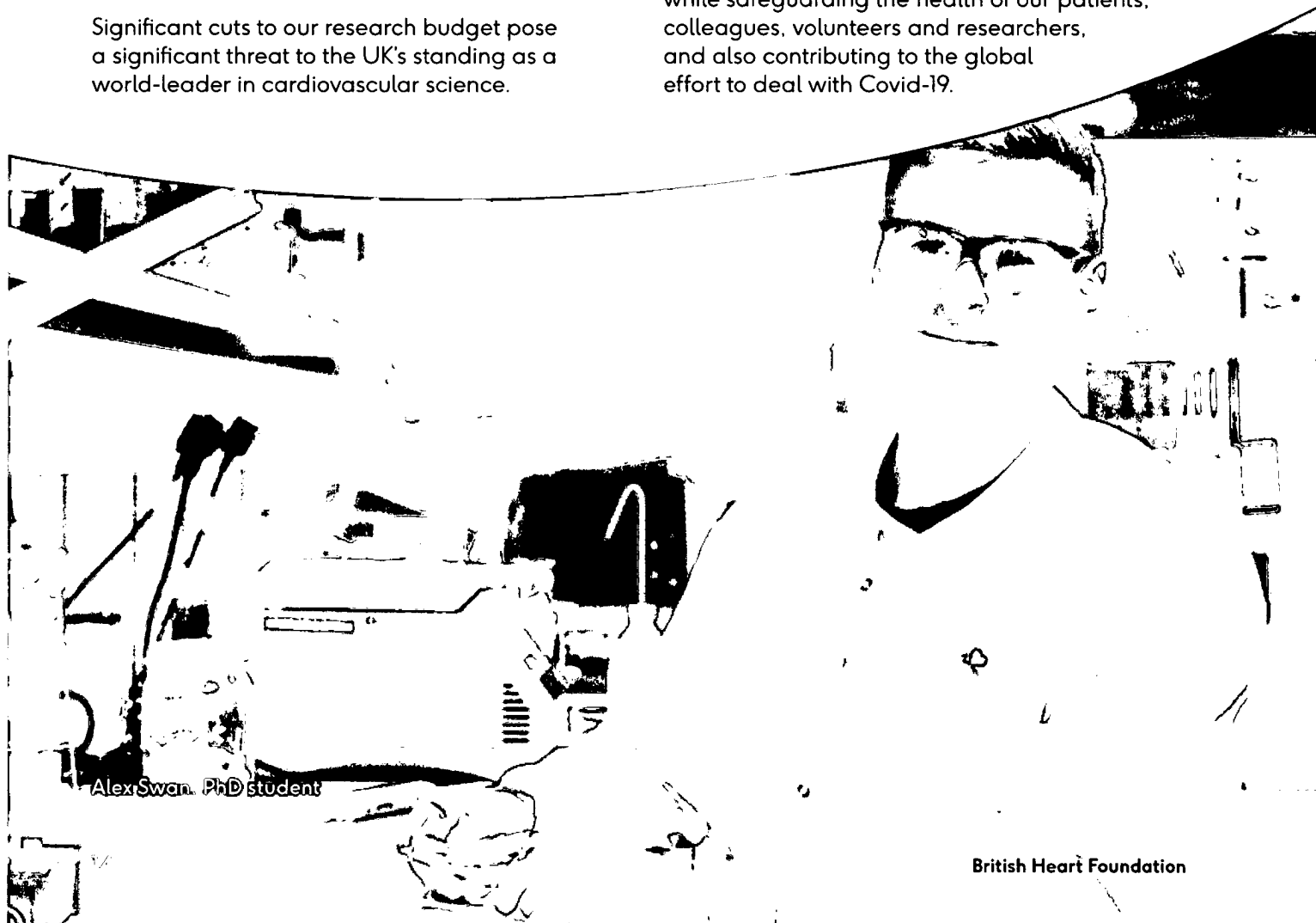
As highlighted earlier, the required closure of our charity retail business for a large part of the year contributed to a £50.4m or 47% reduction in our net income in 2020-21. This forced us to restrict research funding with new grants awarded of £51.9m, down from £99.7m in 2019-20. It could take several years to return to pre-pandemic levels of funding.

Significant cuts to our research budget pose a significant threat to the UK's standing as a world-leader in cardiovascular science.

Because of the reduction in our income this year, we had to limit our support of talented investigators with excellent research projects. But we understood the importance of retaining sufficient funding to the UK's exceptional cardiovascular research ecosystem, so as to avoid the potential loss of an entire generation of future scientific leaders.

As Covid-19 impacts our ability to fund research, it also puts the very people that research seeks to protect at risk. Patients and the public will suffer as progress in the discovery and development of new ways of preventing, diagnosing and treating heart and circulatory diseases has slowed.

Our response to the pandemic has been focused on protecting our research mission while safeguarding the health of our patients, colleagues, volunteers and researchers, and also contributing to the global effort to deal with Covid-19.



Alex Swan, PhD student

Supporting the pandemic response

Recognising the valuable role that we could play in addressing the pandemic, we swiftly changed course to lend our support.

Researchers joined the fight

Researchers and support staff whose posts were funded by us were able to devote their time to the national effort, until they were able to return to their planned research activity. Institutions that held Research Excellence Awards and Accelerator Awards were also able to allocate uncommitted funds from their awards to supporting Covid-19 research.

Returning to the frontline

We enabled our researchers, many of whom are cardiologists and clinicians, to return to the NHS frontline. We also made our infrastructure available for coronavirus testing. Labs across the UK, for example in Imperial College London and Glasgow, became testing centres and many of our PhD students were redeployed to support the national testing effort. We also lent state-of-the-art PCR equipment to lighthouse labs, which helped fast-track testing.



Dr Katwant Authi, Researcher,
King's College London

Our strategy in action 2020-21

- We have remained committed to funding world-class research to save and improve lives, maintaining our standard award schemes and conducting meetings and events in a virtual environment.
- We have continued to protect our research mission at this unprecedented time through our grant extension scheme and additional support opportunities for early career researchers.
- We have used our position as a major research funder to provide a rapid and agile response to the coronavirus pandemic, using our existing research ecosystem to catalyse the set-up and delivery of NIHR-BHF flagship Covid-19 research projects across the UK.

Future focus

- We will continue to advance knowledge of heart and circulatory conditions, maintaining our position as the largest independent funder of cardiovascular research in the UK.
- We will conclude the competition for the BHF's Big Beat Challenge, a £30 million award to catalyse transformative research towards patient benefit.
- We will use our partnership with other international cardiovascular research funders to coordinate multinational clinical trials to maximise public investment and patient benefit.
- We will increase resources and use new ways to analyse the outcomes and benefits of the research we fund and develop a series of compelling narratives that inform our supporters, the public and policy-makers of the impact arising from our research.
- We will continue to support a positive research culture and promote a fair and open research ecosystem by implementing the principles of the San Francisco Declaration on Research Assessment (DORA).

Safeguarding people and research

We've worked tirelessly to maintain progress while continuing to fund new, life saving science.

Protecting tomorrow's cardiovascular leaders

After consulting with our research community in the latter part of their studies, it became clear that PhD students near the end of study were the hardest hit by Covid-19 disruption. To protect our bright young minds, we rapidly developed a sector-leading action plan and offered studentship extensions of up to six months.

We are incredibly proud to have extended 120 PhD studentships. Our 4-year Programme Directors wrote in a letter of thanks: "The BHF's response has been exemplary in both guarding the viability of the important research in these projects and caring for the wellbeing and future of the students. The impact of these extensions cannot be overstated."

Grant extension scheme

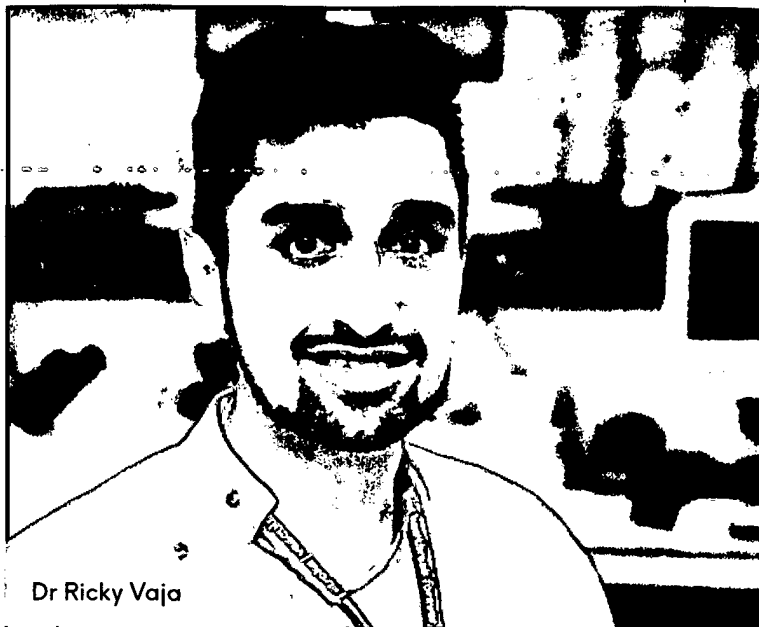
To ensure patients still see the life-changing benefits of our wider research portfolio, we committed to paying our researchers' salaries during delays and launched a new Covid-19 disruption grant extension scheme. Since its launch, we are delighted to have been able to extend 129 grants, giving teams the time and funds they need to complete their work.

Prioritising essential research

While protecting current research, we are also doing our best to fund new, life saving science. We introduced quarterly prioritisation meetings, to discuss high quality applications and award funds according to available budget.

Empowering our clinical scientists

When hospital admissions were on the rise, we supported our talented clinical scientists and nurses in their return to the NHS frontline.



Dr Ricky Vaja

Dr Ricky Vaja's story

"I worked in the intensive care unit at the Royal Brompton Hospital. We were often treating younger people who had Covid-19 or those who had the most severe complications. Being on the frontline again was hard, but it was easy to see how important it was for us to be there. As the pandemic progressed, my surgical skills were needed. Lots of heart surgeries had been postponed due to the pandemic, so we were kept busy catching up with the waiting list."

BHF Professor Sir Rory Collins' story

UK Biobank is a world-renowned health data resource, part funded by the BHF, that has enabled several important scientific discoveries. BHF Professor Sir Rory Collins, Chief Executive at UK Biobank is enhancing the data resource to understand why some people are hit hard by coronavirus and others escape with little to no effect.

Professor Collins said: "This data will help researchers understand the differences between individuals. What are the differences in their genetics? Are there differences in their underlying health? The vast range of expertise already being applied to the UK Biobank data means that there's likely to be many ways in which these data can be used to help develop strategies to address this pandemic."

30 May

Relaxing of lockdown restrictions announced for the 2.2 million people 'shielding'

Donors supporting our PhD students

The British Heart Foundation has been cultivating cardiovascular research talent for many decades but, in a world much changed by Covid-19, investing in early-career scientists has become a strategic priority.

These talented students are the next generation of research leaders, capable of making breakthroughs that will transform the lives of those affected by heart and circulatory diseases worldwide. But many are at risk of abandoning a career in research, anxious that they will be unable to secure future funding.

Our PhD programmes provide students with unique opportunities to work in vibrant, highly interdisciplinary environments and learn from eminent, world-leading researchers. The quality and rigour of BHF-funded research training is demonstrated by the fact that numerous current leaders in cardiovascular research launched their careers with our support.

We are delighted to acknowledge the following donors who are supporting cohorts of students on the BHF PhD programmes:

Mr Charles Wilson and Dr Rowena Olegario
Supporting the Wilson and Olegario Class of 2020 – University of Oxford BHF PhD Programme.

Garfield Weston Foundation
Supporting the Weston Class of 2021 – University of Leicester BHF PhD Programme and the Weston Class of 2021 – Kings College London BHF PhD Programme.

Such generosity enables us to maintain the pipeline of scientific talent for future advances in the prevention, detection and treatment of heart and circulatory diseases.

“

Our Trustees are delighted to support the BHF's commitment to develop the brightest and best minds in cardiovascular science and to continue its life saving work despite the challenges Covid-19 presents.

Philippa Charles
Director of Garfield Weston Foundation

“

We are keen to support the talent of tomorrow. The BHF PhD programmes nurture research leaders of the future whose work will have a positive global impact by helping to improve and save the lives of people with cardiovascular disease.

Charles Wilson

12 June

The BHF launches free postal stock donation scheme

Flagship Covid-19 research projects

Covid-19 presents a heightened risk to people with cardiovascular diseases, so we rapidly mobilised research leaders from the BHF Data Science Centre, National Institute of Health Research (NIHR) and the British Cardiovascular Society (BCS), through the NIHR-BHF Cardiovascular Partnership.

Together, we approved seven UK flagship Covid-19 projects which could benefit people with heart and circulatory diseases:

Harnessing the power of data to understand the link between coronavirus and cardiovascular health

Team led by Professor Cathie Sudlow

Determining whether genes, ethnicity or lifestyle factors are linked to increased risk of Covid-19 infection and severity

Team led by Professor Aroon Hingorani

Tracking the cardiovascular problems that arise with Covid-19 infection

Team led by Professor Bryan Williams

Monitoring the wider impact of the Covid-19 pandemic on cardiovascular health

Team led by Professor Jamil Hayet

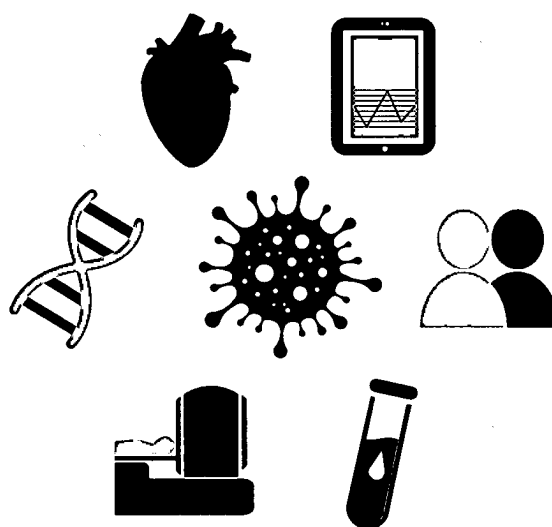
Investigating the extent and persistence of organ damage as a result of Covid-19 infection
Team led by Professors John Greenwood and Stefan Neubauer

Using cutting-edge AI technology to measure risk of long-term cardiovascular problems due to Covid-19

Team led by Professor Charalambos Antoniades

Tracing up to 10,000 patients who have been hospitalised with Covid-19 to understand the longer-term health outcomes from the infection, including severe blood vessel damage in the lungs

Team led by Professor Chris Brightling



“

By awarding flagship status to a handful of projects, we are mobilising resources and research efforts behind studies that have the best chance of swiftly improving care and saving lives. The speed at which we've done this is testament to the strength of UK cardiovascular science.

Professor Sir Nilesh Samani
BHF Medical Director

4 July

UK held a minute's silence to remember those who had died of Covid-19

Harnessing the power of data

The BHF Data Science Centre is a cornerstone upon which crucial Covid-19 research is being built. Each of the flagship projects involves patient or health data to address urgent clinical research questions on Covid-19 and cardiovascular health.

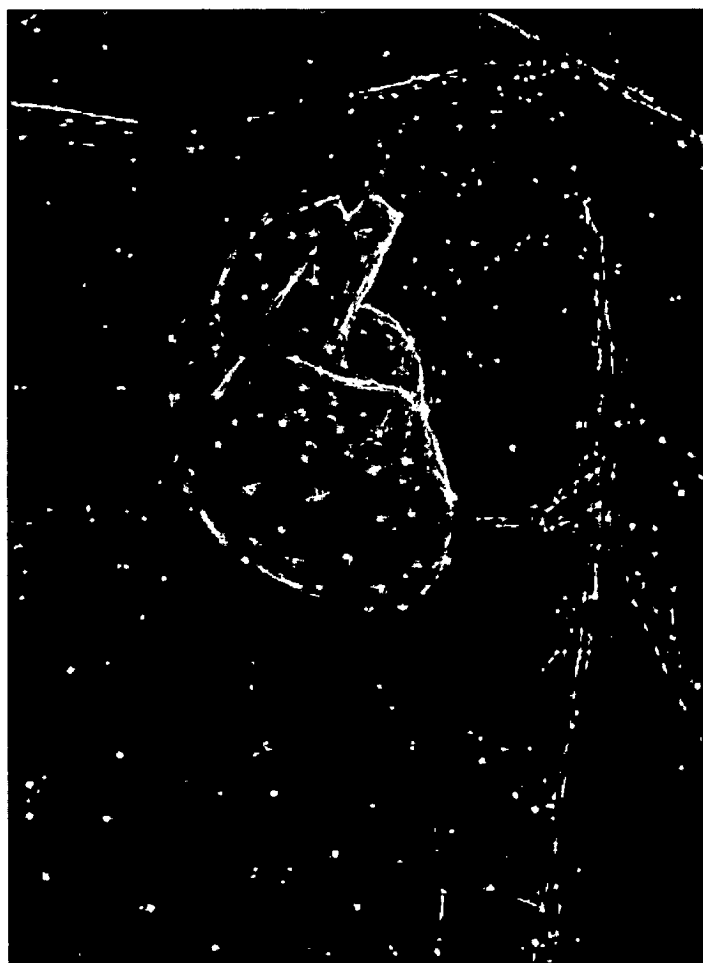
Under the leadership of Professor Cathie Sudlow, the Centre is rapidly establishing itself as a national resource for researchers, clinicians, and policymakers. For example, the Centre's data analysis and insight informs Scientific Advisory Group for Emergencies (SAGE) recommendations to Government.

The Centre was the first organisation to use NHS Digital's new Trusted Research Environment – a service that gives approved researchers access to linked, anonymised data to answer Covid-19 and other health-related research questions.

Professor Cathie Sudlow, Director of the BHF Data Science Centre, said: "Because of our partnership with NHS Digital, researchers are now able to access health data at a scale that a year ago was hardly even imaginable. This will help health professionals, patients, carers and health service planners make better decisions for the benefit of everyone."

The virtual Centre was set up in partnership with Health Data Research UK, the NHS, and patients and the public to unlock and connect cardiovascular-related health data for research, innovation and care.

While not holding any data itself, the BHF Data Science Centre works with data controllers to provide knowledge and expertise to help researchers find, access, understand and connect the UK's unique cardiovascular 'big data' that is distributed across national registries, NHS medical records and other relevant datasets.



13 July

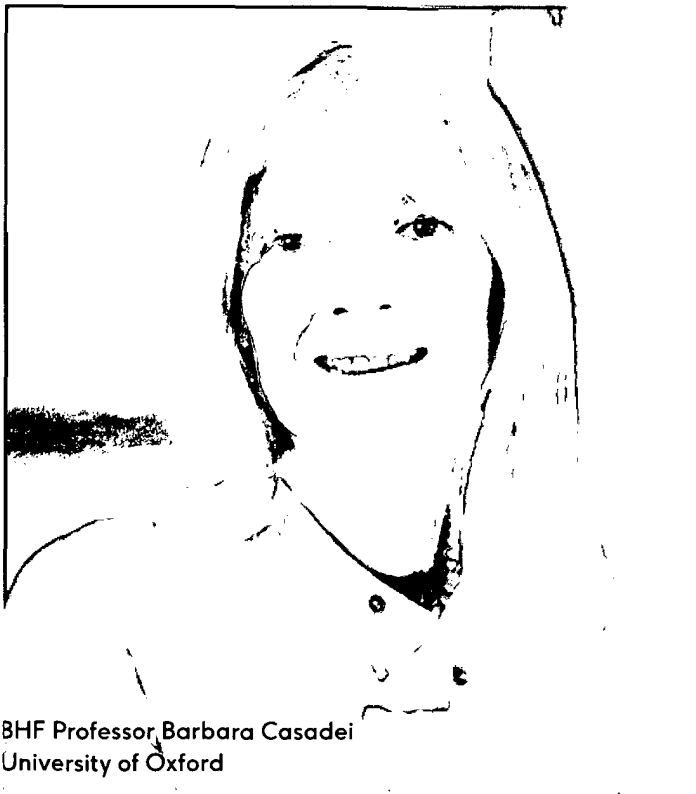
BHF researchers identify need for heart scans for Covid-19 patients

Major Covid-19 breakthroughs

Several BHF-funded researchers who contributed to the fight against Covid-19 have made important scientific discoveries. Every finding helps shed further light on this infection and its direct or indirect impact on heart and circulatory health. Breakthroughs include:

Mapping the heart in great detail

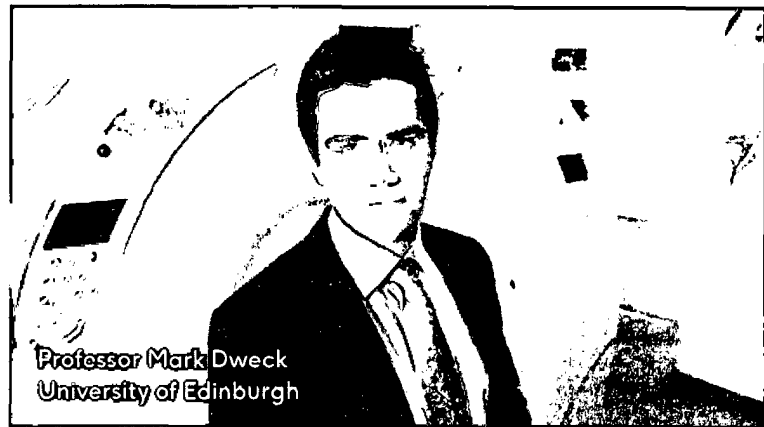
Together with the Human Cell Atlas project team, Dr Michela Nosedà at Imperial College London used smart cell mapping software to understand how Covid-19 enters the heart and other organs. The findings revealed that the virus likely enters specific cell types in heart muscle and the heart's small blood vessels – a finding which may help scientists block the virus.



BHF Professor Barbara Casadei
University of Oxford

Powerful drug screening technology

Professor Mauro Giacca and team at King's College London have been using robotic screening technology to find molecules that could protect the heart from damage. When the pandemic hit, the team started using the technology to screen thousands of existing drugs with the hopes of finding one that could block entry of the virus into cells. The team recently discovered that an antiparasitic drug called Niclosamide could block lung damage in people with Covid-19.



Professor Mark Dweck
University of Edinburgh

Finding people at risk of heart damage

Professor Marc Dweck and team at the University of Edinburgh found that around half of Covid-19 patients who received a heart scan in their study showed abnormalities in heart function. This suggests heart scans are crucial for deciding which treatment plans are appropriate for Covid-19 patients and could prevent long-term heart damage.

Heart attack sufferers missing life saving care

A survey led by the European Society of Cardiology and its chair, BHF Professor Barbara Casadei from the University of Oxford, showed that only two thirds of the expected number of heart attack sufferers were admitted to hospital between mid-February and the end of March 2020. Surveys like this led to national awareness raising campaigns encouraging the public to call 999 when they experience symptoms.

New heart health discoveries

Despite the immense challenges of continuing research during a pandemic, BHF-funded scientists continued to break ground. Advancing our knowledge for better prevention, diagnosis and treatment and discovering breakthroughs to improve health outcomes, these research successes include:

Gene discovery could prevent diabetic complications

Professor Andriana Margariti and team at Queen's University Belfast discovered a gene that increases the risk of blood vessel damage in people with diabetes, a major risk factor for heart and circulatory diseases. Developing a drug that targets this gene could help people with diabetes lead longer healthier lives.

Genetic breakthrough for deadly heart condition

BHF Professor Hugh Watkins and team at the University of Oxford found a new type of genetic change in the DNA of people with hypertrophic cardiomyopathy – a silent killer that can cause sudden death in young people due to thickening of the heart muscle. This ground-breaking discovery, which may be the biggest advance in our knowledge of the genetic basis of the disease in 25 years, will help doctors predict which family members need to be monitored for the condition and which can be ruled out from further tests or treatment.

Hormone discovered in heart for first time

Until now, the hormone calcitonin was only thought to be produced by the thyroid gland, with no known effects on the heart. Professor Svetlana Reilly and team at the University of Oxford have revealed that cells in the upper chambers of the heart produce approximately 16 times more calcitonin than the thyroid. They also discovered that the hormone plays a role in reducing heart scarring and is decreased in people with atrial fibrillation. This discovery could lead to new treatments that repair heart scarring.

Professor Andriana Margariti
Queen's University, Belfast



Recognition for researchers

BHF-funded researchers continue to be recognised for their contribution to cardiovascular research. We are delighted to celebrate their achievements and the awards of our colleagues, which include:



OBE for Professor Cathie Sudlow

Professor Cathie Sudlow, Director of the BHF Data Science Centre, was awarded an OBE in the Queen's birthday honours, recognising her services to medical research. In 2019, Professor Sudlow was appointed as the Director of the BHF Data Science Centre, a partnership between the BHF and the Health Data Research UK (HDR UK) to promote the safe and ethical use of data for research into the causes, prevention and treatment of all diseases of the heart and circulation.



Millennium Medal for Professor Sir Rory Collins

BHF Professor Sir Rory Collins, based at the University of Oxford and Chief Executive of UK Biobank has been awarded the Medical Research Council's Millennium Medal, their most prestigious personal award. This is in recognition of Professor Collins' transformative contributions to cardiovascular research and UK Biobank. These include his work demonstrating that statins safely reduce the risk of heart attack and stroke in a wide range of individuals, saving millions of lives around the world.



Fellowship for Professor Valerie O'Donnell

Professor Valerie O'Donnell, Professor of Biochemistry at Cardiff University, has been elected as a Fellow of the Academy of Medical Sciences. Fellows are selected for their exceptional contributions to advancing biomedical science through world-leading research discoveries and translating these advances into benefits for patients and the public. We've funded Professor O'Donnell's research into the mechanisms by which lipids regulate blood clotting and how it links to heart and circulatory diseases.

6 August

Transport for London (TfL) announced plans to expand the Ultra Low Emissions Zone (ULEZ) in London



Hunterian Professorship for Mr Nigel Drury

Mr Nigel Drury, researcher and consultant in paediatric cardiac surgery at Birmingham Children's Hospital, received the Hunterian Professorship awarded by the Royal College of Surgeons of England. Mr Drury leads a BHF-funded clinical trial to compare how well the heart is protected by two different solutions used to replace blood during heart surgery.



Michael Davies Early Career Award for Dr Christopher Miller

Congratulations also to BHF-funded Dr Christopher Miller from the University of Manchester who received the Michael Davies Early Career Award.

19 August



European Society of Cardiology awards

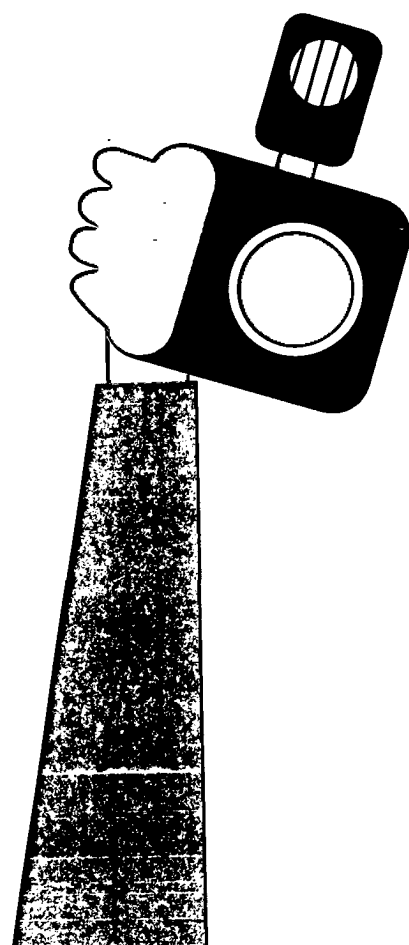
The European Society of Cardiology (ESC) is a professional association that facilitates the improvement and harmonisation of standards of diagnosis and treatment of cardiovascular diseases. BHF Professor Barbara Casadei, from the University of Oxford, was President of the ESC from 2018 to 2020 and has been praised for her inspired leadership during her two-year term and for leading the Society to rapidly respond to the Covid-19 crisis.

Two BHF-funded researchers were honoured in the 2020 ESC list of awards. Professor John McMurray (above) from the University of Glasgow received the ESC Gold Medal for his outstanding contribution to clinical treatment in heart failure. Professor Desmond Julian, former BHF Professor who passed away in 2019, was also honoured by the ESC through a special memorial lecture.



Young Investigator Award for Dr Jillian Simon

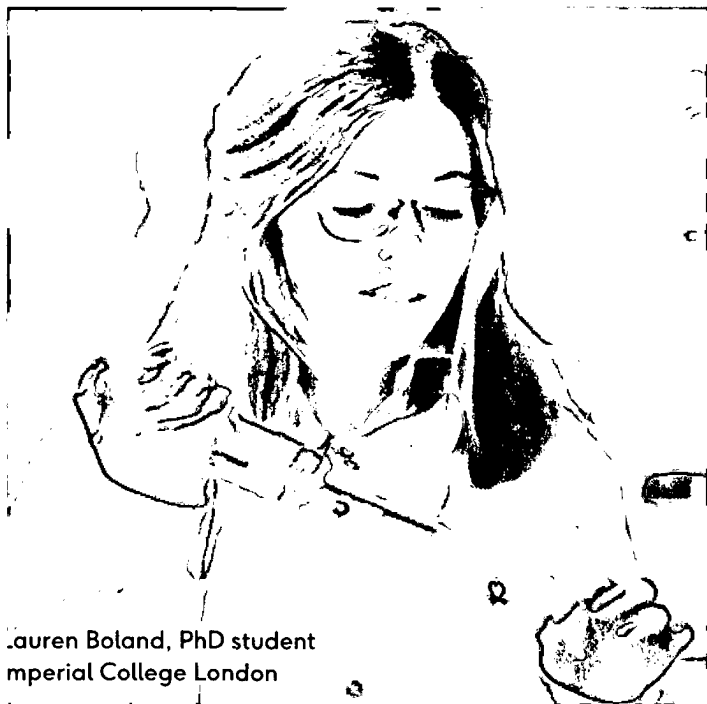
Congratulations to BHF-funded researcher Dr Jillian Simon, University of Oxford, who won the British Cardiovascular Society Young Investigator Award competition. Congratulations also to runners up Dr Richard Harbour, Imperial College London, and Natalie Haywood, University of Leeds.



**Research part-funded by the BHF shows structures inside
heart reveal heart failure risk**

Nurturing the next generation

Our mission is clear: to fund life saving and life-changing research into heart and circulatory diseases. And that's exactly what we focused on during the past year.



Lauren Boland, PhD student
Imperial College London

Training future research leaders

In 2020 we ran a competition to renew our flagship 4-year PhD programmes, aimed at nurturing the next generation of research leaders in cardiovascular science. Over the next four years, we will spend £21.3 million funding a total of 144 PhD students at 12 universities across the UK.

These programmes represent our commitment to developing the brightest and best minds to take on heart and circulatory diseases, helping us edge closer to our goal of beating heartbreak forever.

11 October

University of Exeter begins trials of BCG vaccine against Covid-19

International funding alliance

Established in 2018, a joint funding scheme between the BHF, the German Centre for Cardiovascular Research (DZHK) and from 2019 the Dutch Heart Foundation (DHF), 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. Following two successful rounds, the third call for applications under this scheme was launched in February 2021 and has a total funding value of €5 million (£2 million from the BHF). Awards will be announced in September 2021.

New BHF Chairholder, Professor Deborah Lawlor, CBE

Professor Deborah Lawlor has been appointed BHF Professor of Cardiovascular Science and Clinical Epidemiology at the University of Bristol.

Professor Lawlor is a leading expert in understanding how socio-economic inequalities and medical conditions during pregnancy can influence life-long heart and circulatory health. She was awarded a CBE in 2017 for her services to social and community medicine research.

By becoming a BHF Professor, Deborah Lawlor is now able to dedicate more of her time to ground-breaking heart and circulatory research, as well as mentoring future researchers and treating patients as a Consultant in Public Health Medicine.

Bringing research to life

Understanding the importance of science and how research saves lives has never been more vital. We want to give our supporters every opportunity to learn about the ground-breaking research we fund.

Data visualisation

We are incredibly proud to fund the best research in heart and circulatory diseases in the UK. For the first time in our 60-year history, we have brought our research portfolio to life with an interactive data visualisation tool. From information on clinical trials, to PhD studentships, to stroke projects, or who and what we fund by area, we want to empower the public and supporters to access information about our life saving research with the click of a button.

bhf.org.uk/iheartdata



Live and Ticking

When the pandemic began, our supporters told us they were still keen to hear about BHF-funded research. To support this need, we launched an online event series called Live and Ticking, bringing the BHF latest news and pioneering research projects to life for the public. From healing hearts to vascular dementia, our scientists delve into a different field of cardiovascular research each month and answer questions from our supporters. If you'd like to attend an event visit: bhf.org.uk/publicevents

It starts with the grants

Our new Grants Management System provides a more modern, robust experience for applicants and grant holders, the experts who review grant applications, and the members of our funding committees who award them. It will also provide the BHF with the capacity for future growth and the flexibility to introduce new funding schemes as and when they are needed. Further improvements and refinements to the new system will be developed during 2021-22.

Life Sciences Charity Partnership and #researchatrisk

In light of the financial challenges we face, we joined the Association of Medical Research Charities and its 150 other members in lobbying the Government to support a Life Sciences Charity Partnership Fund. This fund would have given medical research charities the helping hand they need to return to pre-Covid levels of funding.

Although unsuccessful, we have been collaborating closely with Government stakeholders who understand our concerns and are working with them to find a solution. Without commitment from Government, many charities will be forced to make devastating cuts to research which will be hugely damaging for patients and UK science.

20 October

The BHF holds its virtual Heart Hero Awards hosted by Vernon Kay

Heart health revolution

The Big Beat Challenge

In 2019 we opened applications for the most ambitious research programme in our 60-year history – the Big Beat Challenge.

Through the Challenge, we set ourselves the ambitious goal of funding a single project that could make a transformative leap forward in an area of cardiovascular research, and lead to rapid improvements in patient care. The four shortlisted applications are some of the most innovative and exciting research proposals the BHF has ever received.

The teams behind these projects bring together world leaders in multiple fields, including biotechnology, medicine, data analytics and engineering, from the foremost academic institutions in the world, such as Harvard, MIT and Stanford in the USA and Oxford and Cambridge in the UK.

They include a proposal for a robotic heart that could be used in heart transplants, a potential vaccine for the furring of the arteries that causes heart attacks and strokes, a gene-silencing cure for deadly inherited heart conditions, and the cutting-edge use of technology to manage heart and circulatory diseases.

Due to the delays caused by the pandemic we now hope to announce the winner by the end of the year.

**To define the decade
in our mission to beat
heartbreak forever,
we need to raise
£30 million to fund
our Big Beat
Challenge over
the next
seven years**

**We are delighted to acknowledge
the following donors who provided
£50,000 seed funding for each of
the shortlisted teams:**



**Mr Ranjit Singh Boparan
HybridHeart**

A soft robotic heart to provide
a cure for heart failure



**Dr Doug Gurr
ECHOES**

Next generation technology to
create your heart's digital twin



**The Lazari family
iMAP**

Building a 3D Google map
to treat atherosclerosis



**Thakrar Foundation
CureHeart**

Curing genetic heart
muscle disease

Celebrating 60 years of saving lives

Thanks to your support, we're celebrating 60 years of life saving research.

Your donations, time and tireless fundraising have brought us a long way since 1961. Sudden death from a heart attack at the age of only 50 or 60 was so common it was thought to be just a fact of life. But with unwavering public support, BHF-funded researchers began to pioneer a revolution in the understanding and treatment of conditions like coronary heart disease. Today, 7 out of 10 people survive a heart attack in the UK.

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

We know that overall investment in research into heart and circulatory diseases is disproportionately low compared to many other conditions. And we need to close that gap. We and others must work together to raise the overall amount of funding and support available, so that all the visionary researchers, innovators and care providers can keep shifting the dial.

We need you like never before. Despite progress, millions of people across the UK are living with the daily burden of heart and circulatory diseases and these diseases cause a quarter of all UK deaths. But our challenges are only matched by our ambition. With you by our side we can still beat heartbreak forever.

60 years young
Celebrating 60 years of saving lives



Providing information and support for
heart and circulatory disease patients



Alice Timmons

Heart attack survivor, mother and keen gardener

Vital help in troubled times

On 11 March 2020, the world reeled from the news that the novel coronavirus outbreak had been declared a pandemic by the World Health Organization. We knew we needed to act quickly and decisively.

Across the UK, thousands of families affected by heart and circulatory diseases were dealing with rising anxiety about what this unknown virus meant for them. Should they be shielding? Was it safe to work? What would happen to hospital appointments?

At a time when no one knew the scale of the crisis ahead, we set to work making sure that people with heart and circulatory diseases could be certain of one thing – that they could count on us.

21 September 2020

UK coronavirus alert level is upgraded to Level 4

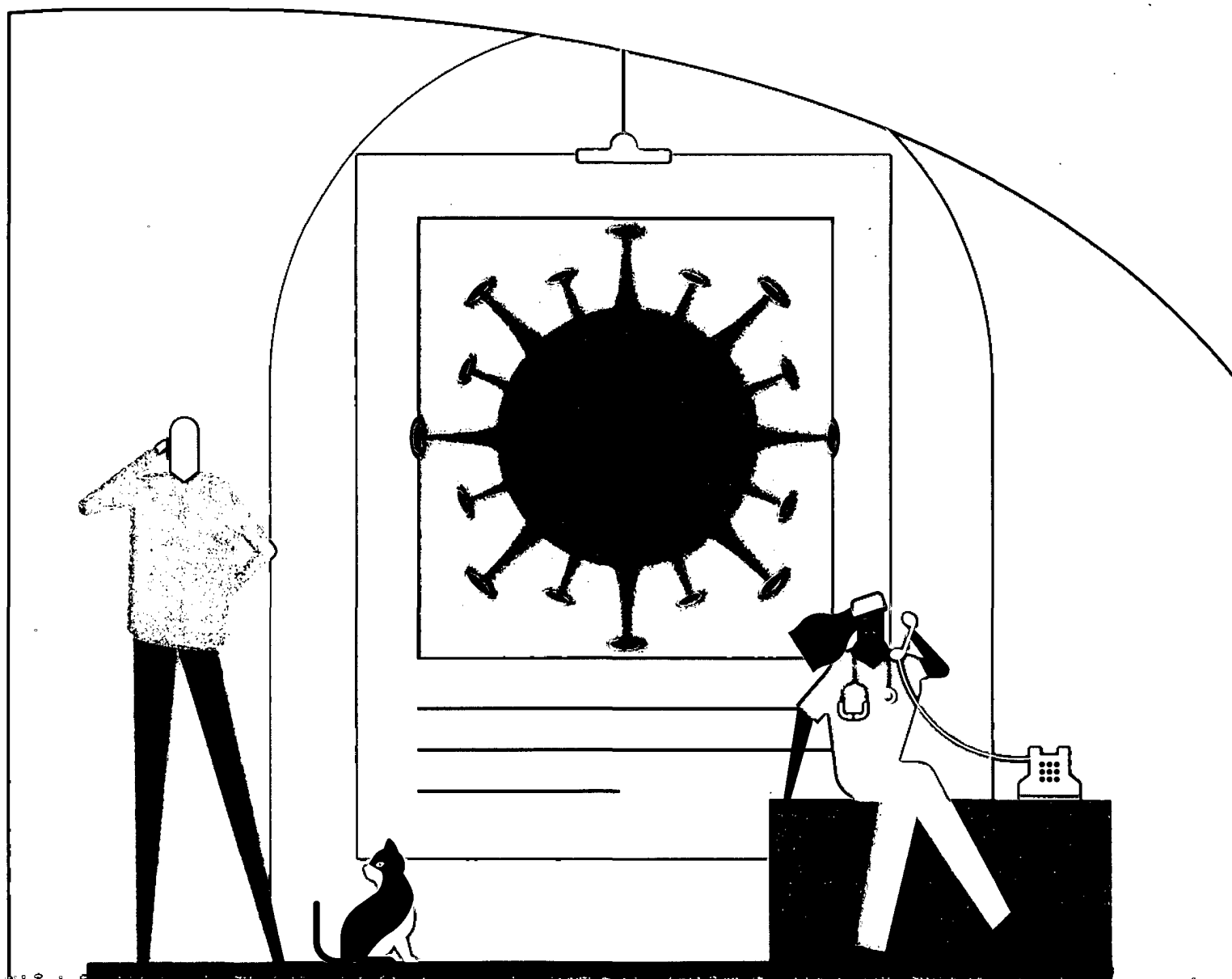
Coronavirus Information Hub

Answering urgent health questions about Covid-19

Early in the pandemic, evidence showed that many people with heart and circulatory diseases were at a higher risk of becoming seriously ill from Covid-19. People needed clear information that was specific to their existing health conditions.

To support this need we created our Coronavirus Information Hub, which provides up-to-date

information and support on what coronavirus means for people with heart and circulatory diseases, expert information on vaccines, plus lifestyle tips on staying healthy while indoors. The hub quickly became a vital resource to people living with heart and circulatory diseases and has helped support over 5 million users during the first year of the pandemic.



Making heart information accessible

Over 900,000 people live with heart failure in the UK, but the BHF report published in 2020 found that care is disjointed and unequal.

The pandemic has only made it harder for people to access the care they need, with appointments postponed and support cancelled. People with heart failure are at increased risk of serious illness or death from Covid-19, so it is vital that they can still access care and support.

In response, we created a Heart Failure Hub to help people with heart failure and their families manage their condition at home as much as possible. The hub pulls together expert advice and information to ensure people have all the information they need about their condition in one place.

On the hub, you can watch videos explaining what heart failure is, find the answers to commonly asked questions, read expert advice from cardiologists, and easily access support.



Our strategy in action 2020-21

- Our online Covid-19 content has provided a wealth of support to help people understand and manage their condition, between March 2020 and March 2021 we had over 10 million page views.
- Through virtual events and online communities, we helped people connect with others facing similar challenges, helping to reduce isolation and increase knowledge, confidence and wellbeing.
- Our influencing work is shaping the policies and practices that support the needs of people at risk of or living with heart and circulatory diseases.
- Through our work on the National Defibrillator Network, we have engaged with ambulance services across the UK, helping dispatch teams to access local defibrillators.

Future focus

- We will use data, insights, and feedback to ensure we are effectively supporting the people who need us.
- We will tackle health inequalities.
- Our work on the Circuit (the National Defibrillator Network) and Nation of Lifesavers will gather pace to help improve cardiac arrest survival rates.
- We will continue working with Laerdal to offer CPR training to millions of UK employees, to improve survival rates from out-of-hospital cardiac arrests.
- We will expand our peer support offer geographically, and across different age groups, to extend our ability to support people.
- We will continue developing an influential voice with senior decision-makers in the Government so that we can raise the profile of our vital mission.
- We will continue working with external partners to improve post-mortem genetic testing for sudden, unexpected deaths (SUDs) so that family members can make informed choices about their health.

Surge in demand for support

As the pandemic began, we experienced unprecedented demand for our Heart Helpline.

The number of calls doubled following the first outbreak, with over 18,000 calls made and over 5,000 emails sent between 1 April 2020 and the end of March 2021.

Through our Heart Helpline, our expert cardiac nurses help with queries and concerns about heart and circulatory diseases, and their risk factors. Our helpline nurses give callers the time to understand the details of their condition, treatments, test results, medications, and more.

Offering support with live chat and a chatbot

As demand for our Heart Helpline skyrocketed, we knew that adding new contact channels could help us reach more people with clear information and support about heart and circulatory diseases.

To cater for people who prefer digital channels and instant responses, we launched a new chatbot and temporary live chat function. These functions offered an easy way to answer simple queries, as well as offering a call-back from a specialist cardiac nurse.

Following the launch of the live chat and chatbot function, our cardiac nurses conducted more than 1,000 live chats, with one in five people requesting a call-back.



Heart Helpline in numbers

350 calls per week

100 emails per week

9 minutes per call

15,250 contacts between
March and June 2020

26 October

Oxford University Covid-19 vaccine shows a strong immune response among older volunteers

Extending the support we provide

In just eight weeks, we produced a TV and digital campaign to promote our Heart Helpline and ensure that more people could access information and reassurance from a cardiac nurse.

The campaign was also intended to encourage donations to help us fund the increased demand for our Helpline. The campaign centred around the 7.6 million people with heart and circulatory conditions in the UK who were more at risk of death or serious complications from Covid-19, and the concerns and questions they and their loved ones had about Covid-19.

In parallel to the advertising campaign, we ran an urgent cash appeal through direct mail, email, paid social media, paid search, and SMS broadcast. This urgent appeal asked supporters to donate to keep our Heart Helpline beating, our information flowing, and our community connected and raised £0.4m.

“
I called two or three times over the past few days and everyone I have spoken to has helped tremendously, you have a great team there.

28 October

“
Very positive, thank you for being so helpful. Very grateful to the BHF and the service they offer.

Thank you to our Patients First supporters

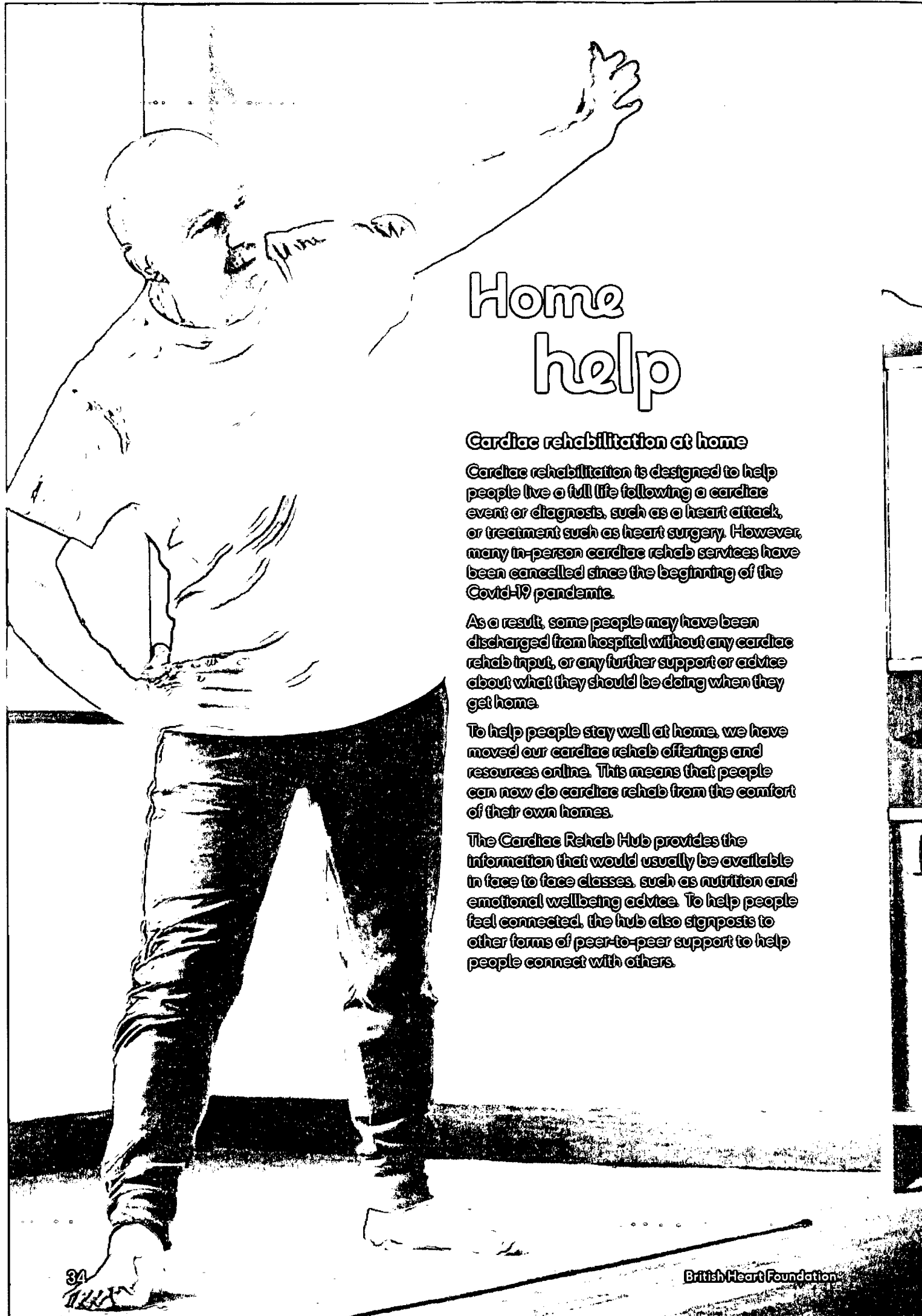
Philanthropic gifts helped the BHF to provide a specialist information and support service for people affected by heart and circulatory diseases during the Covid-19 pandemic.

This year £0.5m was raised from philanthropic individuals, trusts and foundations and government funders in support of our Patients First support service. Thanks to the generosity of our supporters, Patients First has supported people all over the UK affected by heart and circulatory diseases who have faced unprecedented challenges this year due to the Covid-19 pandemic.

Through our enhanced Heart Helpline, online Covid-19 Support Hub and virtual peer support activities, we have provided vital information and resources to people affected by heart and circulatory diseases. This support service has helped people feel better informed, supported and connected, as the pandemic presented significant challenges and continued uncertainty.

Thank you to all our supporters who helped make Patients First a reality.

The BHF urges the Government to honour its commitment to UK science



Home help

Cardiac rehabilitation at home

Cardiac rehabilitation is designed to help people live a full life following a cardiac event or diagnosis, such as a heart attack, or treatment such as heart surgery. However, many in-person cardiac rehab services have been cancelled since the beginning of the Covid-19 pandemic.

As a result, some people may have been discharged from hospital without any cardiac rehab input, or any further support or advice about what they should be doing when they get home.

To help people stay well at home, we have moved our cardiac rehab offerings and resources online. This means that people can now do cardiac rehab from the comfort of their own homes.

The Cardiac Rehab Hub provides the information that would usually be available in face to face classes, such as nutrition and emotional wellbeing advice. To help people feel connected, the hub also signposts to other forms of peer-to-peer support to help people connect with others.

Making a noise to save lives

Part of our role is to raise public awareness and inspire people to take action. Our campaigns aim to tackle big issues to support public understanding related to the pandemic and their heart health.

999 during the pandemic

There were concerns during the pandemic that many people may have delayed calling 999 – possibly through fear of catching Covid-19 or not wanting to burden the NHS. The number of people admitted to hospital because they were diagnosed with heart attacks or strokes experienced a significant drop during the first lockdown in 2020.

However, the health service remained open throughout the pandemic for emergencies and to help the public. To reassure the public and make sure they received the medical help they needed, we worked closely with the NHS, encouraging people with heart attack and stroke symptoms to call 999.

Heart healthcare backlog

As soon as the pandemic began, we had serious concerns about its impact on care for people with heart and circulatory conditions. During the first wave, routine healthcare was suspended across the UK, as the NHS rightly prioritised seriously ill Covid-19 patients.

While the implications of this widespread disruption were not yet fully known, there was enough evidence to suggest that these delays to care would have tragic consequences for thousands of people living with heart and circulatory diseases in the UK. Sadly, these fears turned out to be well founded, with over 6,000 excess heart and circulatory disease deaths in the UK in the first year of the pandemic.

With early evidence showing a dramatic fall in hospital admissions due to heart attacks, our first priority was to empower people with heart and circulatory diseases to continue seeking medical help if experiencing new or worsening symptoms.

Our campaign laid the foundation for the NHS's own campaign on this issue, and the importance of seeking help for a suspected heart attack was acknowledged during a Government daily press conference. Following this campaign, hospital admissions due to heart attacks largely recovered.

Our attention then turned to the vast and growing backlog of cardiovascular care. In the first year of the Covid-19 pandemic there were 130,000 fewer heart operations and procedures in England, and 470,000 fewer diagnostic echocardiograms (compared to the preceding 12 months).

Last Autumn, our Associate Medical Director, Dr Sonya Babu-Narayan, gave evidence in the House of Lords about the rise in preventable deaths from heart and circulatory conditions, and how delays to care will have likely contributed to this number.

Throughout the pandemic, our campaigning has called for urgent action to help address the backlog of people awaiting care for heart and circulatory diseases. This means urging the Government to restore routine services as soon as it is safe to do so, and to provide the NHS with a clear plan and enough investment in the short and long term. Media mentions of the pandemic's impact on cardiovascular care have become more frequent, and the level of public awareness is now greater.

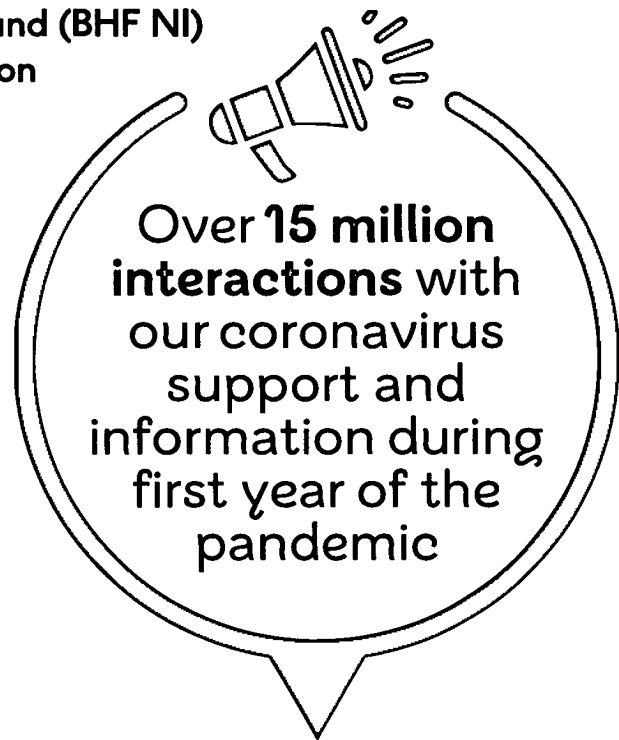
Rehabilitation comes home

British Heart Foundation Northern Ireland (BHF NI) work closely with a cardiac rehabilitation team to help patients remotely.

The Our Hearts Our Minds helps people recover from cardiac events and reduce the risk of needing re-admission to hospital by offering advice and support. The pandemic threatened to disrupt this service and leave patients unsupported and at-risk.

Working closely with BHF NI, Our Hearts Our Minds developed a virtual programme that could offer their usual blend of consultations, informative videos and case management entirely online.

The new virtual programme was a vital resource alongside the BHF's Cardiac Rehab at Home Hub in offering practical help to those who need to continue with their all-important recovery in these unprecedented times.



Blood pressure monitoring at home

During the pandemic it became difficult for people with heart and circulatory conditions to have their blood pressure monitored at pharmacies and GP surgeries. High blood pressure not only increases your risk of heart attack or stroke, but it is also linked to a higher risk of serious illness from Covid-19.

Responding to this need, we created a Manage Your Blood Pressure at Home Hub on our website. The hub makes it easier for people to measure and manage blood pressure at home by pulling together all the right information in one place.

On the hub you can use videos to teach yourself how to measure your blood pressure, can find out tips about how to reduce your blood pressure, and also how to choose the right blood pressure monitor.

Locked down, not let down

Our online and local support groups provide a vital space for people with heart and circulatory diseases, as well as their carers, to share knowledge, experiences, and practical help with each other.



But during lockdown, face to face meetings became impossible, so we massively ramped up our virtual offerings to meet demand for children and young people with heart conditions who are part of our Teen Heart and One Beat networks. Instead of six face-to-face meetings each year, we increased their frequency to around three virtual meetings each week.

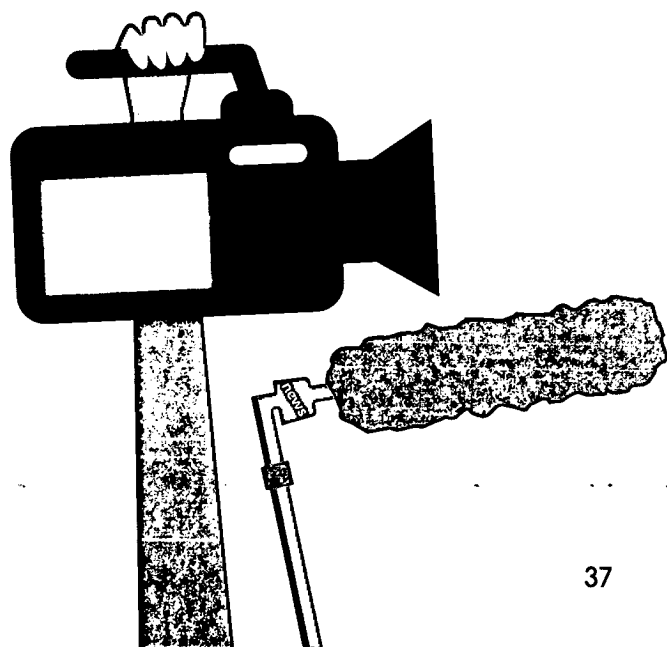
At the same time, our HealthUnlocked Online Community has continued to be an invaluable source of peer support for over 27,000 members (as of February 2021), and is also a place where patients can get information and support from our cardiac nurses.

66

Since lockdown, One Beat has thrived. The team rose into action for the welfare of our members who felt the psychological impacts of shielding earlier than others. Since having more regular touchpoints and innovative online events, us members have been able to develop a closer sense of community than ever before, and have had our lockdown experiences become much less lonely due to the initiative of One Beat.

Rory

One Beat member



Life saving skills



During the worst of the pandemic, the number of people having an out-of-hospital cardiac arrest increased, and the survival rate fell. The estimated UK survival rate was less than one in ten in 2020, with England recording the lowest rate since 2012.

Every minute without CPR or defibrillation reduces the chances of survival by up to 10%, so it is vital that CPR is widely taught and understood. Because of the difficulty of doing in-person training during the pandemic, we adapted our CPR training resources to make sure people could learn life saving skills online.

We also developed Covid-friendly resources, which includes using a cloth to cover the mouth and nose of the person having a cardiac arrest and avoiding rescue breaths, instead just giving chest compressions.

3 November

Liverpool pilots a regular Covid-19 rapid testing trial



3 November

Three new Trustees with sector-leading financial and medical research expertise joined our governing board

Life Lessons

Far too many lives are lost to out-of-hospital cardiac arrests, partly because too few bystanders have the expertise or confidence to perform CPR. Providing this training to young people in all schools is vital in helping to change this.

In September 2020 CPR was added to the English secondary school curriculum, and in Scotland every local authority has committed to teaching life saving skills in secondary schools. After years of campaigning, the BHF Cymru team has also seen CPR skills added to the national curriculum in Wales. This significant achievement was only possible because of partnerships with other organisations including St John Cymru and Red Cross in Wales.



Heart Disease Plan for Wales

BHF Cymru highlighted why some of Wales' biggest killers need to remain a top priority for the Welsh Government. Heart and circulatory diseases cause around 25 deaths each day in Wales. Around 340,000 people are living with these conditions.

Working with clinical professionals we drafted a plan which identified three key priorities:

- To tackle the risk factors for heart and circulatory diseases.
- To ensure everyone has access to timely diagnosis, treatment and care.
- Improved use and access to data.

Like all health services across Wales, cardiology has been impacted by Covid-19. There's been an impact on all parts of the heart and circulatory diseases pathway, including deferral of diagnoses and therapeutic interventions; and reduced access to specialist care in the community and identification and management of risk factors, including high blood pressure.

These impacts are not being felt equally across the country. The pandemic is serving to highlight health inequalities and regional variation, feeding the postcode lottery for patients accessing services and treatments.

Our heart disease plan called on all political parties to commit to prioritising the health and wellbeing of patients in Wales.

Nations united against heart disease

Heart and circulatory diseases cause around 50 deaths each day in Scotland – that’s almost a third of all deaths – with one in eight of these at working age. Across Scotland an estimated 700,000 people are living with the daily burden of these conditions, which can devastate lives.

The Scottish Government last published its Heart Disease Improvement Strategy in 2014. But progress in tackling heart disease has stalled in Scotland in recent years. While death rates from events like heart attacks have been falling for decades, progress has slowed.

Rates of heart and circulatory diseases in our most deprived areas are still significantly higher than those in the least deprived areas. Deep-rooted inequalities in diagnosis and treatment persist, and the pandemic seems to be amplifying these.

The Government has committed to spending £117 million on a new cancer strategy for Scotland and £42 million targeting Type 2 diabetes. However, just £1 million has been invested in the heart disease strategy since its launch seven years ago.

BHF Scotland has called for a new heart disease strategy for Scotland to be developed, underpinned by the required investment. We have worked with more than 70 clinical professionals to draft a plan which has identified three key priorities: to prevent more people from developing heart and circulatory diseases by tackling risk factors, including obesity, high blood pressure, high cholesterol; to ensure everyone has timely and equitable access to diagnosis, treatment and care; and improved use and access to data to understand the scale of services across Scotland.

Our strategy urged all political parties to commit to work with us to tackle these issues.



• Fearghal McKinney, Dáithí's dad, Máirtín and Dáithí

Northern Ireland should soon join the rest of the UK in making soft opt-out organ donation enshrined in law, following campaigning by BHF NI and others.

In December 2020 the Minister for Health launched a public consultation to seek the public's views on how to introduce a soft opt-out organ donation system for Northern Ireland.

The consultation should be another step on the road to legislative change on organ donation in Northern Ireland. BHF NI, the Donate4Dáithí campaign and others have long campaigned for a change in the law.

Head of BHF NI Fearghal McKinney said legislative change could lead to more people receiving life saving transplants every year, better reflect the views of the majority of the population, and help to shift social norms towards donation and away from refusal.



Managing income to drive long-term financial stability

Swift actions for a strong recovery

As the UK government announced major economic interventions such as the furlough scheme and the suspension of business rates, we moved swiftly to secure our own long-term financial stability.

Thanks to prudent financial management in the years before the pandemic, and decisive action throughout, we feel confident that we will recover quicker than most. But like so many other charities and businesses, we had to make hard choices.

9 November 2020

Pfizer/BioNTech vaccine reported to be 90% effective



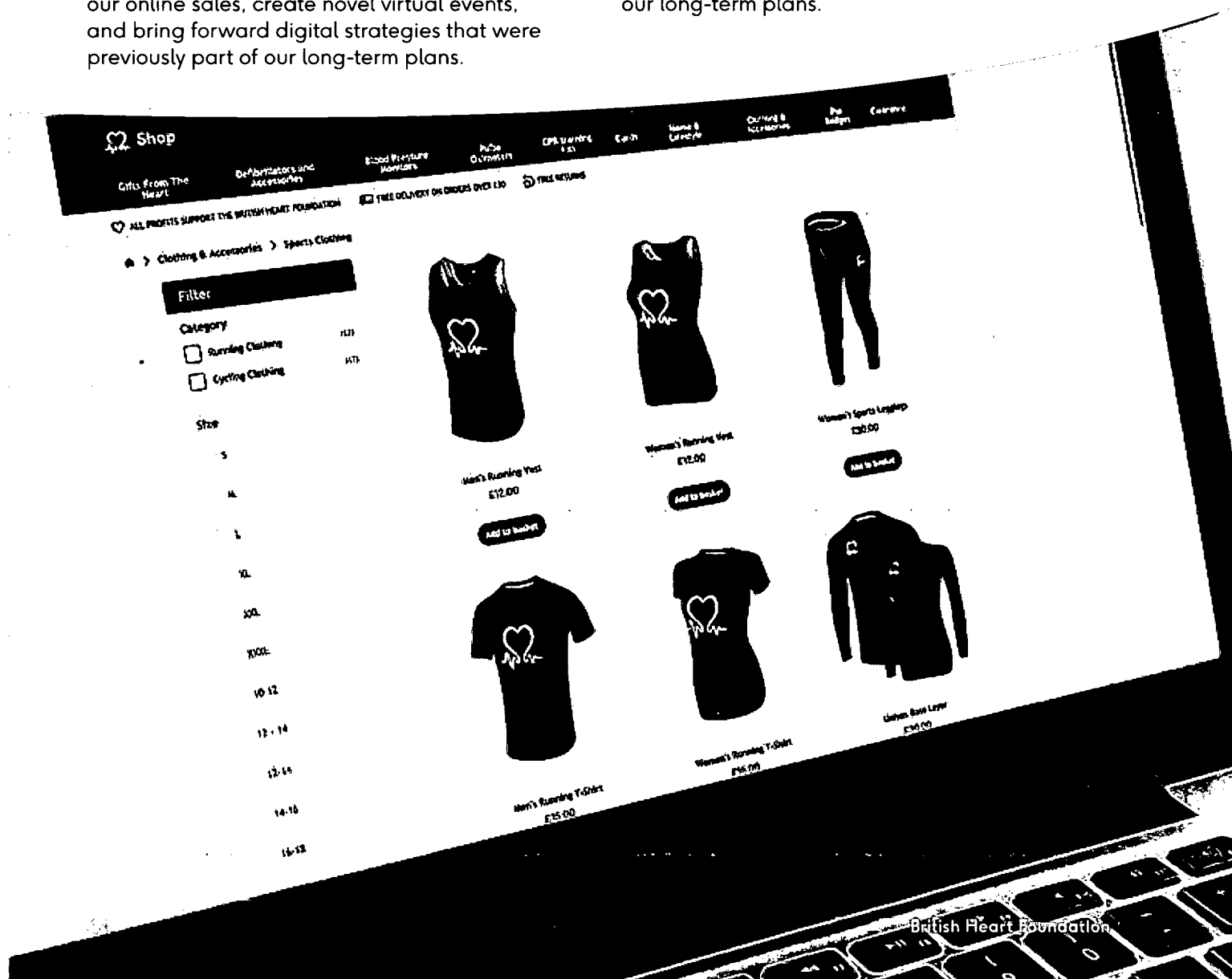
Faiza Yasin
Congenital heart disease patient,
daughter, sister and yoga teacher

Falling income, rising demand

Throughout this report you will have seen just how challenging this year has been for everyone at the British Heart Foundation. Nothing demonstrates the seismic impact on our organisation more than the 47% reduction in our net income, which is closely linked to the closure of our retail stores for eight months of the year, as well as the cancellation of our treasured fundraising events.

Our financial story is very much about the barriers we faced because of coronavirus, and also about the great leaps we made to overcome them. Alongside much-needed government support, we were buoyed by a swathe of urgent innovations that saw us expand our online sales, create novel virtual events, and bring forward digital strategies that were previously part of our long-term plans.

We also increased our requests to philanthropists, foundations and corporate partners, placing a greater emphasis on the critical need to safeguard our research projects and developing talent. While a larger sum of gifts given through wills also helped us protect our long-term plans.



Turning a crisis into a recovery

Restructuring our organisation was a difficult, but necessary, part of getting through the past year. This included a number of redundancies and the loss of many valued colleagues. From a purely financial perspective, we took important steps to mitigate our income shortfall, including prioritising our property portfolio strategy and prudently managing our financial reserves.

We are now looking to the future with optimism. Since the lockdown of non-essential retail was lifted in April, our shops and stores have traded strongly, at or above the levels we achieved before the pandemic hit. We believe our offer combining value, sustainability, community and choice positions us well for the future. We will also be building on many aspects of our response to the pandemic, including online and digital innovations, which have made our organisation stronger and more fit for the future.



Our strategy in action 2020-21

- Despite a challenging year, fundraising support has been remarkable, almost matching the previous year for net income, albeit through a different mix of products and channels.
- We strengthened our Philanthropy and Corporate Partnerships fundraising teams resulting in significant donations.
- We established a new Marketing, Fundraising & Engagement directorate to improve the way we attract, engage and retain our supporters.
- In Retail, we demonstrated much needed flexibility and resilience, with our offer combining value, sustainability, community and choice positioning us well for a strong recovery through 2021.
- Our online retail offer continues to grow too, with a new ambition to be 'the destination retailer for pre-loved and heart health products online'.

Future focus

- We are committed to recovering our income through our retail and fundraising efforts, doing 'fewer things better for bigger impacts'.
- We will recover and grow our fundraising income by 'rebooting' our brand, to help us innovate with urgency.
- We will celebrate our 60th anniversary to inspire support, including through stories that bring our history to life.
- We will recover retail profits by reducing property costs, diversifying our online offer, innovating stock generation, and focusing on empowering and equipping our people.
- We will increase our investment in our data capabilities, customer service and customer-facing technology infrastructure. This will include piloting a new logistics platform to support our growing Home retail business.

Resilient retail and future fundraising

This has been the most challenging year in the British Heart Foundation's 60-year history and in over 35 years of BHF retail. The impact of the pandemic on our fundraising and retail operation has been seismic.

Rising to the challenge

Extraordinary times demand extraordinary actions. With our 729 shops closed for eight months we had to adapt and forge a path to recovery. Recognising the growing importance of online retail, we moved swiftly to open new channels, expand offerings and build new connections. Our shop teams moved mountains to kickstart innovations that are more than just tactical responses but represent strategic shifts to a more modern and digital future.

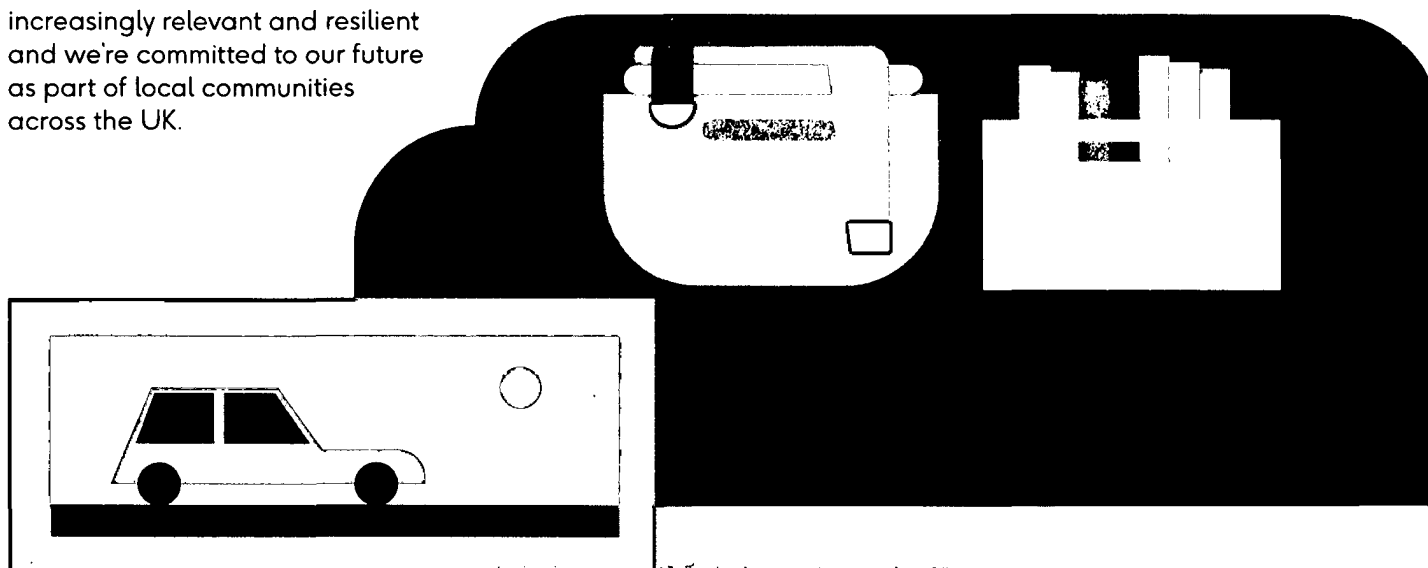
For example, we expanded the range and accessibility of our pre-loved goods online, and have been looking at how we appeal to new audiences and continue to expand what we sell – whether that's much-needed medical devices, a rare antique watch or a bulk donation of end of line fashion stock. Despite the challenge of being required to be closed for so long, our passion and commitment to our position on the British high street is as strong as ever. We believe the combination of extraordinary value, choice and sustainability our shops and online provides, allied to the mission of the BHF, makes us increasingly relevant and resilient and we're committed to our future as part of local communities across the UK.

Launching Freepost

How can a chain of charity shops survive a nation in lockdown? We knew we needed to keep stock donations rolling in, so we swiftly launched a freepost delivery option.

Simply by printing a freepost label, donors across the UK were asked to send their preloved items to us at 6,600 Collect+ points. This initiative coincided with a flurry of deep-cleaning and loft-sorting from a population stuck at home, so was immediately a huge success. We launched in June 2020, and the service has grown ever more popular, such that we were receiving some 12,500 parcels a month by the year end, with plans to build further on this success in the new year.

We were also grateful to receive bulk donations from a growing number of corporate partners such as Wayfair, Amazon and Genuine Solutions Group (GSG) who appreciate the opportunity to donate unwanted items in an efficient and sustainable manner while supporting our life-changing research.



Open to opportunities

The pandemic has had a seismic impact on the income of the BHF. We've made it easier for people to donate but we've also expanded on how we reach new audiences.

While the pandemic has had a drastic impact on the UK's high streets, we innovated quickly to find new ways to trade. We're committed to selling anything of value across our retail estate for the best price possible – from homewares and furniture to electronics, accessories and fashion.

Even industrial or other items not normally associated with charity shops can be incredibly valuable, while also helping us support the re-use cycle. In addition, our specialist teams have the knowledge and skills to ensure that we obtain the maximum value for the Charity from items such as collectibles and designer fashion that our supporters generously donate to us.

Prior to the pandemic, creating more accessibility for people shopping online with us was a priority – whether that's for pre-loved items via our eBay and Depop stores, or our new goods range on our online shop. We also increased the number of Christmas cards available online and saw an incredible fivefold increase in online Christmas card sales.

We recognised our unique position in the market as a go-to retailer for medical devices such as blood pressure monitors and defibrillators, and have increased the range of items available on the website. Our blood pressure monitor sales more than tripled to £140,000, the overall range will be expanding this year to include oximeters and portable ECG monitors.

Support in the community

In the run-up to Christmas, our shop teams asked shoppers to consider adding a £1 donation at the till. This was part of a drive to find new ways to engage shoppers and make up for funds lost through lockdown. The campaign was a huge success as the local communities of each shop gave their support, and helped us raise almost £0.5m. We were truly humbled by such generosity during such a challenging time.

Making it easier to shop online

This year, despite all the challenges, the BHF achieved an incredible £3.7m in sales on our eBay store, also reaching the milestone of our one millionth eBay sale. This was supported by the expansion of our online office and warehouse, which positions us for future growth.



Thanks to the donors keeping us going

We recognise the generosity of donors who have continued to support us throughout the pandemic, raising £3.4m during this period.

We're incredibly grateful to the philanthropic individuals, trusts and foundations, and government funders that choose to partner with us. Thanks to your generosity, we can push forward and build on decades of world-leading heart and circulatory disease research; using the findings to improve the health and care of people living with these devastating conditions.

Leading contributors who are funding the Future Leaders of Cardiovascular Research

Garfield Weston Foundation
Haverstock Charitable Trust
Mr Charles Wilson and Dr Rowena Olegario

Leading contributors to the Big Beat Challenge

Mr Ranjit Singh Boparan
Dr Doug Gurr
The Lazari family
Thakrar Foundation

Leading contributors to the BHF Covid-19 Response, Patients First

Coronavirus Community Support Fund – UK Govt. funding, distributed by The National Lottery Community Fund
Moondance Foundation
Scottish Government Wellbeing Fund
Voluntary Services Emergency Fund –
Welsh Govt. funding, distributed by WCVA

Recognising long-term commitment to funding our Cardiovascular Research

The Kathleen Laurence Trust
The Lazari family
The Peacock Charitable Trust
ShareGift

Leading contributor to a BHF Translational Award

The Amateurs Trust

2 December

UK becomes first country to approve Pfizer/BioNTech vaccine

Creative alternatives to live events



Aimee Fuller, former Team GB Olympic snowboarder, now broadcaster and podcast host

From the Olympics to the humble 5k Park Run, events of all kinds were postponed or cancelled to prevent the spread of Covid-19 – our portfolio of events was no different.

We had to postpone our flagship London to Brighton Bike Ride until 2022, alongside our Bournemouth Pier to Pier Swim, Scotland Kilt walks, Yorkshire 3 Peaks challenge, London to Brighton Off Road, and Peak District Mountain Bike Challenge. The good news is that more than 12,000 participants already signed up for these events were incredibly supportive and patient. The overwhelming majority chose to roll-over their tickets to later dates. This is further testament to the incredible support we get from our event champions.

Aimee Fuller, former Team GB Olympic snowboarder, broadcaster and cycling enthusiast, took part in the BHF's virtual cycling challenge - My Cycle January 2021 to encourage people to get cycling.

2 December

Our charity shops in England reopened

Creative fundraising challenges



Dechox

Could you give up chocolate in the middle of a pandemic?

That was the challenge facing our fundraising team. Chocoholics Unite focused on the urgency of raising funds for the BHF at this critical time, and called on chocoholics to unite across the UK.

Over 12,800 participants took on the Dechox challenge and raised over £425,000. This campaign has proved that chocoholics can create great change – even in a pandemic.

MyMarathon 2020

MyMarathon, our existing virtual event, was ready to launch when the pandemic hit. We were able to make adaptations to the event to reflect the global situation. Those who took part delivered an average gift of £188 – the highest average gift MyMarathon has seen to date.

My Step Challenge

My Step Challenge, a new virtual activity is a structured fitness programme to encourage people to stay active while they raised funds for the BHF. The activity attracted over 4,000 new and existing supporters.

The Weekly Flutter (Lottery)

We launched the Weekly Flutter in 2019, a new look and feel for our lottery, and have seen continued growth of the product ever since. Pausing our face to face fundraising activity in the last year has set us back but we've still increased our player base to over 40,000 and brought in £2.3m this year.

We're working hard on retaining players and have introduced a free prize draw initiative and a new digital player journey.

Omazing corporate partnerships

Travelodge

The British Heart Foundation has partnered with Travelodge since 2017 allowing customers to make a real difference to people with heart and circulatory diseases by rounding up their room booking or making a digital donation via Pennies. Travelodge, the UK's budget hotel brand, which operates 570 hotels, was the first hotel brand to partner with Pennies enabling customers to donate their pennies when booking a room at www.travelodge.co.uk.

Pennies, the fintech charity which runs the digital charity box, is designed to make giving to charity in the modern world, easy, quick and affordable with just one click. Thanks to customer donations through Pennies and staff fundraising activity, £0.5m has been raised over the years for the BHF.

Mindful Chef

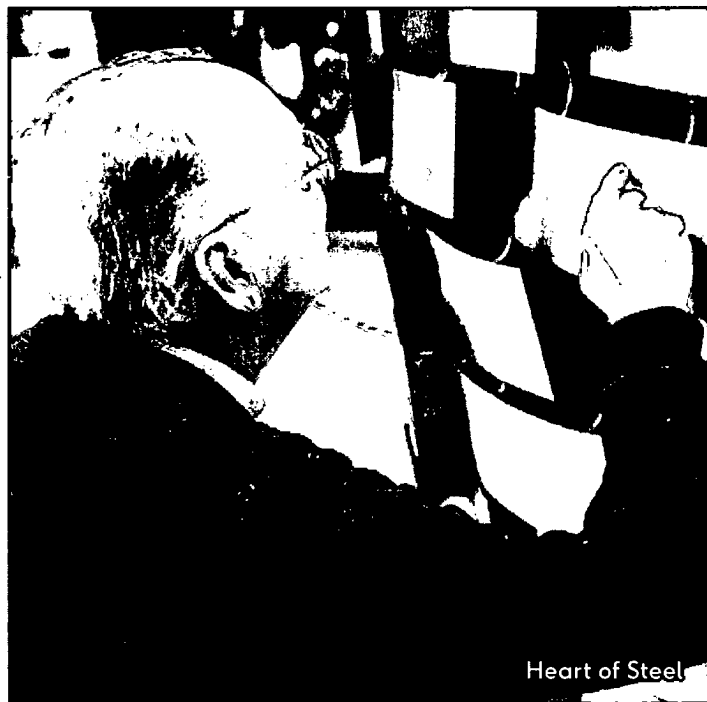
On World Heart Day we were delighted to launch our new partnership with Mindful Chef - the UK's highest rated recipe box (source: Trustpilot). Our partnership with Mindful Chef sees both brands unite on a mission to raise awareness of how a healthy, balanced diet can help support heart and circulatory health. Every week customers can choose from two Mindful Chef recipes approved by BHF dietitians.

Omaze Partnership

In September 2020 we teamed up with Omaze where supporters could raise money for the BHF by entering a prize draw to win a house in London. This innovative new partnership has raised an extraordinary £0.9m for the BHF at a time when we need support for life saving research work more than ever before.



Fundraising in the community



Tesco round-up weekends

In response to the necessary cancellation of in-person fundraising events, Tesco has hosted two contactless fundraising appeals raising over £1m for the BHF and charity partners – Cancer Research UK and Diabetes UK.

In September 2020, Tesco asked its customers to round up their shopping bill to the nearest £1 to support the vital work of the British Heart Foundation, Cancer Research UK, and Diabetes UK. Over the 13-day in-store appeal, customer donations amounted to nearly £1.5m, with Tesco matching contributions to bring the total donation to the partner charities to an incredible £3 million.

The campaign was brought to life with marketing materials across their stores nationwide as well as being featured on 1,147 digital advertising boards within 1km of Tesco stores, and within customer emails. Our cause was put at the centre of a Tesco magazine article with featured Heart Story, Claire-Marie.

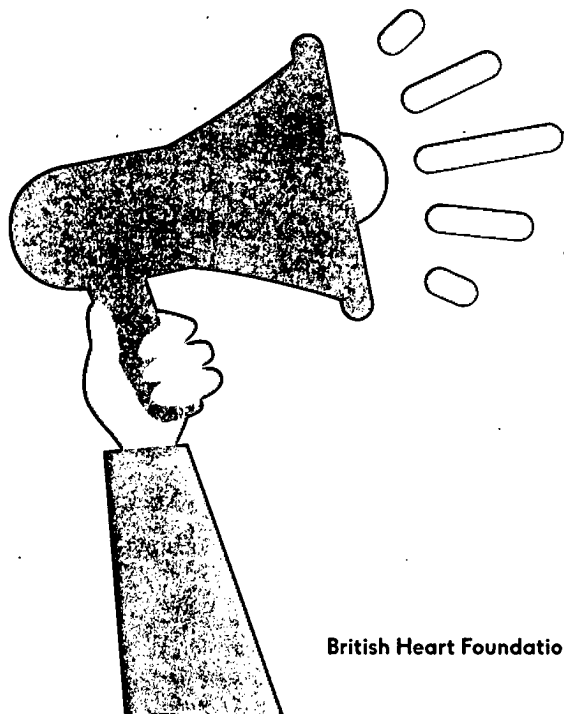
The Heart of Steel raises £1m

For tens of thousands of BHF supporters the Heart has become a special way to celebrate the lives of friends and family, or pay tribute to their memory. This gained a particular poignancy in lockdown, where landmark celebrations such as birthdays and Valentine's Day were held virtually, and funerals were forced to operate within strict regulations. An eight-foot tall, solid steel sculpture gifted to the BHF and currently on display at the Meadowhall Centre in Sheffield, the Heart of Steel enables supporters to permanently engrave their own or a loved one's name for a minimum donation of £20.

The Heart of Steel has now hit a fantastic milestone, raising over £1m in income for the BHF's life saving research.

Harnessing will power

Some of the biggest medical research advances in our 60-year history were made possible because of incredible individuals who left a gift to the BHF in their will. We recognised £77.6m from our gifts in wills income, including one of the highest single legacy gifts to the BHF of £2m. We cannot express our gratitude enough for the generosity of our supporters in such a challenging year.



Superhuman efforts bring big change



Emily Bain

Scottish schoolgirl swims the channel

In a year when traditional fundraising events were postponed or cancelled because of the pandemic, one young fundraiser came up with a novel way to raise money for us. Emily Bain from East Lothian swam 21 miles – the equivalent of crossing the channel from England to France – in her garden pool. Emily went to great lengths to complete a charity challenge in memory of her grandfather, who died after a heart attack. We're indebted to Emily for her incredible effort, and were delighted to see that she won a richly-deserved Young Local Hero Award from the Edinburgh Evening News.

Cardiff man covers 2021 miles in a month

Ben Swallow from Cardiff set himself a gruelling challenge in memory of his beloved grandfather, who lived with a heart condition and sadly passed away in December 2020.

Ben set himself a New Year challenge to cycle and run 2021 miles in the month of January. He wanted to raise money for the BHF as a way of remembering his grandfather and best friend Reggie.

As well as working as a fitness instructor and with another job working with children in care, Ben, 31, managed to cover up to 100 miles a day to meet his target on 31 January 2021.

Ben smashed his target of raising £1,000 for our life saving research and donated over £3,000 in total. Thanks to Ben's support we can continue to fund research into heart and circulatory diseases which cause around 25 deaths a day in Wales



Ben Swallow

Joan's winning walk

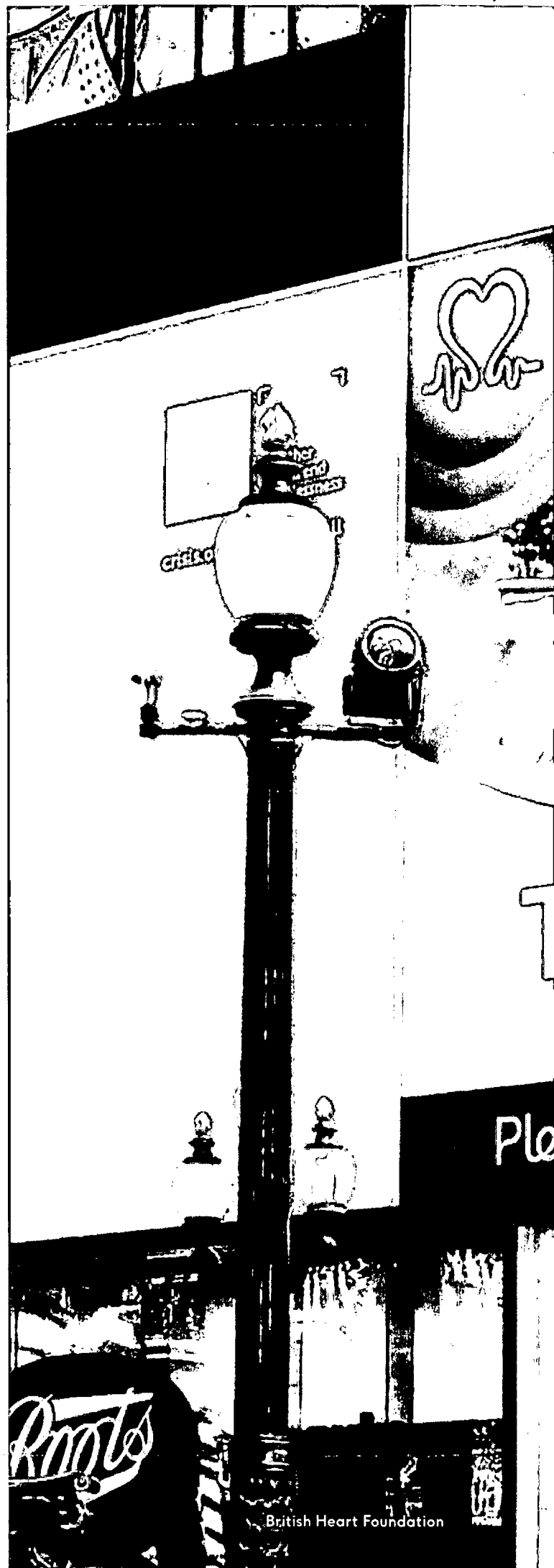
Joan Willett marked her 104th birthday by completing an epic fundraising challenge, which has raised more than £53,000.

The East Sussex centenarian, who had life saving heart surgery over 20 years ago, spent six weeks walking up and down the hill outside of her care home, clocking-up more than 17 miles.

During the six weeks, Joan's image was also broadcast over Piccadilly Circus, after the BHF received in-kind support to raise awareness of her challenge.

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I am lost for words at the kindness of everyone and particularly strangers who have supported me and donated to the BHF for my walk from all over the country and even Australia!

Joan Willett





Thank you Joan

Donate at bhf.org.uk/Joan

Reflecting on the huge changes
we have made this year

Embracing technology and staying on track

The last 12 months have seen city centres across the globe emptied of office workers, and a wholesale transformation in the way millions of us work. At the British Heart Foundation, we were better prepared than many organisations for the switch to home working and online meetings. Here's how we reinvented our ways of working for a rapidly changing world.

24 February 2021

18 million people have received their first
dose of a Covid-19 vaccine in the UK



Carol Igfohose
Heart attack survivor, mother to Emmanuel and Caleb, CP

Evolving in an emergency

Our organisation looks different, and functions differently, as a result of the pandemic. Under pressure, we've had to make many decisions to adapt to the changing times and give our people the support they needed.

From the start of the pandemic, we drew together teams of experts across the organisation, scrutinising our options to help us make the best decisions at the right time. The Government made it clear that the pandemic mitigation measures would be with us for months rather than days, which gave us clarity and the stability to plan. We evaluated which roles had an immediate business critical need to return to the office, and only around 5.5% did.

Consequently, almost all our colleagues who had been office based have worked from home throughout the financial year. It was inspiring to see how swiftly we adapted to working from home, with technology enabling us to work well together. We shipped chairs and equipment to staff, offered flexible working hours, upgraded our IT systems to facilitate remote working and collaboration, and offered support and opportunities to protect staff wellbeing including ways to ensure we all still felt part of this amazing organisation even when we were working from home or on furlough.



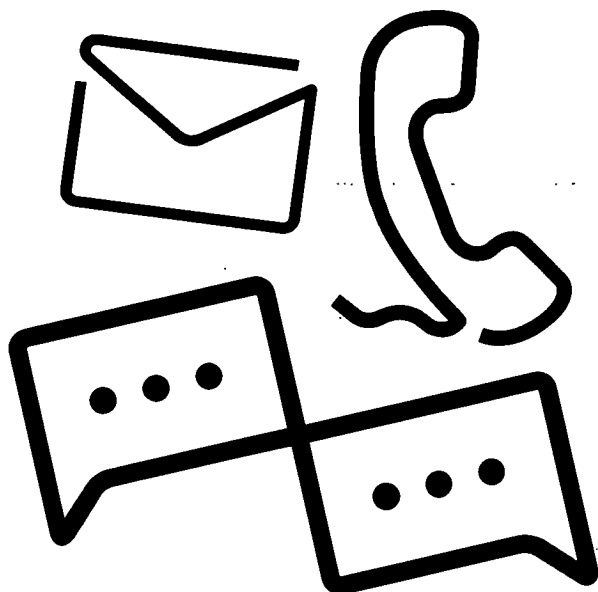
Organisational changes

Even with support from the Government's Job Retention Scheme, our income shortfall forced us to make difficult decisions about cutting costs, and refining our organisational structure. Following an initial recruitment freeze, we undertook a wider review of our organisation which resulted in the loss of some 260 roles through already-vacant posts and redundancies, some of which were voluntary. We know this has been an immensely challenging time for everyone at the BHF and we are still working through the impact of these changes and ensuring that our mission continues at pace.

Staying connected

As the BHF has grown over the last 60 years, there were multiple telephone numbers, emails, addresses and no consistent BHF response to customer queries. So we have merged our customer services: in total 19 separate telephone numbers have been diverted into a new system and new team, along with multiple email addresses, live chats and letters. The new Customer Service team is here for all customers and colleagues at the BHF.

Telephone: 0300 330 3322
Email: heretohelp@bhf.org.uk



Our strategy in action 2020-21

- We have had to reinvent how we work during the Covid-19 pandemic. We moved all colleagues to remote working, whilst improving our provision of wellbeing support and ensuring colleagues can work safely – whether they're in one of our shops or in an office.
- We have completed a sizable investment and change programme in our shops and stores, improving how they operate through new technology and processes.

Future focus

- We will apply the lessons we've learnt during our Covid-19 response to how we work in the future, making sure we maximise the opportunities for improved flexibility, wellbeing and effectiveness – making sure we work in a way that's the best for the BHF and our cause.
- We will recognise the varied experiences and difficulties staff and volunteers have, and continue to face, with the pandemic and making sure we have a safe, diverse and inclusive working environment for everyone.
- We will be equipping our leaders, managers and colleagues to unlock our people's full potential, inspire a deeper connection to our cause, and create an even stronger community of staff and volunteers supporting the work of the BHF.
- We will revisit our approach to strategic partnerships with external organisations, looking to understand the opportunities to maximise our impact through new/enhanced partnership working.
- We will further embed sustainable practices across the BHF and promote them in the wider sector (particularly in charity retail), to make sure we remain a leading force for good in society.

Supporting our staff



Safety of our staff was always our primary consideration

Our People Experience is our initiative to strengthen the bonds between our employees and our volunteers. It's part of our core strategy, and also considers how it feels to work and volunteer at the BHF, why people join and why they stay. It's about creating a welcoming, inclusive environment where everyone's health and wellbeing comes first

It has framed our thinking and response through the pandemic. We have maintained a strong focus on communication and engagement with colleagues and how we need to respond and look after one another.

Whilst supporting staff wellbeing we have also had to focus on business continuity, overseeing furlough arrangements, Covid-19 related safeguarding issues, re-engaging with volunteers, revising health and safety guidance and crisis management communications.

Our Covid-19 response has accelerated the delivery of some ambitions. We have seen considerable shifts in utilising technology to collaborate, uptake of online learning and development opportunities, frequent pulse surveys for 'in the moment' feedback, improving our business continuity processes and our understanding of the wellbeing needs of our people. This is additionally true with our response to the Black Lives Matters movement, where we are accelerating the delivery of our diversity and inclusion action plan.

The engagement, resilience and adaptability that our people have demonstrated over the last year has demonstrated the immense strength of our existing culture and People Experience. It has also shown that our People Experience plans have the flexibility to respond to change, whilst also keeping us true to our ultimate ambitions and the organisation which we wish the BHF to be.

Supporting our retail teams

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As we come to the end of this lockdown – fingers crossed – I'd just like to thank you for the regular contact since the shops closed. It's good to know that the volunteers are valued, and I look forward to being back at work.

Christine Fuller
The BHF Truro Shop



Keeping our retail teams safe

From the start of the pandemic, our priority has been to support and protect the health and wellbeing of our c.3,500 retail staff and c.16,000 retail volunteers – some of whom we knew would be affected by necessary shielding due to pre-existing conditions, or were living with heart and circulatory diseases.

To get our shops back up and running, we needed to go above and beyond to create an environment where they could feel safe and supported every time they walked through the door. As well as working tirelessly to ensure our shops were operating within the new Government guidelines, we also wanted to maintain a line of contact to those colleagues and volunteers who were unable to return just yet, to ensure we were supporting their wellbeing – particularly for people who choose to volunteer with us to combat loneliness.

This included a weekly newsletter that was circulated to thousands of volunteers, regular updates to our Volunteer Hub, localised activities driven by local retail teams in their communities and live online events specifically for our volunteers.

Through this activity we have seen incredible engagement, often resulting in shared stories directly to the volunteering team.

Ensuring we maintained that communication both as a charity, but on the ground locally, has been vital to our hugely valued volunteer network, who will be a crucial part of our shops reopening and our recovery from the pandemic.



Action on equality and diversity

Our push for equality and diversity takes many forms, including how we manage our organisation, and how our research funding helps to tackle health inequality.

Reducing health inequalities in heart and circulatory disease is an important part of our strategy to 2030. The ongoing work of Kaleidoscope, our diversity and inclusion group, demonstrates a similar commitment to improving equity, diversity and inclusion for our staff and volunteers. Discussion around how far the BHF could bring together all the different aspects of our diversity work, patients, research, our people; into one clear strategy is underway.

We are now nearly a year into our Diversity & Inclusion (D&I) action plan. We have progressed several initiatives, including creating several affinity groups (including returning mothers and Black colleagues), unconscious bias training, thought leadership activity on transitioning, impact of the Black Lives Matter campaign, and a partnership with Mixedracefaces.

Kaleidoscope, which has been responsible for creating elements of the plan and challenging the BHF's progress, has had a number of external attendees at its sessions, which have included the Committee's Chair Denise Collis. The focus for the year ahead is supporting people with disabilities.



4 January

Brian Pinker becomes first British person to receive the Oxford/AstraZeneca vaccine

Thank you to our volunteers

Our volunteers help fund our work by giving their time in our shops, at our fundraising events and by fundraising in their local communities. We are deeply grateful for all the support from our volunteers during the pandemic.

Shop closures, re-openings, and rising coronavirus cases have made it difficult to retain and recruit shop and store based colleagues. We've made great efforts to keep in touch with retail and fundraising volunteers, through initiatives like newsletters, updates to our Volunteer Hub, local community activities, and online events specifically for volunteers.

Recruitment in Autumn 2020 saw a significant shift in the new volunteer demographics to volunteers under age 45. We are promoting the BHF as a great place for work experience and to develop skills and qualifications to enhance your CV while volunteering with us.

We are developing a new volunteer management system which will enhance the online application process. We also continue to make improvements in our training materials and recognition processes.

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If anyone is thinking about doing the Duke of Edinburgh's Award, I strongly recommend volunteering or fundraising for the BHF. They have been supportive and encouraging every step of the way.

Jack Williams



Duke of Edinburgh's (DofE) Award

Young Duke of Edinburgh's Award participants have been able to complete their volunteering section through virtual fundraising with the BHF.

Jack is doing his DofE Bronze Award and this is his fundraising story:

"Covid-19 was going to make my Duke of Edinburgh's Bronze award different to what I originally thought. I knew volunteering was going to be tricky, but I found the BHF website, and they had some great ideas for changing volunteering into fundraising instead. I contacted the BHF and received an email back from my great DofE assessor who was so encouraging and supportive I knew instantly I wanted to work hard to raise as much money as I could.

"My highlight to date has been my first online quiz. I asked teams to pay £5 (or more) to take part. On the night I had 15 teams, it was a great fun evening and everyone that took part messaged me after to say what a great night it was."

25 January

BHF-funded research discovers genetic breakthrough to target care for deadly heart condition

Making sustainable choices

Our Sustainability Programme is the framework we use to shape our medium-term approach and monitor and improve our performance, both within our own operations and the wider supply chain.



The Programme focuses on the aspects of sustainability that are most relevant for the BHF and our stakeholders, measuring our impacts, targeting our responses and framing our collaboration with key stakeholders to scale our efforts. We're striving to mitigate long-term supply chain risks, increase resilience and self-reliance, and improve stewardship of resources and energy and alignment with air quality objectives.

Despite obvious challenges, we have made progress this year. We created a Sustainability Programme Board to coordinate projects.

The BHF retail network of stores and online platforms are a powerful engine for sustainable re-use and circulation of resources, driven by donated goods and teams of volunteers and staff. The items we re-use and recycle have a significant positive environmental impact,

enabling lower greenhouse gas emissions, reducing pressure on natural habitats for raw materials and conserving limited resources such as rare metals and water.

Key impacts and priorities

To identify our priorities, we carried out a materiality assessment, consulting staff, volunteers and our stakeholders on what mattered most to them, and we looked at our main sustainability impacts. We grouped our areas of activity into five themes and mapped them against the United Nations Sustainable Development Goals for 2030 – an internationally recognised framework for action. Within each theme we have set goals – what we want to achieve – and measures – how we know we have achieved these – against which we monitor progress.

23 March

The anniversary of the UK's first lockdown



Measuring and categorising goods

Every year we gather data on donated goods and categorise the volume of goods that are re-used, recycled and disposed.

We continue to develop our analysis, with a current focus on reviewing the carbon conversion factors we apply, which measure the impact of re-use and recycling for each material stream in terms of avoided greenhouse gas emissions.

Fleet performance

This year the Energy Saving Trust carried out a Fleet Review on the BHF cars and vans.

The review analysed the emissions associated with our vehicles and a section of those used by contractors and the environmental and financial implications of alternatives.

The review highlighted some helpful improvements to our data analysis relevant policies. It also provided an assessment on the current viability of electric vans which was carefully considered. Unfortunately the electric vehicles currently available would not meet our needs for loading and transporting furniture and heavy electrical goods (which make up the majority of the BHF van loads).

This was due to a combination of weight constraints, limited range, affordability and the need for specialised charging infrastructure. We will carry out further research and maintain a dialogue with suppliers to ensure the BHF vans are the cleanest commercially available in terms of greenhouse gas emissions and contribution to air quality.

Streamlined energy and carbon reporting

The BHF is reporting for the second time under the Streamlined Energy and Carbon Reporting regulations. The relevant disclosures are included on page 73 and 74, which highlight a significant reduction in energy consumption in the last year primarily due to the disruption to our Retail operations from Covid-19 restrictions. In addition, as well as the general progress described above, specific areas of improvement included:

- We have invested in a cleaner fleet with 67 new vans compliant with Euro 6 technology. Our fleet is now 100% Euro 6, delivering an improvement in greenhouse gas and harmful emissions.
- We have switched to a 100% renewable electricity tariff to power our buildings.

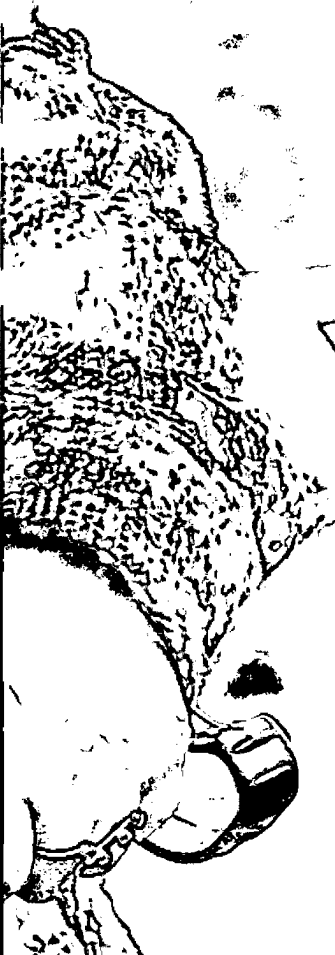
26 March

The BHF welcomes introduction of opt-out organ donation law in Scotland

Financial review



Lesley Jackson
Vascular dementia patient, mother, grandmother



Keep donating and shopping to help support our work

The last year has been the most difficult in the BHF's 60-year history and ongoing shop closures have had a huge impact on our income, but as we approach our milestone birthday, we are incredibly touched by the continued loyalty, dedication and support from our staff, volunteers and customers alike. Your ongoing support will enable us to save and improve the lives of the millions of people affected by heart and circulatory diseases across the UK.

29 March 2021

**Lockdown rules ease in England as part
of the Prime Minister's roadmap**

Financial review

Overview

This was undoubtedly one of the most challenging years in the 60-year history of the BHF. The Covid-19 (coronavirus) pandemic led to the required closure of our shops and stores for various periods through the year, which together represented the loss of 8 months of trade. Despite some limited mitigation from our growing online presence, these closures had a huge impact on the retail sales performance and therefore profitability. Conversely net income from fundraising and legacies remained robust, reflecting the ongoing generosity of our many supporters, volunteers and partners, as well as very tight control of our cost base. Overall in 2020-21, the BHF generated total net income of £57.2m (2020: £107.6m), a £50.4m or 47% reduction on the level achieved in the prior year. This variance principally reflected the impact of a £40.5m loss from retail trading activities, caused by the required closure of shops and stores as non-essential retail.

Conversely, net income from other sources was only £0.2m down year on year, with a reduction in total legacy, fundraising, investment and other income (together down by £15.1m or 11%) offset by a £14.9m or 34% cut in direct costs to generate funds. This adjustment to our cost base, which involved some difficult decisions including a restructuring that led to the loss of a number of loyal colleagues, helped mitigate the impact of the pandemic. However, the scale of disruption to our Retail operation meant that the proportion of total income available for charitable purposes fell to 67% from 71%, below our target level. Whilst there remains the potential for further disruption from the ongoing pandemic, the successful reopening of our retail business in the new financial year is an important step towards once again ensuring that at least 70p in the £1 is available to spend on our life saving work.

Despite the impact of Covid-19 on our income, during 2020-21 we were still able to invest £74.2m (2020: £127.6m) in delivering our charitable mission, including net investment of £49.7m in

Statement of financial activity – Summary

	2021 £m	2020 £m	Movement %
Legacy income	77.6	80.8	(4)
Fundraising income ¹	43.9	53.9	(19)
Retail net (loss)/profit ²	(40.5)	9.7	(518)
Investment and other income ³	4.6	6.5	(29)
Total income (net of retail costs)	85.6	150.9	(43)
Direct costs of generating funds ⁴	(28.4)	(43.3)	(34)
Total net income	57.2	107.6	(47)
% of total income available for charitable purposes	67%	71%	
Research	(49.7)	(93.1)	(47)
Healthcare Innovation	(24.5)	(34.5)	(29)
Total charitable expenditure	(74.2)	(127.6)	(42)
Net outgoing resources	(17.0)	(20.0)	(15)

Notes

1. Fundraising income comprises donations of £25.5m (2020: £34.2m), volunteer fundraising of £13.3m (2020: £14.9m) and income from fundraising trading activities of £5.1m (2020: £4.8m).
2. Retail net (loss)/profit comprises a retail net loss of £41.9m after Covid-19 government support (2020: net profit of £7.1m) offset by income from donations received in BHF shops of £1.4m (2020: £2.6m).
3. Investment and other income includes income from charitable activities of £0.1m (2019: £nil), investment income of £2.7m (2019: £6.5m) and Covid-19 government support (non-trading) of £1.8m (2019: £nil).
4. Direct cost of generating funds comprises total fundraising costs of £27.4m (2020: £40.0m) and costs of fundraising trading of £1.0m (2020: £3.3m).

medical research (2020: £93.1m). This reflected our continuing strong commitment to funding research into all heart and circulatory diseases and their risk factors, with £51.9m of new research grants awarded in the year (2020: £99.7m) and all existing commitments honoured as they fell due. In addition, £24.5m (2020: £34.5m) was invested in Healthcare Innovation, supporting families affected by heart and circulatory disease with support and information during the pandemic. This resulted in an income and expenditure deficit for the year, before investment gains, of £17.0m (2020: £20.0m). Overall net income was £29.8m, inclusive of a £46.8m gain on investments as equity markets recovered strongly through the year. This compares to overall net expenditure of £36.8m in the prior year, inclusive of a £16.8m loss on investments.

As set out in the Group Statement of Financial Activities, our total expenditure for this year was £242.3m (2020: £356.5m), of which £140.7m (2020: £188.9m) was directly attributable to our trading activities, primarily our retail business.

Net Income

In 2020-21, we generated total income of £85.6m (2020: £150.9m), inclusive of the (loss)/profit generated by our retail trading activities, towards our vision of a world free from the fear of heart and circulatory diseases. This represented a decrease of £65.3m or 43% on last year, principally reflecting a £40.5m loss from retail trading activities, caused by the required closure of our shops and stores for some 8 months of the year. Legacies remain our largest single source of income at £77.6m, down 4% on the prior year (2020: £80.8m). Income from other fundraising activities fell by £10.0m or 19% in the year to £43.9m (2020: £53.9m), reflecting the loss of income from fundraising events such as the London Marathon and London to Brighton Bike Ride which were cancelled due to Covid-19, offset by a strong performance across areas including individual giving and corporate partnerships.

In BHF Retail, we have the largest charity retailer in the UK and one of the largest eBay charity retailers in the world. During 2019-20 the business was trading well in very challenging market

conditions, generating a profit of £9.7m despite the complete closure of income-generating activities from 19 March. This closure during the UK's first national lockdown was followed by further restrictions to trade, including the whole of the final quarter of the financial year. Overall, our shops and stores, as non-essential retail, were unable to trade for some 8 months of the year, with restrictions also on our ability to operate online. Consequently, a significant proportion of the retail team were placed on furlough for extended periods, with applications made for additional support available to affected businesses. The net result of this year of unprecedented challenge and disruption was a net loss of £40.5m, inclusive of £31.6m of furlough and other government support.

Gross retail income, including donations received in BHF shops and Covid-19 government support was £99.2m compared to £195.3m in 2019-20, a reduction of 49%. Total retail trading costs were £139.7m (2020: £185.6m), a 25% decrease on the prior year reflecting the actions taken to manage costs, including an organisational restructure and working with landlords to secure reductions to rent during periods of closure.

As at 31 March 2021, the BHF operated 729 shops (2020: 750), including 541 standard outlets (2020: 553) and 188 Home stores (2020: 197). During 2020-21, we opened 4 new standard outlets and 2 Home stores and closed a total of 27 shops and stores. We continue to review the store portfolio with an ongoing objective of increasing lease flexibility and reducing fixed cost.

Online channels continued to perform well, although the eBay operation was also closed for part of the year due to Covid-19, with total online sales of £4.7m in the year, compared to £6.7m in 2019-20.

During the financial year, investment in the direct costs of generating funds decreased by 34% to £28.4m (2020: £43.3m), reflecting actions taken to manage costs including the organisational restructure. As a result, the BHF generated £57.2m of net income for charitable purposes in the financial year, a 47% reduction on the prior year (2020: £107.6m).

Financial review

Charitable expenditure

During 2020-21, our charitable expenditure totalled £74.2m, down from £127.6m in 2019-20. The reduction in income due to the closure of shops and cancellation of events meant that we were forced to reduce funding for new research to £51.9m, from £99.7m in 2019-20, a 48% reduction. We maintained our commitment to existing grants and offered researchers the opportunity to apply for Covid-19 grant extensions. After adjusting for cancellations and discounting as outlined below, and including allocated support costs, research expenditure is reported as a total investment of £49.7m (2020: £93.1m). In addition, £24.5m (2020: £34.5m) was invested to fund Healthcare Innovation activities, with a focus on supporting those affected by heart and circulatory diseases during the pandemic.

As noted above, our five research funding committees awarded 121 new research grants worth £51.9m (2020: £99.7m), including supplements made to new and existing grants. The Chairs and Programme Grants Committee spent £15.8m funding a range of research projects including £5.5m for programme grants, £2.2m for special projects and £3.8m to fund years 4 and 5 of existing grants. Total research investment also included £21.1m for fellowships (including funding for 43 new students on 4-year PhD programmes), £11.5m for project grants, £2.2m for clinical studies and £1.3m for translational awards (representing expected payments to the completion of the next milestone). As at 31 March 2021, 129 grants had been awarded costing and no-cost extensions at a cost of £0.4m due to the disruption caused by Covid-19 to the completion of the funded projects.

The total reported investment in research of £49.7m (2020: £93.1m) 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 £24.5m (2020: £34.5m) was focused on supporting those affected by heart and circulatory disease during the pandemic. Significant areas of investment included the work of our Involve teams, who focused on engaging more people in their health and care, and in the work of the BHF, to improve outcomes and generate support. In 2020-21, we invested £3.4m in this programme (2020: £6.0m) to provide information and support online through our health content, including the Coronavirus Information Hub, support the Heart Helpline and offering virtual events and peer support for young people with heart conditions.

We continued to invest in innovation, with £1.7m (2020: £3.1m) going to our Innovate area, which works with the NHS, industry, academia and other partners to test, develop and evaluate new products and services. In 2020-21, the focus was on developing The Circuit: National Defibrillator Network, which will help to save more lives from out-of-hospital cardiac arrests by allowing bystanders to be directed to their nearest defibrillator.

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 this financial year, we spent £3.1m (2020: £5.6m) to support this programme and £0.3m in the health intelligence function (2020: £0.3m) which supports insight-led prioritisation and decision-making activities across Healthcare Innovation and the rest of the BHF.

Alongside these activities, we spent £7.5m (2020: £10.4m) on marketing and communications as part of our charitable activities to ensure people understand the BHF's mission. Our marketing and engagement programme raises awareness of our many research breakthroughs as well as delivering information to help people better understand and manage their health. In particular they played a key role in supporting the NHS message encouraging people with heart attack symptoms to dial 999 resulting in an uplift in hospital admissions.

Balance sheet

As at 31 March 2021, total cash, deposits and investments were £254.6m, a decrease of £3.5m in the year. This reflected the application of cash resources to protect the BHF and its mission through this year of challenge, offset by the strong recovery in equity markets which generated a £46.8m gain on investments (2020: £16.8m loss on investments).

Our cash and investment portfolio is held to help us ensure we are always in the position to settle grant commitments. On the balance sheet the total provision was £318.9m as at 31 March 2021 (2020: £348.0m). 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 award in our financial statements and its subsequent payment, and the full grant commitment may not be utilised in full. These factors are reflected in the year-end provision.

At the end of the financial year, the BHF Group is reporting total net assets of £49.2m compared to £19.4m last year. Total Unrestricted Funds in the Group balance sheet showed a surplus of £24.6m (2020: deficit of £7.1m). The increase in net assets principally reflects the reduction in the grant liability and the gain in the value of the equity portfolio due to the strong performance of equity markets.

Although Total Unrestricted Funds have returned to surplus this year end, after careful consideration the Trustees remain of the view that a deficit on reserves is a position that could be maintained in the longer term, taking into account the relatively long-term nature of the BHF's grant liabilities, our cash and investment portfolio and the considerable diversity of our fundraising activities, including legacies, which provide ongoing cash resources to fund research grant liabilities. Of the total research liabilities of £318.9m, £212.7m are long-term and will be funded, in part, by income generated in future years. As outlined in the reserves policy below, the key measure of sustainability for the BHF is current and future liquidity cover.

Reserves policy

The Board of Trustees considers the key measure of sustainability for the BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. Consequently, Trustees have set an appropriate reserves policy which is reviewed annually relating to liquidity, based on the relationship between readily realisable assets and the cash required to settle grant liabilities and sustain the BHF's operations for an anticipated period, as explained below.

Trustees have decided that, after an allowance for future income expectations (including an assessment of the potential loss from an extended interruption to retail trade), the BHF should at all times maintain cash and readily realisable assets sufficient to fund between not less than 12 and not more than 24 months of forecast cash outflow to settle grant awards, plus 12 months of non-retail

Reserves and grant commitments

	2021 £m	2020 £m
Equity growth portfolio (including cash held for investment purposes)	124.1	153.6
Short-dated corporate bond portfolio	25.3	35.7
Cash and cash equivalents	105.2	68.8
Total Cash and investments	254.6	258.1
Grants – year end provision	318.9	348.0
Unrestricted funds	24.6	(7.1)
Total funds	49.2	19.4

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operating costs (excluding direct costs of income generation). The inclusion of an allowance for the potential loss from an extended interruption to retail trade in the assessment of reserves represents a revision to the policy as agreed by Trustees during the financial year.

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 £113m and £161m in liquid and readily realisable assets.

At 31 March 2021, our total cash, deposits and investments of £254.6m were therefore significantly above the upper end of the reserves range. Our strategic plans assumed the excess would reduce over the medium term; as we had 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 2020-21, and the continued uncertainty of outlook, we now anticipate the excess will be applied in protecting our charitable mission in the shorter term.

Investment policy and performance

The BHF held total cash, deposits and investments of £254.6m as at 31 March 2021, a decrease of £3.5m on 2020. 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 £124.1m as at 31 March 2021 (2020: £153.6m) is to provide real growth over a 5 to 10 year horizon. The growth portfolio consists almost entirely of equities. During 2020-21, a total of £75.9m was transferred to the cash portfolio to increase the BHF's liquidity position as the scale of the challenge represented by Covid-19 became apparent. This included the total balance on the UK equity portfolio, previously managed by Smith & Williamson Investment Management LLP, such that we now retain only a global equity portfolio managed by Schroder Investment Management

Limited. Overall, the growth portfolio generated a total return, net of fees, for the year ended 31 March 2021 of 41.2%, against a benchmark of 35.8%.

In addition, a short-dated corporate bond portfolio was created during the 2017-18 financial year, which is managed by Royal London Asset Management Limited (RLAM), with £25.3m held as at 31 March 2021 (2020: £35.7m). 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 2021 of 2.5%. The growth and short-dated corporate bond portfolios included a total of £2.8m of cash held for investment purposes as at 31 March 2021 (2020: £4.1m).

To balance short-term cash requirements and investment risks, our cash portfolio invests in short-term fixed interest investments also managed by RLAM, with £86.1m held as at 31 March 2021 (2020: £64.4m). These readily realisable investments are reported within the total Cash at Bank on the balance sheet of £105.2m (2020: £68.8m). 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 1 month inter-bank LIBOR rate. The RLAM cash portfolio generated a total return for the year ended 31 March 2021 of 0.3%, against the benchmark return of 0.02%.

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 ICAEW Audit and Assurance Faculty assurance framework (or equivalent) on internal controls. The total return on investments for the year (including net investment income) was a net gain of £48.6m (2020: net loss of £11.6m).

Responsible investment policy

The BHF is committed to investing its funds in a responsible manner and for the investment portfolio to be managed in accordance with the BHF's own charitable mission and values. This means having regard to best practice in Environmental, Social and Governance (ESG) issues.

The investment managers are expected to encourage good behaviour in the companies in which they invest and should promote sustainability, good business ethics, good employment practices and the transition to a low carbon economy. The BHF currently employs Schroder Investment Management Limited and Royal London Asset Management Limited to manage the investment portfolio. Both firms are signatories to the United Nations' Principles for Responsible Investment (UNPRI), integrate ESG and engagement fully into their investment processes and produce regular ESG reports.

There is a formal exclusion on investment in tobacco (defined as a company deriving more than 5% of turnover from the manufacture of tobacco or tobacco related products) and the investment portfolio is regularly monitored for its resilience to ESG and carbon risks.

Pensions

The BHF UK Retirement Plan, a defined contribution scheme, is available for employees to join at any time. Contributions made to the Plan during the financial year totalled £4.8m (2020: £4.7m). In addition, the Charity retains a funding obligation to the BHF UK-defined benefit pension scheme ('the Scheme'), which was closed to new entrants from 30 June 2001 and to future accrual from 31 May 2016. The Scheme remains subject to a formal triennial funding valuation, with the most recently completed being as at 1 July 2020. This showed a funding surplus of £2.0m, such that no additional employer contributions are currently required. The actuary carries out a separate annual valuation of the Scheme in accordance with 'FRS 102: Employee Benefits', in which different funding assumptions are applied. The FRS 102 valuation as at 31 March 2021 showed a surplus of £10.5m (2020: £15.5m). 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 2020-21, 23 research grants totalling £7.9m were awarded to the Universities of Aberdeen, Edinburgh, Glasgow, Glasgow Caledonian, Heriot Watt, St Andrews 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.

Activity in the Isle of Man

The BHF is registered as a charity in the Isle of Man and has a fundraising group there. Despite the challenges of the pandemic, fundraising continued during 2020-21 with the support of the community and £21k was raised (2020: £36k).

Trading subsidiaries

The British Heart Foundation has three wholly owned trading subsidiary undertakings: British Heart Foundation Ventures Limited, BHF Shops Limited and London to Brighton Bike Ride Limited (dormant). The profit distributed to the Charity in the year from the subsidiaries was £2.0m (2020: £8.5m). Profits of trading subsidiaries are detailed in note 13 to the accounts.

Streamlined energy and carbon reporting

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

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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 2020 carbon conversion factors for all fuels, other than the

market-based electricity, which has been taken from EDF as the UK supplier.

The BHF recognises the threats posed by climate change, pollution and resource depletion. Our Sustainability Programme is the framework we use to shape our medium-term approach and monitor and improve our performance, with progress on key initiatives reported on pages 64 and 65.

UK Carbon Footprint Data 2020-21

Scope	Description	2021 tCO2e	2020 tCO2e
Scope 1	Combustion of fuel on site and transportation	962	1,896
Scope 2	Purchased energy (electricity)		
	Location based - UK grid	2,404	6,005
	Market based	121	196
Scope 3	Supply chain emissions		
	Location based - UK grid	1,098	3,130
	Market based	756	2,251
Total location based		4,464	11,031
Total market based		1,839	4,343
Intensity Ratio	tCO2e/£1m turnover		
	Location based	19.8	32.8
	Market based	8.2	12.9

Energy usage

	2021 kWh	2020 kWh
Total consumed		
Electricity	10,311,605	23,492,128
Natural gas	4,003,163	5,428,191
Vehicle fuel	2,068,023	6,970,485
Gas oil	27,038	19,128
Total	16,409,829	35,909,932
Electricity Carbon 0%	95%	97%

Notes

The 2020 comparison period has been restated to include additional information now available including van driver emissions and landlord emissions billed separately.

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 continuing impact of Covid-19 on both the operations of the BHF and the wider economy.

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. As the scale of the pandemic became apparent, particularly its impact on our ability to trade, we transferred £75.9m from equities to our cash reserves to increase the liquidity and stability of our reserves. This provided 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. As the year progressed and net income was impacted, we adjusted our cost base and levels of charitable investment, but continued to fund new research, as well as maintaining our commitment to existing grants. We also reviewed the reserves policy to incorporate learnings from the impact of the pandemic. Inclusive of the benefit of a strong recovery in equity markets, this meant we ended the financial year with total cash, deposits and investments of £254.6m, still significantly above the requirements of our revised reserves policy.

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. The stress-test downside scenario assumes continued disruption to our income from Covid-19 or a comparable event throughout the forecast period combined with an ongoing fall in equity market levels consistent

with that experienced in March 2020. The modelled reduction in income generation would have a direct impact on our capacity to deliver charitable mission, such that a comparable reduction in new medical research funding is assumed. On this basis, we would expect the BHF to retain access to adequate liquidity through the forecast period.

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 financial statements.

Principal risks and uncertainties

Risk	Management
Impact of Covid-19 on our financial position and our ability to deliver our charitable mission.	<p>2020-21 was a year without precedent for the BHF. Like for many other organisations, the financial and operational impact of Covid-19 surpassed our previous worst-case expectations. Our strong reserves position enabled us to manage our response; however, the reduction in income generation, particularly from the extended closure of our Retail operations, restricted investment in charitable expenditure in the year.</p> <p>Our principal risk mitigations fall into three categories:</p> <ol style="list-style-type: none"> 1. Increasing income and reducing expenditure <ul style="list-style-type: none"> • Where necessary, we made use of the Coronavirus Job Retention Scheme and other government Covid-19 grant funding schemes. This support was particularly important for our Retail operations, which were unable to open for extended periods through the year. • Given trading restrictions, we sought and received financial and other support from our landlords and other suppliers and partners. • We successfully accelerated development of online platforms to support both our fundraising and Retail activities, which also included a Coronavirus Information Hub to provide up-to-date information and support for people with cardiovascular disease. 2. Monitoring, review and management of the financial impact of Covid-19 impact on BHF finances: <ul style="list-style-type: none"> • Regular monitoring and reforecasting of financial performance throughout the year. • Adjustments to our cash and investment reserves portfolio to prioritise liquidity, so as to ensure all research commitments would continue to be settled on a timely basis • Ongoing review 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. 3. Ensuring we get most value out of the research spend we have already committed to as well as ensuring new awards are the most impactful: <ul style="list-style-type: none"> • Introducing a framework for considering costed and no-cost extensions and introducing an additional prioritisation process for grant awards. • Advocating for the Government to safeguard research in the UK by adopting the Life Sciences - Charity Partnership Fund. • Use existing BHF-funded infrastructure to address urgent Covid-related research questions through our national Flagship Projects.
Impact of Covid-19 on our people and operations.	<ul style="list-style-type: none"> • Invoking the Crisis and Business Continuity Plan, incorporating managing our Covid-19 response through a gold, silver and bronze response group structure. • Horizon scanning and scenario planning to ensure we were prepared for potential future developments and restrictions. • Coordinating internal and external communications to ensured alignment with developing government guidance. • Introducing Covid safe measures in all shop and office locations when permitted to open, albeit we supported the vast majority of office-based staff to work from home throughout the year. • Wellbeing & Support Workstream was established to support managers and staff whilst working remotely to provide emotional and practical support, including the extension of Employee Assistance Programme to volunteers. • Where the need for organisational change was identified, ensuring this was informed through an appropriate consultation exercise and incorporated support for impacted colleagues. • Business Continuity Planning and monitoring the capacity of all teams to continue to deliver core activities. • Monitoring and testing of technology resilience. • Agile audits to understand the impact and lessons learned from key activities.

Risk	Management
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 policy, 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 to ensure potential risks can be proactively managed. • Active programmes of advocacy, influencing and senior level engagement to ensure our views are shared. • Senior BHF and partner representation at key events and forums to help shape the research agenda.
BHF strategy 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 Strategy to 2030 sets out how we aim 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 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, including a 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. • 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 the impact of Brexit (staff and volunteering). • Regular benchmarking of compensation and benefits, including the impact of ethnicity and gender. • Talent management, development and succession planning programmes. • Ongoing campaigns to attract new, skilled volunteers, supported by an effective recruitment and on-boarding process.
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"> • Prior to finalising the terms of the UK withdrawal from the EU in December, BHF monitored 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. • Maintaining bilateral agreements with appropriate European and global research institutions. • Engaging with BHF-funded researchers to better understand the impact. • Engaging with relevant umbrella 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 Remuneration & People committees. Our investment in research is overseen by five medical committees with responsibility for specific areas of research including the review of grant applications and other scientific award proposals. An organisation chart listing all our current committees can be found on page 79.

Our governance streams

Our committees and groups are arranged into one of three streams – Governance, Operational or Advisory. The BHF's governance structure has continued to operate effectively during the pandemic, with all Board, Committee and other management meetings taking place virtually, but as planned this year.

Governance stream

The Trustees have the ultimate responsibility for

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

Operational stream

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

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

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

Advisory communities

The BHF advisory communities cover specific areas of expertise, each designed to support BHF's 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 include among other specialist advisory groups, the Retail Committee and together comprise the Advisory Council, Chaired by Professor Sir Kent Woods. Although the Advisory Council was unable to meet in 2020, an online conference is planned for 2021 to discuss BHF's response to Covid-19 and its impact on cardiovascular health.

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

The Board considers this a continual process and actively reviews board effectiveness throughout the year. Additionally this year, a formal Corporate Governance Audit was carried out by our internal audit partner. This included a review of our committee structure, decision making process, performance monitoring and overall compliance with the Charity Governance Code. The report findings were supportive of steps being taken to address board diversity and included a number of suggestions for consideration as part of the Nominations Committee's continued focus on this.

Board diversity and inclusion

The Board believes that a balance of skills, experience, knowledge and diversity in the broadest sense is vital to providing a variety of different perspectives to its discussions and enhancing the Board's decision-making. This is an area of active focus for the Nominations Committee and diversity, including gender and ethnicity, is considered as part of the annual board evaluation process. All new trustee appointments are evaluated against the existing skills, experience and knowledge on the Board, and for recent appointments the BHF has extended its search, and taken advice from specialist agencies to enhance and broaden the pool of candidates.



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 three new Trustees, Mark FitzPatrick, Professor Jill Pell and Professor Sir Munir Pirmohamed, who joined the Board of Trustees this year. The Board of Trustees is grateful to all our committee members for their support during this extremely challenging year. Our particular thanks go to Professor Dame Anna Dominiczak, Iain Mackay and Professor Liam Smeeth who retired from the Board of Trustees this year, having played a huge role in the direction of the BHF during their tenures.

Chair

Dr Douglas Gurr

Members

Dr Sarah Clarke MA MD FRCP FESC FACC

Daryl Fielding BSc

Mark FitzPatrick CA (from October 2020)

Karen Frank

Timothy Howe QC

Professor John Iredale FRCP FRSE FMedSci

Professor David Lomas

PhD ScD FHEA FRCP FMedSci

Professor Sussan Nourshargh

PhD FBPhS FSB FMedSci

Professor Jill Pell FMedSci FRSE CBE
(from October 2020)

Peter Phippen

Professor Munir Pirmohamed MB ChB (Hons)
PhD FRCP FRCP(E) FBPhS FFPM FMedSci
(from October 2020)

Professor Sir Kent Woods FMedSci

Retired during the year

Professor Dame Anna Dominiczak
DBE MD FRCP FAHA FRSE FMedSci
(to October 2020)

Iain Mackay MA CA (to October 2020)

Professor Liam Smeeth FRCGP PHD
(to October 2020)

Trustee recruitment, induction and training

The Nominations Committee is, amongst other things, responsible for recruiting members of the Board of Trustees and its committees. 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 its committees, and to act on any upcoming vacancies. Trustee and committee vacancies are advertised as necessary. The BHF will also approach individuals thought to have the right skills.

New Trustees and committee 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 become more involved with our work. Trustees are also invited to attend regular research site visits to learn more about BHF research, and additional training and updates are offered as appropriate.

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

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

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

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 78-79. The Board receives regular updates from the Chief Executive, and 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.

During 2020-21, the Board of Trustees received additional operational updates, to support the business-critical decisions required to mitigate against the impact of Covid-19. It met virtually, and more frequently to assess the short and longer term impact on the delivery of BHF activities, and on staff, volunteers and other key stakeholders.

For further details on our Risk Management Framework and principal risks and uncertainties please refer to pages 76-77.

Stakeholder engagement – patients and those affected by heart and circulatory disease

The Board of Trustees recognises the disproportionate effect of the pandemic on people affected by heart and circulatory disease and agreed at the outbreak that a key priority for the BHF must be the provision of information and support to heart patients. To support this need we created our Coronavirus Information Hub and increased the capacity of our Heart Helpline to address a huge surge in demand for information and support.

For further details on how we have engaged with patients and those affected by heart and circulatory disease please refer to pages 28-41.

Stakeholder engagement – research and clinical community

Throughout the pandemic the Trustees have been conscious of the impact on the BHF's research community. The BHF has been proactive in supporting those who are able to continue their work, but many clinical researchers continue to support the NHS and our costed and no-cost extension processes remains open in full support of our researchers.

Information and resources to support both BHF-funded researchers, and cardiovascular clinicians during the coronavirus pandemic has been provided on the BHF website Covid-19 Hub.

For further details on the impact on the BHF's research please refer to pages 12-27.

Stakeholder engagement – our supporters

Lockdown and social distancing rules have limited many avenues of potential fundraising activity for charities this year. Faced with the cancellation or postponement of all our flagship fundraising events and third-party events such as the London Marathon, we received an incredibly understanding response from supporters signed up for these events. The BHF has been particularly cautious, recognising that many of our supporters are living with heart and circulatory diseases and are therefore at heightened risk of Covid-19 and its consequences. In order to mitigate this risk, the Board has overseen a shift to digital fundraising and other activities that can continue despite current limitations. We would like to thank all our supporters for their understanding and continued support during this time.

For further detail on our fundraising activities please refer to pages 45-56.

Stakeholder engagement – our staff and volunteers

During the year, the Remuneration & People Committee has assisted the Board of Trustees in fulfilling its governance duties in relation to staff and volunteers. The Remuneration & People Committee's remit is to review regular safeguarding reports on activity, learning

Legal structure and governance

and development, employee and volunteer engagement and initiatives relating to health at work, equality, diversity and inclusivity. The Remuneration & People Committee's role is to ensure that any concerns around culture or policy or people compliance are brought to the attention of the Trustees and assist them in promoting a culture whereby everyone at the BHF is treated equally and with respect, and is able to give of their best.

Throughout the pandemic, a priority for the Board of Trustees has been to ensure the safety and wellbeing of staff and volunteers. Increased levels of engagement with staff and volunteers, including those furloughed, has been provided in order to support mental health and wellbeing throughout this uncertain and challenging period. Knowing that many of our retail staff and volunteers would be affected by shielding or living with heart and circulatory diseases, the Board has provided oversight of a highly detailed programme of work to create environments in our shops and stores where staff and volunteers can feel safe and supported when our shops were able to reopen.

The Board has also provided oversight of organisational restructure and collective consultation process, and taken steps to minimise as far as possible the impact, and period of uncertainty for staff. However, the Board acknowledges how challenging this time has been for everyone at the BHF.

For further details on how we engage with our staff and volunteers please see pages 58-63.

Stakeholder engagement – business relationships with suppliers, customers, partners, landlords and others

The delivery of our charitable aims and objectives is dependent on a range of relationships with universities, suppliers and other business partners, and we are extremely grateful for the advice and direct financial support received from our business partners, landlords and other service providers during the past year. The Board has encouraged management to develop and

maintain trusted partnerships with each, and expects our partners to be aligned with the values of the BHF. We seek always to act with honesty and integrity in all that we do to deliver the best value for money in our goal to beat heartbreak forever.

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.

The BHF has a zero-tolerance approach to modern slavery and we strive to act ethically and with integrity in all of our business dealings and relationships to ensure that modern slavery is not taking place anywhere in our own business or in any of our supply chains. We will also ensure that our approach to this issue is clear to our partner organisations.

Through building trusted partnerships and working with others we believe great progress can be made towards our vision of a world free from the fear of heart and circulatory diseases. In 2020-21 some of these partnerships have provided financial and practical support through a range of initiatives aimed at reducing any Covid-19 impacts.

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

Stakeholder engagement – policy and key opinion leaders

Throughout the year, the BHF has maintained strong and effective relationships with communities, key opinion leaders, the NHS and government to help shape and inform our policies and further our objectives in support of the prevention, treatment and care of heart patients. We have also worked closely with other medical research charities in pursuing shared

policy outcomes. The BHF also played a key role in influencing the NHS Long Term Plan, and heart and circulatory disease is one of the priority areas.

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 a programme of activities in support of our new Sustainability Policy with a series of commitments to ensure that our environmental, social and economic impact are considered.

Further information on our sustainability initiatives can be found on pages 64-65; and our Streamlined Energy and Carbon Reporting on pages 73 and 74.

Public benefit

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

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

BHF Fundraising

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

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

All public fundraising including doorstep, private site and community based activities were paused in line with UK Government guidelines on the Covid-19 pandemic. We will continue to monitor all public fundraisers through our dedicated mystery shopping, training evaluation, doorstep shadowing and telephone call monitoring programme in line with the requirements set out in The Charities (Protection and Social Investment) Act 2016 when activities resume in April 2021. We will 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 2020-21 we received 139 complaints about our fundraising practices (2019-20, 618 complaints). We take all complaints very seriously and respond according to our Complaints Policy. We received no complaint investigations via the Fundraising Regulator in 2020-21.

At every board meeting, the Board of Trustees receives a 'Voice of the Customer Report' including the results of the latest online surveys in order to understand the views and concerns of our customers and supporters across all our activities.

Legal structure and governance

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. As part of this year's restructure, our Medical and Healthcare Innovation directorates were merged into a single team led by the Medical Director, and our marketing, fundraising and engagement activities were integrated to a single team, led by our new Director of Marketing, Fundraising & Engagement. The Executive Board members are detailed below:

Chief Executive

Dr Charmaine Griffiths

Medical Director

Professor Sir Nilesh Samani

Chief Technology Officer

Ursula Dolton

Chief Financial Officer

Martin Miles FCA

Executive Director of Marketing, Fundraising & Engagement

Claire Sadler (from January 2021)

Executive Director of People & Organisational Development

Kerry Smith

Commercial Director

Mike Taylor

Departed during the year

Director of Fundraising

Amanda Bringans (to October 2020)

Director of Marketing & Engagement

Carolan Davidge (to February 2021)

Director of Healthcare Innovation

Jacob West (to December 2020)

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 2021 we had a paid workforce of 3,990, spread right across the UK, (3,340 of whom are employed in our retail operation). The full-time equivalent headcount is detailed within note 4 to the accounts on page 101.

To many people across the UK, volunteers are the public face of our charity. We are extremely grateful to our c.18,000 retail and fundraising volunteers for their continued support during this challenging period.

Since the outbreak of Covid-19 a key priority has been to safeguard the health and wellbeing of our staff and volunteers. Staff have been encouraged to work from home where possible, but unfortunately our shops have been forced to close for much of the year, and many of our staff have been furloughed with support from the Government's Job Retention Scheme.

Increased levels of engagement with staff and volunteers, including those furloughed, has been provided in order to support mental health and wellbeing throughout this challenging period. Detailed processes and safety measures have been put in place in accordance with Government guidelines, to protect our staff, volunteers and customers in our newly re-opened

stores, and although the BHF's infrastructure continues to support effective remote working, the decision to re-open offices gradually will be taken when safe and appropriate to do so, and always in accordance with Government advice.

As described earlier in the report, as the scale of the financial challenge we faced became apparent, we undertook an organisational review which led us to entering into a consultation programme with c.300 staff members in order to consolidate and protect certain activities and reduce operating costs. As a result of that process, 100 roles were made redundant and over 160 budgeted roles were left vacant following a recruitment freeze.

These changes included our Medical and Healthcare Innovation directorates merging into a single team led by our Medical Director. We have also integrated our marketing, fundraising and engagement activities into a single team, led by our new Director of Marketing, Fundraising & Engagement. We believe this better positions us to deliver on our strategy to 2030 which puts patients at the heart of our work to inspire support for our life saving research.

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

The BHF gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by the BHF. We do not condone or tolerate any form of discrimination in our recruitment or employment practices.

All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal 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.

Executive pay

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

The remuneration for the Executive Group is set, monitored and reviewed by the Remuneration & People Committee, which is chaired by an independent senior human resources specialist. The BHF is committed to a policy of equal pay and aims to ensure that salaries reflect the knowledge, skills, behaviours and capabilities required for satisfactory performance in each role whilst also demonstrating appropriate use of charitable donations. Salaries are benchmarked against the voluntary sector and where appropriate, other relevant job markets. More information on our executive pay policy can be found on our website at www.bhf.org.uk. The annual pay review, awarded on 1 April of each year was not given in 2020-21.

Our Chief Executive's annual salary at 31 March 2021 was £189,000.

- The ratio between our highest and median salary (including retail) is 11.4 to 1 (2020: 9.3 to 1).
- The ratio between our highest and median salary (excluding retail) is 4.9 to 1 (2020: 4.9 to 1).

Legal structure and governance

Gender and ethnicity pay gap

The average gender pay gap at the BHF is 6% in favour of men, compared to a national average of 15.9%. We continue to dedicate our organisation to taking more steps to narrow the gap even further, and we're proud to be an organisation where over half of our senior leaders are women. Last year 67% of senior roles were filled by women, up from 58% in 2019-20.

This year, as part of our commitment to being a more diverse and inclusive organisation, we have also reported on our ethnicity pay gap for the first time. Our mean ethnicity pay gap is 14% in favour of our colleagues from ethnic minority backgrounds, although this was mainly attributable to a number of higher paid roles within the Technology Directorate being filled by people from ethnic minority backgrounds.

Creating a more diverse workforce, including at director level, remains a priority in our diversity and inclusion action plan. The steps we are taking, which are overseen by our diversity and inclusion working group Kaleidoscope, will help make progress towards closing both our ethnicity and gender pay gaps, particularly by removing potential recruitment barriers. Some of the key changes we have made and are continuing to implement are:

- To prevent any potential barriers to appointing females to senior roles we ensure all senior roles have a gender balanced interview process.
- All our job advertisements have been screened to ensure there is no bias in the language used.
- We provide recruitment skills training for hiring managers to minimise the impact of unconscious bias.
- We encourage hiring managers to seek out diversity by demonstrating how it aids team innovation, productivity and creativity.
- Our career site has been refreshed with an inclusivity page detailing our commitments.
- Our recruitment system is being enhanced to facilitate anonymous CVs.

We work with an external advisory agency called Challenge to support our EDI actions.

Trustees' indemnity

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

Patron

We were deeply saddened by the death of His Royal Highness The Prince Philip, Duke of Edinburgh in April this year, and honoured to have had his continued support as patron of the BHF since the Charity was founded in 1961. Prince Philip was a remarkable advocate for the power of research to save and improve lives from heart and circulatory diseases and his contribution will forever be remembered.

Auditors

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

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees on 20 July 2021.



Sam Ryan
Head of Legal & Governance and
Company Secretary
20 July 2021

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:

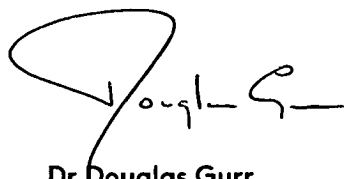
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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
20 July 2021

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 parent charitable company's affairs as at 31 March 2021 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 2021; the group statement of financial activities (incorporating a group income and expenditure account), the group statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Trustees' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

including the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator;

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

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

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

www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and Trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations

made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

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

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

We have no exceptions to report arising from this responsibility.



Sandeep Dhillon

(Senior Statutory Auditor)

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

London,
20 July 2021

Group statement of financial activities for the year ended 31 March 2021

(Incorporating a Group income and expenditure account)

Company reg. number: 699547

	Note	2021			2020		
		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	2	111.3	6.5	117.8	121.1	11.4	132.5
Charitable activities		0.1	-	0.1	-	-	-
Investments		2.7	-	2.7	6.5	-	6.5
Government support - Covid-19 (other)		1.8	-	1.8	-	-	-
Total fundraising income		115.9	6.5	122.4	127.6	11.4	139.0
Expenditure on							
Raising funds: donations and legacies	4	(26.4)	-	(26.4)	(38.7)	-	(38.7)
Investment management fees	4	(1.0)	-	(1.0)	(1.3)	-	(1.3)
Total fundraising costs		(27.4)	-	(27.4)	(40.0)	-	(40.0)
Fundraising contribution		88.5	6.5	95.0	87.6	11.4	99.0
Trading income	3	71.3	-	71.3	196.6	-	196.6
Government support - Covid-19 (trading)	3	31.6	-	31.6	0.9	-	0.9
Trading costs	3/4	(140.7)	-	(140.7)	(188.9)	-	(188.9)
Contribution (to)/from trading activities		(37.8)	-	(37.8)	8.6	-	8.6
Net income available for charitable purposes		50.7	6.5	57.2	96.2	11.4	107.6
Charitable expenditure							
Research	4	(42.2)	(7.5)	(49.7)	(83.2)	(9.9)	(93.1)
Healthcare Innovation	4	(23.6)	(0.9)	(24.5)	(34.2)	(0.3)	(34.5)
Total charitable expenditure		(65.8)	(8.4)	(74.2)	(117.4)	(10.2)	(127.6)
Net (expenditure)/income before gain/(loss) on investments		(15.1)	(1.9)	(17.0)	(21.2)	1.2	(20.0)
Represented by							
Total income		218.8	6.5	225.3	325.1	11.4	336.5
Total expenditure		(233.9)	(8.4)	(242.3)	(346.3)	(10.2)	(356.5)
Net income before gain/(loss) on investments		(15.1)	(1.9)	(17.0)	(21.2)	1.2	(20.0)
Net gain/(loss) on investments		46.8	0.0	46.8	(16.8)	0.0	(16.8)
Net income/(expenditure)		31.7	(1.9)	29.8	(38.0)	1.2	(36.8)
Other recognised gains/(losses)							
Actuarial gain/(loss) on defined benefit pension scheme	14	-	-	-	-	-	-
Net movement in funds		31.7	(1.9)	29.8	(38.0)	1.2	(36.8)
Reconciliation of funds							
Funds balances brought forward at 1 April	5	(7.1)	26.5	19.4	30.9	25.3	56.2
Total funds carried forward	5	24.6	24.6	49.2	(7.1)	26.5	19.4

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 £169.9m (2020: £316.7m) and gross expenditure is £186.9m (2020: £337.4m). The notes on pages 95 to 112 form an integral part of these financial statements.

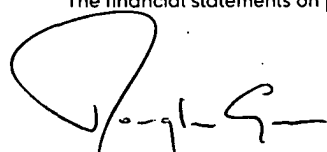
Balance sheets as at 31 March 2021

Company reg. number: 699547

	Note	Group		Charity	
		2021 £m	2020 £m	2021 £m	2020 £m
Fixed assets					
Tangible assets	6	37.6	40.0	37.6	40.0
Investments	7	149.4	189.3	149.4	189.3
Total fixed assets		187.0	229.3	187.0	229.3
Current assets					
Inventories		6.5	6.1	-	-
Debtors	8	93.9	92.0	102.5	99.6
Cash and cash equivalents		105.2	68.8	102.7	66.9
Total current assets		205.6	166.9	205.2	166.5
Creditors and provisions: amounts falling due within one year					
Provision for research and other grant awards	9	(106.2)	(114.6)	(106.2)	(114.6)
Other creditors	10	(19.8)	(24.5)	(19.4)	(24.1)
Total current liabilities		(126.0)	(139.1)	(125.6)	(138.7)
Net current assets		79.6	27.8	79.6	27.8
Total assets less current liabilities		266.6	257.1	266.6	257.1
Creditors and provisions: amounts falling due after more than one year					
Finance lease creditor		(0.3)	-	(0.3)	-
Provision for research and other grant awards	9	(212.7)	(233.4)	(212.7)	(233.4)
Provision for liabilities and charges	11	(4.4)	(4.3)	(4.4)	(4.3)
Total provisions due after more than one year		(217.4)	(237.7)	(217.4)	(237.7)
Net assets excluding pension liability		49.2	19.4	49.2	19.4
Defined benefit pension liability	14	-	-	-	-
Net assets including pension liability		49.2	19.4	49.2	19.4
Represented by:					
Endowment funds	5	7.5	7.5	7.5	7.5
Restricted income funds	5	17.1	19.0	17.1	19.0
Unrestricted funds					
General funds	5	24.6	(7.1)	24.6	(7.1)
Pension reserve	14	-	-	-	-
Total unrestricted funds		24.6	(7.1)	24.6	(7.1)
Total funds		49.2	19.4	49.2	19.4

The Charity's net movement in funds for the year was an increase of £29.8m (2020: decrease of £36.8m).

The financial statements on pages 92 to 112 were approved by the Board of Trustees on 20 July 2021, and signed on its behalf by:



Dr Douglas Gurr
Chairman



Mark FitzPatrick
Chairman of the Audit & Risk Committee

Members of the Board of Trustees

The notes on pages 95 to 112 form an integral part of these financial statements.

Group statement of cash flows for the year ended 31 March 2021

	2021 £m	2020 £m
Cash flows from operating activities		
Net cash outflow from operating activities	(45.6)	(18.1)
Cash flows from investing activities		
Investment income	2.7	6.5
Purchase of investments	(47.4)	(60.8)
Proceeds from sale of investments	134.1	88.9
Purchase of tangible fixed assets	(7.5)	(13.1)
Proceeds from sale of tangible fixed assets	0.1	0.2
Net cash inflow from investing activities	82.0	21.7
Net increase in cash and cash equivalents	36.4	3.6
Cash and cash equivalents at 1 April	68.8	65.2
Cash and cash equivalents at 31 March	105.2	68.8
Reconciliation of net cash flow from operating activities:		
Net income/(expenditure)	29.8	(36.8)
Add/(less):		
Depreciation	9.5	8.0
Impairment of fixed assets	0.1	0.5
Loss on sale of fixed assets	0.2	-
Investment income	(2.7)	(6.5)
Net (gain)/loss on investments	(46.8)	16.8
Defined benefit scheme pension costs recognised in SOFA	-	0.1
(Increase) in inventories	(0.4)	(0.6)
(Increase) in debtors	(1.9)	(6.8)
(Decrease) in creditors	(4.7)	(1.2)
Increase in finance lease creditor	0.3	-
Increase in provisions for liabilities and charges	0.1	1.9
(Decrease)/Increase in provision for research grant and other awards	(29.1)	6.5
Net cash outflow from operating activities	(45.6)	(18.1)

The notes on pages 95 to 112 form an integral part of these financial statements.

Notes to the accounts

1. Accounting policies

Statement of compliance

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

Basis of preparation

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

Going concern

In determining the appropriate basis of preparation of the financial statements for the year ended 31 March 2021, 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 ongoing 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. As the scale of the pandemic became apparent, particularly its impact on our ability to trade, we transferred £75.9m from equities to our cash reserves to increase the liquidity and stability of our reserves. This provided additional assurance that the BHF would continue to have access to sufficient liquid resources to meet its obligations, and continue to fund existing research commitments, as they became due. As the year progressed and net income was impacted, we adjusted our cost base and levels of charitable investment, but continued to fund new research, as well as maintaining our commitment to existing grants. We also reviewed the reserves policy to incorporate learnings from the impact of the pandemic. Inclusive of the benefit of a strong recovery in equity markets, this meant we ended the financial year with total cash, deposits and investments of £254.6m, still significantly above the requirements of our revised reserves policy.

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 stress-test downside scenario assumes continued disruption to our income from Covid-19 or a comparable event throughout the forecast period, combined with an ongoing fall in equity market levels consistent with that experienced in March 2020. The modelled reduction in income generation would have a direct impact on our capacity to deliver charitable mission, such that a comparable reduction in new medical research funding is assumed. On this basis, we would expect the BHF to retain access to adequate liquidity through the forecast period.

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 2021 incorporate the trading results of our Retail operations for the 52 week period ended 27 March 2021 (2020: 52 week period ended 28 March 2020).

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.

Statement of cash flows

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

Income

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

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

Notes to the accounts

- **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 15.7% of award value and at 31 March 2021 reflects 7.0% (2020: 7.3%) 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 2021 was 0.19% (2020: 0.14%).

Chairs of BHF Professors

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

changed, a contingent liability is recognised from the end of the current five year award up to the date of retirement.

Programme grants

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

Other Research grants

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

Healthcare Innovation grants

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

Fund accounting

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

Tangible fixed assets

Tangible assets are stated at cost

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

Freehold property:

over 50 years

Short leasehold property:

over the life of the lease

Shop fittings:

over 7 years

Plant, equipment and vehicles:

over 3-4 years

IT equipment and software:

over 3-5 years.

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

Investments

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

Foreign currency

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

Cash and cash equivalents

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

Inventories

Inventories purchased for sale are valued on a weighted average cost basis and carried at the lower of cost and net realisable value. Provision is made to reduce carrying values to net realisable value for slow moving, obsolete and defective stock. The provision at 31 March 2021 was £0.4m (2020: £0.5m). Inventories does not include goods donated for sale as it is impractical to measure the fair value of these donated items reliably.

Pension costs

The BHF's defined benefit scheme was closed to future accrual on 31 May 2016. The BHF employee costs include the net pension finance income or costs, together with the expenses of running the Scheme. Actuarial gains and losses are recognised immediately on the face of the statement of financial activities. Where the pension scheme valuation shows a net deficit, this is reported separately on the face of the balance sheet and within reserves. Where the valuation shows a net surplus, an asset ceiling is applied to the extent that future economic benefits are not available to the Charity in the form of a reduction in future contributions or a cash refund. The detailed assumptions relating to the valuation of the defined benefit scheme can be found in note 14. For defined contribution schemes, the amount charged to the statement of financial activities for pension costs is the total contributions payable in the year.

Notes to the accounts

This amount is allocated to expenditure headings and funds on the same basis as staff costs, reflecting the activities performed by staff.

Operating leases

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

Finance leases

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

Taxation

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

2. Donations and legacies

	Unrestricted funds £m	Restricted funds £m	2021 Total funds £m	2020 Total funds £m
Legacies	76.1	1.5	77.6	80.8
Donations	21.0	4.5	25.5	34.2
Donations received in BHF Shops	1.4	-	1.4	2.6
Volunteer fundraising	12.8	0.5	13.3	14.9
Total income from donations and legacies	111.3	6.5	117.8	132.5

The Charity has received notification of 315 legacies (2020: 337) with an estimated value of £9.4m (2020: £10.5m) which are not included in legacy income. This includes legacies which are subject to a life interest, legacies which have not yet been granted probate, and contentious legacies.

3. Trading activities

	Income/direct costs £m	Support cost allocation £m	2021 Total £m	2020 Total £m
Retail income*	66.2	-	66.2	191.8
Government support - Covid-19 (trading)	31.6	-	31.6	0.9
Retail costs	(135.4)	(4.3)	(139.7)	(185.6)
Retail net (loss)/profit	(37.6)	(4.3)	(41.9)	7.1
 Income from fundraising trading activities	 5.1	 -	 5.1	 4.8
Costs of fundraising trading	(1.0)	-	(1.0)	(3.3)
Net fundraising trading income	4.1	-	4.1	1.5
 Contribution (to)/from trading activities	 (33.5)	 (4.3)	 (37.8)	 8.6
 Represented by:				
Total trading income	71.3	-	71.3	196.6
Government support - Covid-19 (trading)	31.6	-	31.6	0.9
Total trading costs	(136.4)	(4.3)	(140.7)	(188.9)
Contribution (to)/from trading activities	(33.5)	(4.3)	(37.8)	8.6

*2021 includes income of £16.1m (2020: £53.0m) representing donations from our supporters on which Gift Aid has been claimed from sale of goods through the Retail Gift Aid Programme.

Notes to the accounts

4. Gross expenditure

	Awards (note 9)	Staff costs	Other direct costs	Support costs allocated	Total 2021	Total 2020
	£m	£m	£m	£m	£m	£m
Expenditure on raising funds						
Costs of raising funds	-	18.0	4.6	3.8	26.4	38.7
Investment management fees	-	-	1.0	-	1.0	1.3
Total fundraising costs	-	18.0	5.6	3.8	27.4	40.0
Expenditure on trading activities						
Retail costs	-	65.9	69.5	4.3	139.7	185.6
Other trading costs	-	-	1.0	-	1.0	3.3
Total trading costs	-	65.9	70.5	4.3	140.7	188.9
Expenditure on charitable activities						
Research	47.0	1.2	0.6	0.9	49.7	93.1
Healthcare Innovation	(0.1)	6.4	14.2	4.0	24.5	34.5
Total charitable expenditure	46.9	7.6	14.8	4.9	74.2	127.6
Support cost allocated	-	9.0	4.0	(13.0)	-	-
Total expenditure	46.9	100.5	94.9	-	242.3	356.5

Support costs included in gross expenditure

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

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

Analysis of support costs	Fundraising	Trading	Charitable expenditure		Total	Total
			Research	Healthcare Innovation	2021	2020
			£m	£m	£m	£m
CEO, strategy and legal	0.4	0.4	0.1	0.6	1.5	1.6
Information technology	1.0	2.4	0.2	1.2	4.8	3.9
Finance, risk and procurement	0.9	0.8	0.3	0.7	2.7	2.5
Human resources	1.2	0.5	0.3	1.3	3.3	3.5
Facilities management	0.1	0.1	-	0.1	0.3	0.3
Governance costs	0.2	0.1	-	0.1	0.4	0.4
Total Support Costs	3.8	4.3	0.9	4.0	13.0	12.2
					2021	2020
Support costs are made up of:					£m	£m
Staff costs					9.0	9.5
Other costs					4.0	2.7
Total Support Costs					13.0	12.2

4. Gross expenditure (continued)

Gross expenditure for the year is stated after charging:	2021	2020
	£m	£m
Operating lease rentals (land and buildings)	28.6	28.9
Loss on disposal of fixed assets	0.2	-
Depreciation charge for the year	9.5	8.0
Provision for impairment	0.1	0.5
Auditors' remuneration(*)		
Audit fee	0.1	0.1

*Auditors' remuneration comprises £91,748 (2020: £107,855) for the audit of the Charity and £27,936 (2020: £18,845) for the audit fees of subsidiary undertakings. In addition £9,700 (2020: £8,900) was incurred in respect of British Heart Foundation Staff Pension Scheme and £6,500 (2020: £6,000) in respect of non-audit services. All numbers exclude VAT.

Staff and Trustee information	2021	2020
Staff costs	£m	£m
Wages and salaries	86.3	91.2
Social security costs	7.1	7.7
Pension costs (see note 14)	5.0	4.8
Other benefits	0.8	0.9
Other staff costs	1.3	1.5
Total staff costs	100.5	106.1

Wages and salaries include redundancy costs of £1.4m (2020: £0.2m) arising from restructuring activities completed during the year. Redundancy costs are recognised and accrued when the employee has been notified of the planned redundancy.

All staff are employed by the BHF. The average number of staff, employed in the year, was:	2021	2020
	number	number
Head office	645	893
Regions	90	70
Shops	3,494	3,470
Total number of staff	4,229	4,433

Reflecting:		
Full time staff	2,578	2,693
Part time staff	1,651	1,740
Total number of staff	4,229	4,433

Full time equivalent average headcount	3,479	3,605
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The following numbers of staff have emoluments above £60,000:	2021	2020
	number	number
Between £60,000-£70,000	47	37
Between £70,001-£80,000	20	22
Between £80,001-£90,000	24	18
Between £90,001-£100,000	5	1
Between £100,001-£110,000	3	1
Between £110,001-£120,000	1	3
Between £120,001-£130,000	2	1
Between £130,001-£140,000	2	1
Between £140,001-£150,000	1	1
Between £150,001-£160,000	1	1
Between £160,001-£170,000	-	1
Between £170,001-£180,000	-	-
Between £180,001-£190,000	1	-
Between £190,001-£200,000	1	-
Between £200,000-£210,000	-	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 84. The total employee benefits of the Executive Group in the year was £1.4m (2020: £1.3m).

Trustee costs: no Trustees received any remuneration for services as members of the Board of Trustees and no Trustees were reimbursed for travelling expenses to and from meetings (2020: 3 members of the Board of Trustees were reimbursed £2,578 for travelling expenses to and from meetings). As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £15,680 (2020: £11,480). Total donations received from Trustees amounted to £46,000 (2020: £50,918).

Notes to the accounts

5. Statement of funds

	Note	Balance 1 April 2020 £m	Income £m	Expenditure £m	Net investment gain £m	Actuarial gain £m	Balance 31 March 2021 £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	2.3	0.7	(0.5)	-	-	2.5
Research	e	2.8	4.0	(2.4)	-	-	4.4
Healthcare Innovation	f	0.7	0.6	(0.9)	-	-	0.4
Oxford IDRM	g	7.4	-	-	-	-	7.4
Regenerative medicine	h	5.8	1.2	(4.6)	-	-	2.4
Total restricted funds		19.0	6.5	(8.4)	-	-	17.1
Unrestricted funds (Group)		(7.1)	218.8	(233.9)	46.8	-	24.6
Unrestricted funds (Charity)		(7.1)	163.4	(178.5)	46.8	-	24.6
Total Group funds		19.4	225.3	(242.3)	46.8	-	49.2
Total Charity funds		19.4	169.9	(186.9)	46.8	-	49.2

Notes

- 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.
- Income from the G M Yule bequest is available for the general activities of the Charity.
- Income from the Dr John A Gordon memorial trust fund is restricted to expenditure on Healthcare Innovation activities.
- Restricted legacy donations are received for both research and Healthcare Innovation. In some cases we are unable to distribute funds fully according to the specific terms of the bequest in the year of receipt and expenditure takes place in future years.
- Income where the donor has specified that the donation should be expended on the BHF's research activities.
- Income where the donor has specified that the donation should be expended on the BHF's Healthcare Innovation activities.
- Income collected towards a target of £10m to contribute to the build of a world-leading centre for stem cell technology, the Institute of Developmental and Regenerative Medicine (IDRM), at Oxford University.
- Includes income from the Mending Broken Hearts ("MBH") 50th anniversary appeal, expended on the BHF's charitable activities.

Endowment of Chairs of BHF Professors

The BHF has 28 Chairs of BHF Professors as at 31 March 2021. Of this number, 3 universities hold endowments and 6 previously returned endowments are held on the BHF balance sheet as permanent endowment funds with the income being used to part fund the ongoing cost of the chairs.

5. Statement of funds (continued)

Analysis of Group net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	37.6	-	-	37.6
Investments	149.4	-	-	149.4
Current assets	181.0	17.1	7.5	205.6
Current liabilities	(126.0)	-	-	(126.0)
Long-term liabilities	(217.4)	-	-	(217.4)
Total net assets as at 31 March 2021	24.6	17.1	7.5	49.2
At 31 March 2020	(7.1)	19.0	7.5	19.4

Analysis of Charity net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£m	£m	£m	£m
Tangible fixed assets	37.6	-	-	37.6
Investments	149.4	-	-	149.4
Current assets	180.6	17.1	7.5	205.2
Current liabilities	(125.6)	-	-	(125.6)
Long-term liabilities	(217.4)	-	-	(217.4)
Total net assets as at 31 March 2021	24.6	17.1	7.5	49.2
At 31 March 2020	(7.1)	19.0	7.5	19.4

6. Tangible fixed assets

Group and Charity	Freehold property	Short leasehold property	Shop fixture and fittings	Vehicles	Furniture and equipment	IT equipment and software	Assets under construction	Total
Cost	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2020	2.4	34.6	29.5	2.6	13.0	25.0	9.9	117.0
Transfers	-	-	-	-	-	13.6	(13.6)	-
Additions	-	0.7	1.3	-	0.4	0.5	4.6	7.5
Disposals	-	(1.0)	(1.0)	(0.6)	(0.3)	(5.3)	-	(8.2)
At 31 March 2021	2.4	34.3	29.8	2.0	13.1	33.8	0.9	116.3
Accumulated depreciation								
At 1 April 2020	0.5	21.5	22.4	1.6	11.1	19.9	-	77.0
Depreciation charge	-	2.4	2.0	0.4	0.9	3.8	-	9.5
Provision for impairment	-	0.1	-	-	-	-	-	0.1
Disposals	-	(1.0)	(0.8)	(0.5)	(0.3)	(5.3)	-	(7.9)
At 31 March 2021	0.5	23.0	23.6	1.5	11.7	18.4	-	78.7
Net book values								
At 31 March 2021	1.9	11.3	6.2	0.5	1.4	15.4	0.9	37.6
At 31 March 2020	1.9	13.1	7.1	1.0	1.9	5.1	9.9	40.0

The net carrying amount of assets held under finance leases included in IT equipment and software is £0.5m (2020: £nil).

There are no future capital expenditure commitments on specific projects for the Group (2020: £nil).

Notes to the accounts

7. Investments

Group and Charity Analysis of movement	2021 £m	2020 £m
Market value at 1 April	189.3	234.2
Purchase of investments at cost	47.4	60.8
Disposal proceeds	(134.1)	(88.9)
	102.6	206.1
Net gain/(loss) on investments	46.8	(16.8)
Market value at 31 March	149.4	189.3
Original cost	113.2	171.6
Represented by:		
Listed investments: equities	121.7	150.4
Short dated corporate bonds	24.9	34.8
Cash held for investment purposes	2.8	4.1
Total investments at 31 March	149.4	189.3

Listed investments include overseas investments of £113.5m (2020: £104.7m).

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

The Charity holds 100% shareholdings in the three (2020: three) subsidiary undertakings within the Group; these are valued at cost of £6 (see note 13).

For investments sold during the financial year, the realised gain against historic cost was £28.3m (2020: £6.0m).

8. Debtors

	Group		Charity	
	2021 £m	2020 £m	2021 £m	2020 £m
Amount owed by subsidiary undertakings	-	-	8.8	7.6
Sundry debtors	2.6	4.7	2.5	4.9
Tax recoverable	0.4	5.2	0.4	5.2
Prepayments	9.9	10.6	9.9	10.6
Accrued income	8.8	2.2	8.7	2.0
Accrued legacies	72.2	69.3	72.2	69.3
Total debtors	93.9	92.0	102.5	99.6

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

9. Provision for research and other grant awards

Group and Charity	Healthcare Innovation	Research	2021	2020
	£m	£m	£m	£m
Provision for research and other grant awards				
Grants awarded during the year	-	51.9	51.9	102.1
Movement in estimated future grant underspend	(0.1)	(4.7)	(4.8)	(11.8)
(Decrease)/Increase in grant discount	-	(0.2)	(0.2)	2.6
Net research grant awards as recognised in the statement of financial activities	(0.1)	47.0	46.9	92.9
Payment made during the year	(1.2)	(74.8)	(76.0)	(86.4)
Net movement in provision during the year			(29.1)	6.5
Grant provision at 1 April			348.0	341.5
Grant provision at 31 March			318.9	348.0
Awards falling due within one year			106.2	114.6
Awards falling due after more than one year			212.7	233.4
Grant provision at 31 March			318.9	348.0
Research and other grant awards commitments				
Total grants awarded and unpaid at 31 March, including conditional grant awards (total grant commitments)			374.6	411.4
Less conditional translation awards and Chairs grants*			(6.7)	(10.4)
Total unconditional grant awards outstanding at 31 March			367.9	401.0
Less estimated future grant award underspend*			(48.1)	(52.3)
Less grant discount			(0.9)	(0.7)
Grant provision at 31 March			318.9	348.0

Notes

*The BHF has a contingent liability of £54.8m (2020: £62.7m) including £6.7m (2020: £10.4m) for awards conditional upon the favourable outcome of scientific reviews and £48.1m (2020: £52.3m) 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 0.19% (2020: 0.14%) 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 £0.9m (2020: £0.7m) and for Healthcare Innovation grant awards £0.0m (2020: £0.0m).

Notes to the accounts

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 or Council in senior research capacities. All grants are made to institutions, and a list of awards made during the year is available in the Charity's website at:

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

The top 50 grants made in 2020-21 are listed below.

Institution	Activity	Number of grants	2021 £m
University of Oxford	Research	9	6.3
Imperial College London	Research	5	3.1
University of Cambridge	Research	5	3.0
University of Edinburgh	Research	5	3.4
Queen Mary, University of London	Research	4	1.7
University College London	Research	4	2.0
King's College London	Research	3	1.1
University of Glasgow	Research	3	1.2
University of Manchester	Research	3	1.1
University of Bristol	Research	2	1.2
University of Leeds	Research	2	0.9
Cardiff University	Research	1	1.2
The Francis Crick Institute	Research	1	0.7
University of Birmingham	Research	1	0.7
University of Leicester	Research	1	0.3
University of Strathclyde	Research	1	1.0
Total		50	28.9
Other grants paid to institutions	Research		23.0
	Healthcare Innovation		-
Total grants and awards			51.9

10. Other creditors

	Group		Charity	
	2021	2020	2021	2020
	£m	£m	£m	£m
Sundry creditors	1.8	5.3	1.7	5.2
Finance lease creditor	0.2	-	0.2	-
Taxes and social security	1.5	1.9	1.5	1.9
Accruals	12.8	14.7	12.5	14.4
Deferred income	2.0	1.5	2.0	1.5
Holiday pay accrual	1.5	1.1	1.5	1.1
Total other creditors	19.8	24.5	19.4	24.1

Deferred income

	Group		Charity	
	2021	2020	2021	2020
	£m	£m	£m	£m
Deferred income at 1 April	1.5	1.7	1.5	1.2
Released during the year	(1.5)	(1.7)	(1.5)	(1.2)
Income received during the year to be deferred	2.0	1.5	2.0	1.5
Deferred income at 31 March	2.0	1.5	2.0	1.5

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

11. Provisions for liabilities and charges

	Group		Charity	
	2021	2020	2021	2020
	£m	£m	£m	£m
Provision at 1 April	4.3	2.4	4.3	2.4
Provision utilised in year	(2.0)	(0.4)	(2.0)	(0.4)
Provision accrued in year	2.1	2.3	2.1	2.3
Provision at 31 March	4.4	4.3	4.4	4.3

The provision comprises the estimated future unavoidable lease costs of £0.1m (2020: £0.5m) in respect of loss-making stores and an estimate of the probable future costs of restoring rented properties to their required condition at the ultimate expiry of the lease of £4.3m (2020: £3.8m) based on the dilapidation costs required, provided the lease is not renewed. The provision is expected to be utilised between 2021 and 2037 as leases terminate. Prior to confirmation of the payment amount and date, estimations are made based on historical data, the ongoing monitoring of lease contracts, and liaison with property advisers.

12. Operating leases

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

	2021	2020
	£m	£m
Payment due:		
Within one year	26.6	25.8
Between two and five years	70.1	70.0
After five years	28.3	29.5
Total operating lease commitments	125.0	125.3

Notes to the accounts

13. Subsidiary undertakings

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

Company name	Registered company number	Activity
British Heart Foundation Ventures Limited	02767880	Making commission arrangements and sponsorship agreements
BHF Shops Limited	02472513	Retailing new (non-donated) goods in BHF shops
London to Brighton Bike Ride Limited	02672643	Dormant, has not traded since 31 March 2020

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

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

	British Heart Foundation Ventures Limited	BHF Shops Limited	2021	2020
	£m	£m	£m	£m
Turnover	0.8	12.7	13.5	32.5
Cost of sales	-	(8.7)	(8.7)	(18.2)
Gross profit	0.8	4.0	4.8	14.3
Other income	-	0.4	0.4	0.6
Other costs	-	(3.2)	(3.2)	(5.6)
Net taxable profit	0.8	1.2	2.0	9.3
Distribution to parent	0.8	1.2	2.0	8.5
Assets	(0.8)	(8.5)	(9.3)	8.5
Liabilities	0.8	8.5	9.3	(8.5)
Net assets	-	-	-	-

14. Pensions

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

Pension costs	2021 £m	2020 £m
Defined contribution scheme	4.8	4.7
Defined benefit scheme	0.2	0.1
Total pension costs	5.0	4.8

i) Defined contribution scheme

The BHF operates a defined contribution scheme for certain eligible employees, the total cost of which for the year ended 31 March 2021 was £4.8m (2020: £4.7m). From 1 August 2013, all employees have been automatically enrolled into the defined contribution scheme and BHF contributes between 2% and 25% of pensionable salaries.

ii) Defined benefit scheme

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

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

In accordance with the requirements of the relevant accounting standard (FRS 102), the full actuarial valuation of the defined benefit scheme dated 1 July 2020 has been updated at 31 March 2021 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 2021 of £10.5m (2020: surplus of £15.5m). In accordance with FRS 102, this surplus is not recognised, as future economic benefits are not deemed available to the BHF in the form of a reduction in future contributions or a cash refund.

The major assumptions used for the actuarial valuation were:

	2021 %	2020 %	2019 %	2018 %	2017 %
Salary growth	3.4	2.6	3.6	3.5	4.6
Pension increases in payment - Limited Price Indexation	3.3	2.0	2.6	2.5	2.6
Pension increases in payment - guaranteed	5.0	5.0	5.0	5.0	5.0
Discount rate	2.0	2.3	2.4	2.6	2.8
Inflation - RPI	3.4	2.6	3.6	3.5	3.6

Mortality

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

	2021 years	2020 years
Male	86.9	86.7
Female	89.3	89.0

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

	2021 years	2020 years
Male	88.2	87.7
Female	90.7	90.2

Notes to the accounts

14. Pensions (continued)

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

	Asset categories as a percentage of plan assets	
	2021 %	2020 %
Corporate bonds	79.0	76.0
Liability Driven Investment (LDI) funds	20.0	23.0
Cash/other	1.0	1.0

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

	2021 £m	2020 £m
Current service cost	-	-
Expenses	0.2	0.1
Past service cost	-	-
Total operating charge	0.2	0.1
Interest income on pension scheme assets	(1.6)	(1.5)
Interest on pension scheme liabilities	1.2	1.3
Interest effect of the asset ceiling	0.4	0.2
Total amount charged to the Statement of Financial Activities	0.2	0.1

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

Actuarial (loss)/gain before consideration of asset ceiling	(5.4)	6.0
Amounts not recognised due to effect of asset ceiling	5.4	(6.0)
Total actuarial (loss)/gain and effect of asset ceiling	-	-

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

	Present value of defined benefit obligation		Fair value of scheme assets		Asset ceiling		Net liability recognised in the balance sheet	
	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m	2021 £m	2020 £m
Scheme (liabilities)/assets at the start of the year	(53.5)	(55.8)	69.0	65.1	(15.5)	(9.3)	-	-
Interest cost	(1.2)	(1.3)	-	-	-	-	(1.2)	(1.3)
Interest income on assets	-	-	1.6	1.5	-	-	1.6	1.5
Actuarial (loss)/gain	(5.7)	2.4	0.3	3.6	-	-	(5.4)	6.0
Benefits paid	1.2	1.2	(1.2)	(1.2)	-	-	-	-
Interest effect of the asset ceiling	-	-	-	-	(0.4)	(0.2)	(0.4)	(0.2)
Remeasurement of the asset ceiling	-	-	-	-	5.4	(6.0)	5.4	(6.0)
Scheme (liabilities)/assets at the end of the year	(59.2)	(53.5)	69.7	69.0	(10.5)	(15.5)	-	-

14. Pensions (continued)

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

	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Defined benefit obligation (DBO)	(59.2)	(53.5)	(55.8)	(52.6)	(53.9)
Fair value of pension scheme assets (including asset ceiling)	59.2	53.5	55.8	50.5	47.7
Pension deficit	-	-	-	(2.1)	(6.2)
Experience (loss)/gain on pension scheme assets	(5.4)	6.0	0.7	3.7	(5.6)
Adjustments as a percentage of pension scheme assets	(9%)	11%	1%	7%	12%

Analysis of change in the effect of the asset limit

	2021 £m	2020 £m
Opening effect of the asset limits	15.5	9.3
Interest effect of the asset limit	0.4	0.2
Remeasurement of the asset limit	(5.4)	6.0
Closing effect on the asset limit	10.5	15.5

15. Financial instruments

		Group		Charity	
	Note	2021 £m	2020 £m	2021 £m	2020 £m
Financial assets at fair value through statement of financial activities					
Investments	7	149.4	189.3	149.4	189.3
Financial assets that are debt instruments measured at amortised cost					
Amount owed by subsidiary undertakings	8	-	-	8.8	7.6
Sundry debtors	8	2.6	4.7	2.5	4.9
Accrued income	8	8.8	2.2	8.7	2.0
Accrued legacies	8	72.2	69.3	72.2	69.3
Cash and cash equivalents		105.2	68.8	102.7	66.9
		188.8	145.0	194.9	150.7
Financial liabilities at fair value through statement of financial activities					
Grants provision	9	318.9	348.0	318.9	348.0
		318.9	348.0	318.9	348.0
Financial liabilities that are debt instruments measured at amortised cost					
Sundry creditors	10	1.8	5.3	1.7	5.2
		1.8	5.3	1.7	5.2

Notes to the accounts

16. Related Party Transactions

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

As set out in note 9 on pages 105 to 106, the Charity occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees in senior research capacities. All such grants are made to institutions. A summary of the top 50 grants is provided on page 106. In certain cases, a BHF Trustee holds a senior position in the institutions we fund. In this context, the grant funding is regarded as being between related parties, as the individuals concerned holds a position of influence in both parties to the transaction. Such instances are set out below, although in no case was the Trustee involved in either the grant funding decision or the grant application process:

- Professor John Iredale is a Trustee of the Charity and Pro Vice-Chancellor of University of Bristol, which received £3.0m of grant funding during the year ended 31 March 2021 (2020: £3.2m).
- Professor Dame Anna Dominiczak is a Trustee of the Charity and Vice Principal of University of Glasgow, which received £1.7m of grant funding during the year (2020: £3.9m).
- Professor David Lomas is a Trustee of the Charity and Vice Provost of University College London, which received £3.2m of grant funding during the year (2020: £6.0m).

For the year the Charity received income of £1.2m (2020: £7.9m) from BHF Shops Limited and £0.8m (2020: £0.6m) from British Heart Foundation Ventures Limited, being a corporate Gift Aid payment to the parent charity. In addition BHF Shops Limited reimbursed the Charity £2.9m (2020: £4.3m) for services and other expenses incurred on its behalf.

At the year end, the Charity was due £8.0m (2020: £7.0m) from BHF Shops Limited, £0.8m (2020: £0.6m) from British Heart Foundation Ventures Limited and £nil (2020: £nil) from London to Brighton Bike Ride Limited.

Legal and administrative details

Registered office

British Heart Foundation
Greater London House
180 Hampstead Road
London NW1 7AW

Tel: 020 7554 0000
bhf.org.uk

Company registration number: 699547
Registered charity number: 225971
Scottish registered charity number: SCO39426
Isle of Man charity number: 1295

Bankers and principal advisers

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

National Westminster Bank PLC
250 Bishopsgate
London EC2M 4AA

Investment managers

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

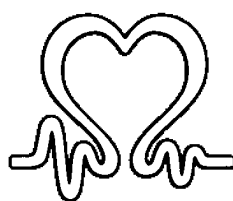
Royal London Asset Management Limited
55 Gracechurch Street
London EC3V 0UF

Independent investment advisors

Stanhope Capital
35 Portman Square
London W1H 6LR

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH



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Foundation**

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