

British Heart Foundation

**Annual Review 2008**

Incorporating the Annual Report and Accounts

BEATING HEART DISEASE TOGETHER



## Our mission...

is to play a leading role in the fight against disease of the heart and circulation so that it is no longer a major cause of disability and premature death.

## Our vision...

is of a world in which people do not die prematurely of heart disease.

The Annual Review 2008, incorporating the Annual Report and Accounts is also available online. Please visit [bhf.org.uk/report08](http://bhf.org.uk/report08)

The site also includes a full list of our Grant Awards.

## Contents

### Annual Review 2008

Chief Executive .....	2
Medical Director .....	3
Gene hunt research .....	4
Cardiac rehabilitation campaign .....	5
The Cardio & Vascular Coalition .....	6
Food4Thought .....	7
The South Asian social cooking project .....	8
BHF Risk Nurse project .....	9
30 a Day .....	10
Heartstart UK in Wales .....	11
meet@teenheart .....	12
Well@Work .....	13
The Valentine Appeal .....	14
BHF partnership with HBOS .....	15
BHF partnership with Deloitte .....	16
BHF Shops and the Help a Heart Campaign .....	17
Volunteering .....	18
Legacies .....	19

### Annual Report and Accounts

Financial review of the year .....	22
Trustees' report .....	26
Board of Trustees and Committees .....	33
Statement of Trustees' responsibilities .....	36
Independent Auditors' report .....	37
Group statement of financial activities .....	38
Group balance sheet .....	39
Group cash flow statement .....	40
Notes to the accounts .....	41
Charity balance sheet .....	53
Bankers and Principal Advisers .....	54

## A letter from the Chief Executive

Every year in the British Heart Foundation (BHF) Annual Review I have been able to write about the Charity breaking a record of some sort. But 2007/8 really was a landmark year. For the first time, we spent over £100m on pioneering research, vital prevention, and care for heart patients and families. It's a magnificent result of which we can all be proud, and which of course went hand-in-hand with new income records in Fundraising and Shops Divisions. Our grateful thanks go out to every one of our thousands of loyal supporters and donors.

These tremendous achievements have allowed us to fund major new initiatives, such as the Research Excellence Awards, supporting innovative forms of care for heart patients, and the Localities Project, which will offer life-saving advice and help to people in deprived areas, where heart disease is becoming increasingly concentrated. In parallel, our well-established activities, such as Food4Thought, which encourages youngsters to think about what they eat, and Heartstart UK, which has now trained over 1.6 million people in life-saving resuscitation skills, have continued at full speed.

In short, 2007/8 was yet another very successful year in the remarkable history of the Charity. In the following pages we provide details of some of the campaigns and initiatives on which we have worked during the year.

The past year saw two other major changes. The BHF has outgrown its premises in Fitzhardinge Street, London and in January the Board of Trustees decided that this autumn we would move to open-plan premises in Mornington Crescent. These will provide the Charity with up-to-date working conditions, which I am confident will make us even more effective at beating heart disease together.

In March, Howard Hughes stood down as Chairman of the Board, after eleven years of dedicated service to the Charity. He has made a huge contribution as Chairman and I will miss his wise counsel and sound common sense.

I would like to thank Howard for all that he has done for the British Heart Foundation, and to thank all my colleagues, both paid and volunteering, who have made the BHF into the splendid organisation it is today. I continue to feel privileged to be a part of it.



**Peter Hollins**  
Chief Executive

## A letter from the Medical Director

At the BHF, we spend a substantial proportion of our generously donated funds on vital research into the fundamental causes of heart disease, and I'm frequently asked what impact this work has had on the UK's heart health.

In 2007, two of our major research themes came to fruition and are already influencing our health services. As a result of research carried out over the past 15-20 years by BHF professors Hugh Watkins in Oxford and Steve Humphries in London, health services are now poised to offer genetic tests for people at risk of cardiomyopathy, the commonest cause of sudden death in young people, and familial hypercholesterolaemia, a major cause of heart attacks. Appropriately, the BHF has been asked to help coordinate efficient delivery of these services, and by so doing, we anticipate that thousands of premature deaths will be avoided.

So, research really does make a difference, but it takes time – and money. Just as today's patients will benefit from investments we made decades ago, the next generation will derive even greater benefits from investments we're making today.

That is why, this year, the BHF has authorised some £34m over and above its routine funding to create four BHF Centres of Research Excellence in London (Imperial and King's Colleges), Oxford and Edinburgh. Over the next six years these centres will train more than 100 new cardiovascular researchers to ensure the UK remains at the forefront of research into cardiovascular disease, and that the next generation of UK patients will be the first to benefit from our world-leading research.



**Peter Weissberg** FRCP FMedSci  
Medical Director

## Gene hunt research

Working together is the key to beating heart disease. In 2007, research groups across the UK and Europe collaborated in a major project to unmask the culprit genes that can hugely increase many people's risk of heart disease.

### What we did

Our genes play a significant role in determining the risks we face from a number of disabling and potentially fatal conditions. Between 2000 and 2005, the BHF's Family Heart Study collected DNA samples from siblings in 2,000 families affected by heart disease, which, when analysed, began to unravel how our genetic inheritance can predispose some of us to develop heart conditions. Their findings paved the way for further investigation. By combining the study with data from around the world, BHF scientists at the Universities of Leicester and Leeds, working with colleagues in Germany, were able to analyse DNA samples from 3,000 healthy volunteers and 2,000 coronary artery disease patients, to explore the impact of genetic variations on heart disease.

The work was part of a £9 million consortium, set up by the Wellcome Trust, to further explore the effects of rogue genes on conditions including rheumatoid arthritis, bipolar disorder and coronary heart disease. It was the largest ever study in this field, involving 50 different research groups, who analysed almost 10 billion pieces of genetic information over two years.

### What we achieved

The sheer scale of the collaboration has led to some remarkable discoveries, as the results, which were released in June 2007, showed. Professor Peter Donnelly, Chair of the Wellcome Trust Consortium, said that it heralded "*a new dawn*" for medical research, and that they had learnt more in 12 months than in the last 15 years.

BHF researchers and their colleagues discovered that minor changes in genetic makeup were associated with an increased risk of coronary artery disease and heart attacks.

*"Many of these genetic variants are carried by between 25 and 75 per cent of white Europeans"* said BHF Professor Nilesh Samani, Chair of Cardiology at the University of Leicester, *"They are clearly very important and explain a significant proportion of heart attacks. These findings are an important step on the way to understanding what causes heart disease."*

And Professor Donnelly added that identifying these culprit genes *"should enable scientists to understand better how disease occurs, which people are most at risk, and in time, to produce more effective, personalised treatments"*.

### What we'll do next

BHF scientists now know that some of the genetic variants they have uncovered are involved in cell growth and cell division. Professor Samani continues to be a lead researcher in the consortium and the BHF are supporting additional high-quality genetic research, for example at the new BHF Centre of Research Excellence at Imperial College, London.

To find out more about the research projects we fund, or about the BHF Family Heart Study and Professor Samani's work, go to [bhf.org.uk/professors](http://bhf.org.uk/professors)

### Fast facts

The BHF is the largest funder of research into heart disease in the UK.

Currently, the BHF funds 26 Professors and over 1,200 research projects.

For more inspiring stories that connect to *Gene hunt research*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- Blood transfusion research
- Hidden risks of high blood pressure
- Life-saving research for women
- Gift of Hope Heart Funds
- Regular giving
- Legacies
- BHF Shops and the Help a Heart Campaign
- [meet@teenheart](mailto:meet@teenheart)

## Cardiac rehabilitation campaign

Cardiac rehabilitation is an inexpensive treatment that saves lives. It helps heart patients get back on their feet, physically and emotionally, through exercise, education, and support. It also helps prevent further heart attacks. But in the UK today, it's available to less than half of those who need it. In 2007 the BHF led a UK-wide project to campaign for all heart patients who need it, to have access to a cardiac rehabilitation programme.

### What we did

BHF Scotland worked with Chest, Heart and Stroke Scotland (CHSS) on a campaign to empower patients to raise their voices together in calling for high-quality cardiac rehabilitation. The campaign focused on heart patients who are not getting this vital treatment, and emphasised the need for services to be tailored to under-represented groups, such as women and people in deprived and remote communities.

The campaign was launched at a reception at the Scottish Parliament, which included the first showing of an inspirational campaign video featuring the Stirling Healthy Hearts Group talking about how much cardiac rehabilitation has helped them.

The group's secretary is Pat McKenna. Although a non-smoker and hill walker, with normal cholesterol and blood pressure, Pat had a heart attack in 1999.

*"The first twelve weeks after my double bypass involved gentle exercise under the watchful eye of the cardiac rehab team. Eventually, they encouraged me to take my recovery forward, playing volleyball and badminton and getting back to walking in the hills. I'm now a trained mentor, taking folk like me on walks in the hills and the countryside. With the support of the team, I'm going from strength to strength. But without cardiac rehab, I wouldn't be here."*

### What we achieved

The parliamentary launch has given the Scottish campaign real momentum, with support from the event's sponsor Roseanna Cunningham MSP and Cabinet Secretary for Health and Wellbeing, Nicola Sturgeon, who gave a keynote speech on the benefits of cardiac rehabilitation. The Cabinet Secretary has also stated that the revised CHD and Stroke Strategy, due for publication this summer, will take account of key messages from the campaign.

Thirty-eight MSPs signed a cardiac rehabilitation motion and a petition has attracted 8,500 signatures to date.

### What we'll do next

The next stage of the Scottish campaign is underway and we'll be looking for opportunities to work with NHS Boards and Managed Clinical Networks across the country.

We're hoping for real breakthroughs in 2008/9 that will bring us closer to the day when every heart patient will have access to this life-saving treatment. But we need your help. For information on how you can get involved in the campaign, please go to [bhf.org.uk/cardiacrehab](http://bhf.org.uk/cardiacrehab)

To download the campaign video go to <http://uk.youtube.com/user/BritishHeartFound>

### Meanwhile on the campaign trail in England and Wales...

...great things were happening too. In September, Liverpool MP Peter Kilfoyle, who'd had a quadruple bypass following a heart attack, trekked for ten days across tropical Nicaragua in support of the campaign. In December, patients and professionals joined together to lobby MPs at Westminster. Most of the campaigners met their MPs on the day to raise the issue and 20 questions were asked in the House, with increasingly supportive replies from ministers.

A lobby of the Welsh Assembly attracted over a third of all Members, and £2 million of government money has already been ring-fenced for cardiac rehabilitation services, enabling a number of threatened programmes to remain open.

And, following the launch of the BHF-funded National Audit for Cardiac Rehabilitation this summer, we'll be increasing pressure on local commissioners to expand rehabilitation provision in their areas.

### Fast facts

In the UK, 60% of patients who need it are denied access to cardiac rehabilitation.

Cardiac rehabilitation only costs £600 per patient.

A single day in a coronary care unit costs £1,400 and bypass surgery costs in the region of £8,000.

For more inspiring stories that connect to *Cardiac rehabilitation campaign*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- An MP treks for the BHF
- Heart Support Groups
- Hearty Voices
- New Heart Health resources
- 30 a day

## The Cardio & Vascular Coalition

If we're going to beat heart disease, we need to involve and work with as many individuals, communities and organisations as possible. In 2007, the BHF brought together leading national charities to form the Cardio & Vascular Coalition (CVC), an organisation committed to working with government, health and social care commissioners, service planners and policy makers to promote and protect cardiovascular health in England. The CVC's main objective is to devise and recommend a comprehensive Cardiovascular Health Strategy for 2010-2020 that joins up prevention, diagnosis, treatment and care.

### What we did

With the existing National Service Framework (NSF) for Coronary Heart Disease in England coming to a close in 2009, the Coalition has been gathering information for a Green Paper\* on cardiovascular issues, due to be published in autumn 2008.

The Coalition commissioned a research project, *Cardiovascular Disease in England: Opportunities and Challenges Over the Next Ten Years*, to assess current strengths and weaknesses in cardiovascular services, opportunities for improvement, and threats to those services over the coming decade. The Coalition also set up working groups to address key cardiovascular issues and brought together a forum on inequalities in prevention, diagnosis and care.

To promote and inform the public of its work and progress, the CVC has launched a dedicated website: [www.cardiovascularcoalition.org.uk](http://www.cardiovascularcoalition.org.uk) and developed a communications plan and public affairs strategy to ensure that government hears what needs to be done.

### What we achieved

The Coalition is making great headway, and work on the research project is complete. The Coalition now consists of 32 of the country's leading cardiovascular health charities and has built up a strong relationship with the Department of Health.

Dr Melita Brownrigg, a GP with a special interest in patient-centred practice, ethics and medical education, commented:

*"The NSF definitely led to improvements in prevention and service delivery programmes, but cardiovascular disease is still the UK's biggest killer. The work of the CVC is particularly welcome in bringing together the views of patient groups, charities and professional associations. I look forward to hearing their suggestions for a new Cardiovascular Health Strategy for the next ten years."*

### What we'll do next

Many projects will be completed in 2008, including a formal parliamentary launch of the Coalition at Westminster in May.

October will see the release of the Green Paper, which will seek the views of CVC members and other key stakeholders on what should be included in a White Paper\*\* - *Cardiovascular Health Strategy for 2010 – 2020*.

The Coalition will promote the project and its results at party conferences and publish the paper in February 2009. All publications will be available on the CVC website.

*\*A Green Paper is a consultation document seeking the views and comments of interested parties on a particular set of issues.*

*\*\*A White Paper is a report containing information about, or proposals on, a particular set of issues.*

### Fast facts

Heart and circulatory disease is the UK's biggest killer.  
570 people die from it every day.

For more inspiring stories that connect to *The Cardio & Vascular Coalition*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- Hearty Voices
- Cigarette vending machine ban
- Food labelling
- heart health magazine

## Food4Thought

With under 16s spending £13 million every week on snacks and sweets, it's unsurprising that childhood obesity is predicted to affect one in four children by 2050. In January 2008, the BHF's Food4Thought campaign invited children to join us in cyberspace and turn the tables on the junk marketeers.

### What we did

The Food4Thought campaign, now in its third year, has already had a big impact on children, by making them more aware of the importance of a healthy diet and exercise. But at the same time, junk food companies are increasingly targeting children to sell their high fat sugar and salt products. A BHF survey showed that one in five children have played a game on food or drink packaging and one in eight have played a game on a junk food or drink website.

In 2007, to play the junkers at their own game, we launched an online advertising campaign to guide children to the **junkmonkeys.tv** website. Hosted by the brash and loud-mouthed Sick Rick, the site features six gross but funny videos that really spill the beans on just what goes into junk food. This is part of our broader campaign website **bhf.org.uk/food4thought** an interactive games site where children can explore a virtual world to expose hidden marketing messages and the junk that's in junk food - and win prizes doing it.

With two thirds of parents reportedly concerned that junk advertising affects their kids' food choices, we produced a report with the Children's Food Campaign, outlining a new regulation systems that imposes strict safeguards on marketing unhealthy food and drink to children. And we got parents involved through an online petition calling for government legislation to support it.

One parent, John Curran, told us:

*"I think there's a link between advertising and childhood obesity. Our son Dexter tries to get us to buy stuff with superheroes on – he's only six, it's bound to appeal to him. I think parents know how TV ads and marketing on packs work, but they're less aware of new ways like digital media – you really need to know what your kids are up to – there's no way we'd let Dexter play on junk food sites."*

And thousands of schools received resources packs to help with healthy lifestyles – and unmask the marketeers. Giant wallets with the slogan 'Hands off my wallet' were filled with info on the marketing tricks that get kids to part with their cash – and their health.

Schools' feedback was very positive. One teacher told us:

*"Showing children that companies want to manipulate them is a good strategy. It empowers them to make the right choice."*

### What we achieved

Supported by a nationwide PR campaign, Food4Thought really hit home in 2007. Sick Rick's yucky online adverts received nearly a million clickthroughs and the Food4Thought website has had more than 700,000 visits. Sixty three per cent of UK schools ordered the giant wallet packs. Our evaluation indicated that half the children who saw Food4Thought say they're eating less junk, with 65 per cent saying they eat more fruit. Two thirds said the campaign told them lots about healthy eating and some 83 per cent claim to be taking more responsibility for their own health.

Parents have been getting the message too, with 4,500 signing the online petition, and 1,000 of those writing to their MP to support the Food Products (Marketing to Children) bill. Also, 82 per cent of parents we asked told us more regulation is needed to protect their kids.

### What we'll do next

We know that Food4Thought continues to have a positive impact by empowering children to make healthy lifestyle decisions, and the campaign will be ongoing.

On the policy front, MP Nigel Griffiths' Private Members' Bill on banning junk food marketing was recently debated in the Commons. A review of Ofcom rules on junk food television advertising is due by the end of the year.

We are calling for a complete ban on all forms of junk food marketing to children. But we need your help. To sign the parents' petition, go to **bhf.org.uk/donttargetme** and to see our great children's website go to **bhf.org.uk/food4thought**

### Fast facts

It is predicted that, in the UK, one in four children will be obese by 2050.

65% of the children who saw the Food4Thought campaign say that they now eat more fruit, and 40% say they eat more vegetables.

For more inspiring stories that connect to *Food4Thought*, please visit our Annual Review website **bhf.org.uk/report08** to read about:

- Cigarette vending machine ban
- Food labelling
- The new BHF website [meet@teenheart](mailto:meet@teenheart)
- The South Asian social cooking project
- Heartstart UK in Wales

## The South Asian social cooking project

South Asians in the UK are highly vulnerable to cardiovascular disease, and are around 50 per cent more likely to die prematurely from coronary heart disease than those in the population overall. So, as a healthy diet is a major factor in preventing heart disease, in 2007 the BHF took a South Asian social cooking project into the heart of communities in Bradford, Birmingham and London.

### What we did

Funded by the Food Standards Agency, the main focus of the project was to raise awareness of heart health, and specifically the impact of high levels of salt used in Sikh and Hindu social cooking at their places of worship. The project also set out to provide practical help to reduce the amount of salt and fat used by these groups. To achieve this we teamed up with 15 Sikh Gurdwaras and Hindu Mandirs, where large numbers of people gather, and where free food is provided. The meals served at these places of worship are traditionally high in salt and fat. Thirteen specially trained dieticians worked with religious leaders and volunteer cooks to help them learn to produce healthier, but still delicious food.

The dieticians held 30 seminars to raise awareness of heart health related to diet, including food labelling and choosing healthier options when buying pre-packaged foods, to encourage congregations to take the low salt and fat messages back to their homes.

The BHF also set out to generate publicity about the project in ethnic minority media and used posters and other materials to get home the messages given in Gurdwaras and Mandirs.

And to help South Asians at home, we produced *Healthy meals, healthy heart*, a recipe book, which shows how small changes to the way traditional dishes are cooked can make a big difference, and includes 60 delicious and easy-to-prepare recipes that use less salt and fat.

### What we achieved

The project is having an impact. There was a reported overall 10 per cent salt reduction in all cooking in places of worship and most started using less oil and ghee in their cooking. Although full fat milk is traditionally used in making yoghurt and desserts, since the project some places of worship have switched to semi-skimmed milk. Working together with religious leaders proved to be important, and some are already encouraging their congregations to serve fruit instead of high fat Indian sweets.

There were individual successes too. Baldeesh Rai, one of the dieticians, told us:

*"I offered unsalted popcorn as an alternative to deep-fried snacks, which proved to be so popular that over my next few visits people started calling me The Popcorn Lady – and some told me the dahl was delicious, even with less salt."*

### What we'll do next

The project is vital to the heart health of South Asian communities, and we'll continue to visit congregations to reinforce health messages and work with, and support, temple cooks.

The BHF will be staging more health events on festival days, when the largest number of people attend, and making regular visits to keep the messages fresh in South Asian minds. We'll be using more advertising and posters to attract more people to the ongoing events. The continuing support of religious leaders will bring further credibility to the programme.

We will continue to connect with South Asian communities to raise awareness of the importance of a healthy lifestyle.

If you would like to order a copy of the free *Healthy meals, healthy hearts* recipe book, please go to [bhf.org.uk/publications](http://bhf.org.uk/publications)

### Fast facts

South Asians living in the UK are 50% more likely to die prematurely from heart disease compared to the population overall.

Despite their higher risk of heart disease, around 90% of vulnerable South Asians add salt during cooking.

For more inspiring stories that connect to *The South Asian social cooking project*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- South Asian Melas
- Food labelling
- New Heart Health resources
- Chest Pain Awareness Day
- Heart Support Groups
- Food4Thought
- heart health magazine

## BHF Risk Nurse project

We know that connecting with communities through our heart health messages and resources, especially in those areas most at risk, is crucial to saving and improving lives. As part of this strategy, in 2007 the BHF linked up with the most detailed health project ever undertaken.

### What we did

UK Biobank aims to improve the prevention, diagnosis and treatment of diseases including heart disease and cancer for future generations, by assessing the health and risk factors of 500,000 people between the ages of 40 and 69. The BHF teamed up with UK Biobank to offer the volunteers a heart health evaluation to help them right now. Jackie Lodge, BHF Head of Heart Care said:

*"This is an amazing opportunity for UK Biobank participants to receive tailored heart health advice from expert BHF Heart Nurses."*

The first heart health checks were conducted by seven BHF Risk Nurses at UK Biobank Manchester. They took blood samples, checked blood pressure and cholesterol, and worked with the volunteers on a plan to improve their diet and activity levels. Within six months we had established risk sites in three other UK Biobank centres in Scotland and the north of England.

### What we achieved

The UK Biobank connection is showing positive results. We've recruited 37 permanent BHF Risk Nurses, who've helped over 7,000 UK Biobank volunteers, 97 per cent of whom felt they'd gained a better understanding of what to do to lower their risk of heart disease.

One of them, Sheila Varley from Rochdale, told us:

*"The risk assessment was excellent, and I came away from it feeling very positive and much better informed about my heart health. I knew I was a bit overweight, but I was very surprised to learn that my cholesterol and blood pressure were high. The advice the BHF Risk Nurse gave me has been very helpful – I've now joined a walking group and an aerobics class and taken up bowls as well as changing my diet. She also arranged an appointment with my local practice nurse for blood pressure and cholesterol tests to see how I'm getting on. And it's not just me that's benefited – quite a few friends have told me it was a real help to them too."*

### What we'll do next

As well as continuing our work with UK Biobank, we're also launching an independent outreach risk service in the north of England. This will take the prevention message to places where people work and socialise, with a special focus on areas where health inequalities exist.

To find out more about how to keep your heart healthy, please visit our website [bhf.org.uk](http://bhf.org.uk)

For more information on BHF Heart Nurses and how you can help them to help others, please visit [bhf.org.uk/heartnurses](http://bhf.org.uk/heartnurses)

### Fast facts

Only 14% of adults in the UK eat their five a day.

Around 30% of adults in England and Wales do less than 30 minutes of physical activity per week.

The BHF invests over £66 every minute in prevention and care.

For more inspiring stories that connect to BHF *Risk Nurse project*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Heart Nurses
- Life-saving research for women
- Food labelling
- Well@Work
- New Heart Health resources

## 30 a Day

Being physically active is important for everyone. But only 30 per cent of people aged 50-64 in the UK take the recommended minimum 30 minutes of moderate physical activity five times a week to keep them hale and hearty.

### What we did

Although people over 50 are at greater risk of heart disease, there's still a lot they can do to keep their hearts healthy. The BHF's 30 a Day campaign set out to encourage 50-65 year olds to get active as part of their everyday lives, spreading the message with over two million leaflets and 2,000 billboards which showed fun – and slightly surreal – images of exercise.

The message was simple – just building in 30 minutes exercise a day, such as brisk walking, housework and gardening, can halve your risk of heart disease and improve the quality of your life. Activity increases energy levels and agility, helps you feel – and look – better, and improves the chances of staying independent in later life. And to help older people take up the challenge, we produced a *30 a Day Action Pack* full of ideas on how to build activity into daily life.

Here's just one example of how 30 a Day gave one man a new zest for life. Brian Wilson, 57, of Kilwinning in Scotland is the first to admit that he had an unhealthy life, with little physical activity, too much alcohol and all the wrong foods. But: *"Even though I'd given up alcohol, and got it out of my system, I didn't like what I saw in the mirror, and I decided to change my diet – and my lifestyle"*.

Twelve months down the line, physical activity has made a huge difference to Brian. Cycling and swimming have helped reduce his blood pressure and cholesterol and given him the motivation to dust off his drumkit and get back on the road with his band after thirty years – with enough energy left over to keep up with his grandchildren.

Looking at the bigger picture, the BHF has also been lobbying for changes to government policy to promote good health in older adults as a national priority. The BHF is a founder member of the National Coalition for Active Ageing, which acts as a collective voice to champion the promotion of physical activity among older people. And we've been working to target groups, such as South Asians, who are especially vulnerable to heart disease.

Celebrities pitched in too – darts champion Phil 'The Power' Taylor, broadcaster Angela Rippon, comedian and traveller Michael Palin, Olympian Tessa Sanderson and actor Christopher Timothy supported and publicised the campaign.

### What we achieved

Older people are getting the message. There have been over 37,500 requests for the *30 a Day Action Pack*, and the website has attracted over 35,000 visits. Our evaluation showed that 38 per cent of people who saw the campaign said that it made them think about being more physically active. The campaign received extensive publicity in almost 300 broadcast, press and online articles, while a parliamentary Early Day Motion collected 110 MP signatures. As the then Minister of State for Health Caroline Flint said:

*"As this BHF campaign shows, 30 a day is achievable for almost everyone."*

### What we'll do next

We'll continue to promote the cause of getting older people active through the National Coalition for Active Ageing.

And we're hoping for real breakthroughs across the UK in 2008/9 thanks to our cardiac rehabilitation campaign, which is especially important in helping heart patients get back on their feet.

For more information on heart health and how to stay active, visit [bhf.org.uk/30aday](http://bhf.org.uk/30aday)

And for information on how you can get involved in the cardiac rehabilitation campaign, please go to [bhf.org.uk/campaigns](http://bhf.org.uk/campaigns)

### Fast facts

In the UK, one person dies every 15 minutes as a result of physical inactivity.

Only 30% of 50-64 year olds in the UK are active enough to safeguard their health.

30 minutes of moderate physical activity a day can halve the risk of coronary heart disease.

For more inspiring stories that connect to *30 a Day*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- The Beat
- Cardiac rehabilitation campaign
- New Heart Health resources
- Hearts First Santa Jogs
- An MP treks for the BHF
- South Asian Melas
- heart health magazine

## Heartstart UK in Wales

Life-threatening emergencies such as heart attack and cardiac arrest require bystanders to take immediate action. It can mean the difference between life and death. Emergency Life Support (ELS) is a set of simple, easily learned skills that can keep someone alive in an emergency situation until professional help arrives. Heartstart UK is a BHF initiative that has helped train a staggering 1.6 million people in ELS across the UK.

This training is crucial to saving lives - cardiopulmonary resuscitation (CPR) doubles the chance of survival - and Wales is an area of special concern. Although the population is small – around 2.9 million – the country has particularly high levels of coronary heart disease and a high death rate. But people of all ages can learn these vital skills, and a BHF scheme, focused on training school children in Wales, is aiming to create a generation of life-savers.

### What we did

Mike Cowley, a paramedic with the Welsh Ambulance Service, is the BHF-funded National Schools Training Officer for the Heartstart UK Schools Affiliation Programme. In less than a year, Mike trained 800 teachers in Wales, and as a result of his remarkable work, an amazing 18,500 children have learned life-saving ELS skills. Acquiring this knowledge at an early age means children gain confidence in an emergency and can enthuse their families too. He's been doing an extraordinary job, building up relationships with Healthy School Co-ordinators and school nurses in all 22 Local Education Authorities throughout Wales, and the scheme continued to grow throughout 2007/8.

### What we achieved

The ongoing scheme has been a tremendous success. Since Mike took up his post, thousands more young life-savers have been trained, and 154 more Welsh schools have joined the scheme, with the total number affiliated to Heartstart UK now standing at 225.

Mike told us:

*"It's a brilliant scheme and a fantastic opportunity for the children in Wales. There's an enormous benefit in teaching them life-saving skills. In an emergency situation seconds save lives and if properly trained, children are just as capable of applying ELS skills as adults. The quicker a person receives help the better the outcome for the patient with more patients surviving cardiac arrest in the community".*

### What we'll do next

The scheme clearly has huge potential for the future. Many schools are at the heart of their community and they're ideal places to encourage and recruit adults as well as children to learn vital ELS skills.

As Mike says:

*"There are 1,500 schools in Wales and I feel the project is vital - teaching ELS in schools and in the community will bring enormous benefits to people across the whole country."*

To find out more about Heartstart UK, and how you and your children can become potential life-savers, please go to [bhf.org.uk/heartstart](http://bhf.org.uk/heartstart)

### Fast facts

In the UK someone dies from coronary heart disease every six minutes.

Heartstart UK groups have trained 1.6 million people in vital life-saving ELS skills.

For more inspiring stories that connect to *Heartstart UK in Wales*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- Hidden risks of high blood pressure
- Chest Pain Awareness Day
- The BHF Heart HelpLine
- Jump Rope For Heart
- Food4Thought

## meet@teenheart

Living with a heart condition can be hard at the best of times, but it's doubly challenging if you're going through the anxieties of being a teenager. In 2007 the BHF launched a dedicated new website where young people with heart problems could get together to help each other and get information and expert advice.

### What we did

meet@teenheart is a safe online community, offering a vital resource for young people with a heart condition. It's a site where they can get the information and confidential advice they need in a way that's designed for them – not their parents. Most importantly, it's a place where they can talk and share experiences with others of their own age who really understand.

meet@teenheart is accessed via the BHF's newly revamped yheart website for all young people from 11 upwards. As well as information on living a healthy lifestyle, issues like smoking, and an interactive Ask an Expert area, there are downloads, online games, challenges and competitions with prizes like ipod shuffles. And there are also animated diagrams and info sheets on how hearts can go wrong.

And meet@teenheart has a password protected members area, with a messageboard, where young people with heart conditions can get together to talk about life, health and more. Teenagers were involved from the start. Twenty-eight of them came up with some fantastic ideas for the site at a conference at Center Parcs and some of them became active members of the editorial board.

Nurse Stephanie Lillie, BHF Heart Health Coordinator, told us:

*"We asked the teenagers what they wanted and they decided what should go on the site. They wrote all their own stories and worked closely with the BHF and the design agency as the website was being built."*

The main yheart website relaunched in November 2007 at the Emirates Stadium in London, and teenagers who'd worked with the BHF on the project got together with doctors, health professionals, parents and BHF staff to declare the site well and truly up and running. Three teens gave talks – nerve-racking stuff in front of all those people, but they went down a storm with the audience, who were impressed and moved by their enthusiasm and positive attitude.

### What we achieved

Getting teenagers working with the BHF team to make sure it's the kind of place they want to be has really paid off. Pav Kang, one of the editorial group, told us:

*"It's really good for me because I get to meet new people all the time. And I can find out what other people like me are going through and what can be done for them."*

In just a few months, the yheart website has received over 53,000 hits, and, with over 5,400 visits, meet@teenheart is really bringing the community of youngsters with heart conditions together.

### What we'll do next

We're holding a conference in October 2008 for young people with heart conditions. Our aim is to offer skills and inspiration to teenagers so that their contributions continue to keep the website relevant, personal and up-to-date.

Other aims include developing friendships, confidence building and independence, with lots of activities, in a fun-packed weekend – no parents allowed! Keep an eye on the website at [yheart.net/meet](http://yheart.net/meet) for more information.

If you're a teenager with a heart condition, you can use the link [yheart.net/meet](http://yheart.net/meet) to register. For further information, email [meetatteenheart@bhf.org.uk](mailto:meetatteenheart@bhf.org.uk) or call **020 7487 8632**.

### Fast facts

Currently in the UK, there are approximately 150,000 people aged 16 and over living with congenital heart disease.

The BHF invests over £203 every minute in vital heart research, prevention and care.

For more inspiring stories that connect to meet@teenheart, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Heart Nurses
- The new BHF website
- Food4Thought
- Gene hunt research
- Jump Rope For Heart
- TotsBots partnership

## Well@Work

Half of us spend an estimated 60 per cent of our waking lives at work, so the workplace is the ideal environment for promoting healthy lifestyles. Well@Work, led by the BHF, was the first project in the UK to set up and evaluate workplace health schemes.

### What we did

Funded by Sport England, the Big Lottery Fund and the Department of Health, Well@Work linked up with 32 organisations and reached a potential 10,000 workers in offices, factories, local councils, a prison, and a hospital. All the projects focused on physical activity, with schemes ranging from walking clubs to pilates classes, and cycling to salsa dancing. Diet and nutrition played a big part, with weight loss competitions, healthy eating workshops and companies providing healthier canteen options, 'Fruity Fridays' and water coolers. Smoking cessation and stress were also addressed, and regular health checks were a popular part of some projects.

Well@Work really was the business for 24-year old call centre worker Tarnya Darling from East Anglia, who was one of the project's success stories. She swapped cigarettes for cycling, improved her diet and got involved in lots of healthy activities. And, as a workplace champion, she's been a real force for change, organising activities and motivating her colleagues.

She told us:

*"My health has come on leaps and bounds – my whole lifestyle has changed. I used to find exercise scary but now it's fun".*

### What we achieved

Key findings of Loughborough University's evaluation of the project were revealed at a Well@Work conference in February 2008. Overall, the scheme showed that workplace programmes can have a big impact, with many employees making positive changes to their lifestyles.

Well@Work has shown that workplace health schemes are crucial to tackling issues such as rising obesity and declining physical activity, by supporting people to make healthy lifestyle choices and promoting health messages. Nicki Cooper, the BHF's Head of Heart Health, said:

*"Healthy workplaces can inspire us to become a fitter, trimmer nation."*

It's not just employees who benefit – working together on getting healthy can help improve staff morale and their productivity too – so, everyone's a winner. Dame Carol Black, National Director for Health and Work, said:

*"Good health means good business. Employers have a crucial role to play if we are to make wellness at work a reality for all, not a privilege for the few."*

And, as further proof of success, eight out of the eleven projects continued after Well@Work completed.

### What we'll do next

The full evaluation report will be released in July 2008. Well@Work will provide vital information to upcoming conferences and the Government's National Institute for Clinical Excellence as well as keeping existing networks going and informing them via the BHF Think fit! website. The BHF will also continue to work with funders and the Government Health Work and Wellbeing team to further develop workplace health.

To find out how to get your staff up and running and eating their five a day, visit [bhf.org.uk/thinkfit](http://bhf.org.uk/thinkfit) to order one or more of our *Think fit!* packs.

### Fast facts

The Well@Work evaluation showed that:

People who took part in Well@Work schemes upped their intake of fruit and veg, including an additional 11% who began meeting their five plus a day requirement.

Use of workplace stairs increased by 28%.

For more inspiring stories that connect to *Well@Work*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

Think fit!  
The Beat  
BHF Risk Nurse project  
BHF Events

## The Valentine Appeal

February 14th is a day to show how much we care for our loved ones – and for heart patients across the UK. This year, the BHF Valentine Appeal set out to raise £1 million to fund two essential services - our BHF Heart Nurses, who give expert care and support to heart patients and their families, and the BHF Heart HelpLine, which provides heart information and advice.

Aaron Prior was the 'face' of this year's campaign. Even before he was born, Aaron was diagnosed with congenital heart disease and by the age of six he'd already had four operations. BHF Heart Nurses are a constant source of strength to Aaron's family, especially to his mum, Sam, who describes them as her 'security blanket':

*"I could not bear to think of life without them. They have been huge in our lives since before Aaron was born and are a fundamental part of caring for our child."*

### What we did

This year, the appeal encouraged supporters to 'Give a Gift that Saves Lives.' It was a really 21st century affair, with a dedicated microsite offering romantic gifts from our online shop, a prize draw and a 'Day in the Life of a BHF Heart Nurse' podcast, as well as a new Facebook application encouraging visitors to send virtual Valentine gifts to the special people in their lives.

We had wholehearted corporate partner support from Red Letter Days, The Co-Op, Threshers, Hearts & Crosses, Coinstar and George Foreman. And talking of boxers, WBO World Cruiserweight champion Enzo Maccarinelli got involved in our Celebrity Crushes theme, where he and many other famous folk, including Holby City star Tina Hobley and The Bill star Bruce Bryon, 'fessed up' to their childhood fancies in support of the appeal.

The public responded enthusiastically and BHF Shops' windows across the country filled up with heart-warming displays of Love Notes that gave the campaign a great high street presence. And celebrities joined in too with Loves Notes written by the likes of Dame Helen Mirren and Graham Norton, and a Shop visit from the Secretary of State for Health, Alan Johnson. The real star of the show was young Aaron, who not only wrote a Love Note to his BHF Heart Nurse, Gill, but also donated a giant teddy bear and really got into fundraising by joining the BHF's Jump Rope for Heart, at his school.

### What we achieved

The appeal raised nearly £800,000 by March 2008, including Shops, who beat their target, bringing in over £370,000. A further £115,000 was raised through our Corporate Partnerships. The website attracted 44,000 visits (nearly 60 per cent up on last year) and over 1,000 people downloaded our Facebook application. And

the national press, including *The Sun* and *The Mirror on Sunday*, gave us great media coverage.

### What we'll do next

Awareness of the appeal continues to grow and we'll be working to establish the link between this time of year and our Valentine Appeal in the public's mind. We'll establish media partnerships to ensure optimum press coverage. And in the future, the Valentine Appeal will raise funds for a wider area of our vital work, which will help our community fundraising volunteers use the strength of the appeal to attract more local support.

We urgently need your help to carry on making a difference to the lives of heart patients and their families. To find out more about the 2009 Valentine Appeal and make a donation, please visit [bhf.org.uk/valentine](http://bhf.org.uk/valentine)

### Fast facts

There are now 386 BHF Heart Nurses supporting 66,000 heart patients and their families.

The BHF Heart HelpLine answers an average of 250 calls a week.

For more inspiring stories that connect to *The Valentine Appeal*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Heart Nurses
- The BHF Heart HelpLine
- Volunteering
- BHF Shops and the Help a Heart campaign
- BHF Furniture & Electrical Stores
- Gift Aid – new to BHF Shops
- The new BHF website

## BHF partnership with HBOS

Working together with major corporate organisations plays a big part in fundraising for the fight against heart disease and, in 2007, our partnership with leading banking group HBOS really was outstanding.

### What we did

From the start of our partnership with HBOS, the company picked up the fundraising ball and really ran with it. As Jillian Baillie of the HBOS Foundation puts it:

*"Working together with the BHF, we created and drove an imaginative mix of events to motivate and encourage our 67,000 colleagues to get involved in the Million £ Challenge."*

The fundraising calendar was packed with events, from old favourites such as a raffle to win five days extra holiday and £5,000, to new and innovative initiatives such as a text-to-win monthly competition, an online ordering system for the corporate charity Christmas cards and a new mountain bike challenge.

### What we achieved

Two hundred and ninety two HBOS Bike Challengers toughed it out in the Scottish Highlands to raise over £570,000 in one weekend. This included the company's contribution, which matched every penny the Challengers raised. Brian Fraser told us:

*"The real catalyst for me was having the opportunity to make a difference to a genuinely worthwhile cause. I believe few charities can compare with the BHF. My lasting memory from the Challenge is the exemplary work BHF volunteers did to ensure the event was a success. Their enthusiasm and encouragement inspired every cyclist around the arduous course."*

Giving Extra Day, a one-day customer initiative in every branch of the Halifax and Bank of Scotland brought in over £80,000, which again included a matched contribution from the company, and gave our public profile a terrific boost on the high street.

The partnership raised a sky-high £1.8 million in one year – the biggest single donation from a business so far – which has funded 15 BHF Heart Nurses in locations where they are needed most.

### What we'll do next

As well as developing our existing valued partnerships, we are thrilled to be working with Lloyds TSB, Home Retail Group, Midlands Co-op, Fitness First Clubs, Colgate, and Booker, all of whom are committed to making a tangible difference in their local communities.

But there is still so much for the BHF to do...

...if your company would like to find out more about a mutually beneficial partnership in the fight against heart disease, please email our Corporate Partnerships Team at [partners@bhf.org.uk](mailto:partners@bhf.org.uk)

### Fast facts

In the UK, almost 2.6 million people live with coronary heart disease.

In 2007/8, 69 new BHF Heart Nurses were appointed, bringing the total to 386.

For more inspiring stories that connect to *BHF Partnership with HBOS*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Heart Nurses
- BHF partnerships with Candis and Weight Watchers
- TotsBots partnership
- BHF Events
- Kiss it Good-Buy

## BHF partnership with Deloitte

After the amazing success of our innovative two-year charity of the year partnership with Deloitte and Leukaemia Research, the firm took the unique step of extending the relationship for a further year, up to December 2007.

### What we did

Teamwork was the key to the partnership's success. The BHF worked closely with Deloitte's Community Investment Team to coordinate key fundraising activities including the London Marathon, the London to Brighton Bike Ride, and the JP Morgan Challenge. Deloitte appointed Charity Champions, who used their departmental connections to organise activities and motivate staff to get involved.

Almost a quarter of the 11,500 UK strong workforce participate in payroll giving. The firm makes a huge commitment by pledging up to 40 per cent of each £100 raised per staff member per month. In addition they hold a monthly FLY4CHARITY draw, encouraging people to sign up and stay involved. And for the second year running, the firm has earned a prestigious Gold Award presented by HM Treasury in recognition of the scheme's success.

As David George, a Director from the Birmingham office, explains:

*"I joined the payroll giving scheme not long after it started. All the hard work is done for you, there's a tax advantage through gift aid and the matched funding is a great boost for the charity. I was lucky enough to win FLY4CHARITY and experienced the holiday of a lifetime in Rio de Janeiro".*

### What we achieved

The annual JP Morgan Challenge attracted 1,000 Deloitte runners who raised £50,000 for our work. And overall, the firm sailed through their original fundraising target of £250,000 each year raising over £1.1 million for the BHF during the three-year partnership, raising funds towards an MRI scanner, catheter lab and 30 life-saving community defibrillators. In 2007 alone, they raised nearly £350,000 to fund more BHF Paediatric Cardiac Liaison Nurses.

### What we'll do next

Large companies like Deloitte make a tremendous difference to the fight against heart disease. If your company would like to find out more about a mutually beneficial partnership, please email our Corporate Partnerships Team at [partners@bhf.org.uk](mailto:partners@bhf.org.uk)

### Fast facts

In 2007/8, 22 BHF Paediatric Cardiac Liaison Nurses supported nearly 6,500 young patients and their families.

For more inspiring stories that connect to *BHF Partnership with Deloitte*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Heart Nurses
- BHF partnerships with Candis and Weight Watchers
- TotsBots partnership
- Think fit!
- Regional fundraising

## BHF Shops and the Help a Heart campaign

Every year, our Help a Heart campaign sets out to raise £1.5 million for pioneering research that saves lives. In 2007 our 564 Shops and the 11,000 volunteers who help us run them played a big part, setting themselves an ambitious target of £360,000.

### What we did

Once again the campaign focused on the need to continue our vital research that helps to save lives. We used a hard-hitting campaign image of a distraught father holding a picture of his lost child, demonstrating the pain and devastation suffered by families affected by heart disease. Every one of our Shops really pulled out the stops, selling thousands of BHF Heart Ribbons, including a special tartan Scots version.

Merlynn White has been a volunteer at our Ramsgate Shop for 18 years. She says:

*"I love volunteering for the BHF, and I really like the people here. My husband had a heart attack and I have supported the BHF ever since".*

Like many Shops volunteers, Merlynn also gets involved in fundraising through street collections for the Help a Heart campaign. In October, she was presented with a Heart Heroes award at our AGM.

*"I was nominated to accept an award on behalf of all Shops volunteers for the work we do. We know how much we're needed, but to have it confirmed in such a nice way is very rewarding. It's a great way to show how much we're valued".*

### What we achieved

More than 2,500 collectors brought in over £120,000, and it was a record-breaking year for our Shops, who raised almost £446,000 for the campaign. In total, Help a Heart raised a spectacular £1.491 million.

### What we'll do next

With a target of £500,000 to aim for in 2008, BHF Shops' volunteers will be working even harder to Help a Heart.

But it's only with your help that we can continue to fund vital research that saves lives. To find out how you can get involved in the Help a Heart campaign, go to [bhf.org.uk/helpaheart](http://bhf.org.uk/helpaheart) or email [helpaheart@bhf.org.uk](mailto:helpaheart@bhf.org.uk)

### Fast facts

In 2007/8 BHF Shops raised £14 million for our vital work.

For more inspiring stories that connect to *BHF Shops and the Help a Heart Campaign*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

Retired...not a bit of it!  
Volunteering  
Gene hunt research  
Gift Aid – new to BHF Shops  
BHF Furniture & Electrical stores  
Kiss it Good-Buy  
The Valentine Appeal

## Volunteering

Our pioneering research, essential information, and care for patients and their families, are crucial to the fight against heart disease. But without our network of thousands of volunteers raising funds and awareness, we simply couldn't carry on saving lives. They're doing a remarkable job - some have supported us for 30 years, and over that time individual volunteer branches have raised up to £1 million.

### What we did

As part of our fundraising strategy, we're always looking for imaginative and exciting ways for people to volunteer, and in 2007 we started recruiting new BHF Fundraising groups across the UK. These are groups of friends, family and colleagues who come together to raise funds - and help raise awareness of our all-important work in their community. Our network of local volunteer support staff are on hand with tips and practical advice on how to get started and make the most of their fundraising time. And they're coming up with some great ideas, including social events such as quiz nights, and even a ball, work events like dress down days, and sponsored walks.

### What we achieved

The scheme is off to a fine start – we've already recruited 23 new groups, like the Keith BHF Fundraisers in Banffshire, Scotland. When June Simpson and Rosalind Adie saw a local media appeal for the BHF it really struck a chord. Both had experience of heart disease – June's husband George had had a triple bypass, Rosalind lives with a congenital heart condition and has needed several operations over the years, and they were both keen to get involved. They focused their group on the 2008 Valentine Appeal, and a range of activities, including a Body Shop party in the local pub, a three-day collection at a local drama club production and five sweepstakes, raised £1,100 in their first three months.

As Rosalind says:

*"June and I very much look forward to all our fundraising ventures as we know it's not only helping others to live a longer, happier and active life but keeps us both young at heart, and out of the pub and out of trouble!"*

And June adds:

*"I think more people should get together with their friends and do this – it's really satisfying and great fun".*

### What we'll do next

June and Rosalind are still raring to go, and they're already planning a sponsored slim as the first event in their two annual fundraising events for BHF Scotland. They've made excellent contacts with local media and they're terrific ambassadors for the BHF - and heart health - in their community.

The Charity is aiming to raise the numbers of the new BHF Fundraising groups to 150 this year, and we've developed other inspiring ways for you to support our life-saving work.

We urgently need your help to raise funds in your area. To find out how you can get involved by becoming a BHF Community Fundraising Volunteer, please call **020 7487 9461**. Because together we really can beat heart disease. For good.

### Fast facts

BHF Community Fundraising Volunteers now total almost 3,500 across the UK.

In 2007/8 these volunteers supported community fundraising to raise over £12.6 million.

For more inspiring stories that connect to *Volunteering*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- BHF Shops and the Help a Heart campaign
- Regional fundraising
- The Valentine Appeal
- Retired...not a bit of it!
- Hearts First Santa Jogs
- Jump Rope For Heart

## Legacies

BHF-funded research has led to groundbreaking advances in the prevention, diagnosis and treatment of heart disease. Currently, we're supporting over 1,200 pioneering research projects across the country. And a gift in your Will is vital to the fight against heart disease. Legacies are a unique contribution, quite literally a gift to the future, helping our life-saving work for generations to come.

### What we did

In 2007, we produced the *My generation* leaflet, which provides a wide range of tips and information on making a Will and explains the importance of legacies to our work in the future.

Here's the story of one of our beneficiaries who wanted to give something back:

Football fan Peter Keating collapsed while watching his beloved Gillingham playing Bristol Rovers. At first, people thought he'd simply fallen, but Peter had had a heart attack - and his heart had stopped.

Peter describes the scene:

*"It was the end of the match - I could have been trampled to death but, thankfully, the stewards saw me go down. If I'd have been outside the ground when I collapsed, it would have been game over."*

Paramedics immediately used a BHF-funded defibrillator to get Peter's heart beating again and took him to hospital. Since the heart attack Peter's life has changed dramatically, and he's full of praise for the BHF, not only because of the machine which saved his life but also for the aftercare he received:

*"The BHF Heart Nurses in the hospital gave me terrific support, and if I have a bout of illness they come round to the house to talk to me and offer reassurance. They also recommended that I attend cardiac rehab, where you exercise and get advice and support, which gives you the confidence to get active again."*

### What we achieved

In 2007/8 almost 850 people told us they had left a life-saving gift to the BHF in their Will, and over five and a half thousand asked us for further information. In total we received almost £50,000,000 from legacies – nearly half the BHF's total regular income. And Peter Keating is back on his feet, and watching his team again. But these days it's not only Gillingham he's supporting – he's joined the ranks of the BHF's fans, and pledged us a legacy in his Will.

### What we'll do next

In 2008/9, we'll refine our marketing strategy to focus on attracting new pledges from our supporters, and identify and develop relationships with those who have already independently left us a gift.

For more information about pledging us a gift in your Will that will save lives in the future, please visit [bhf.org.uk/legacies](http://bhf.org.uk/legacies)

### Fast facts

In 2007/8, Legacies accounted for 42% of the BHF's generated income.

The BHF funds 55% of research into heart disease in the UK.

For more inspiring stories that connect to *Legacies*, please visit our Annual Review website [bhf.org.uk/report08](http://bhf.org.uk/report08) to read about:

- Gene hunt research
- Blood transfusion research
- BHF Risk Nurse project
- Gift of Hope Heart Funds
- Regular giving



# Annual Report and Accounts 2008

## Financial review of the year

Chart 1

### Incoming resources 1999-2008

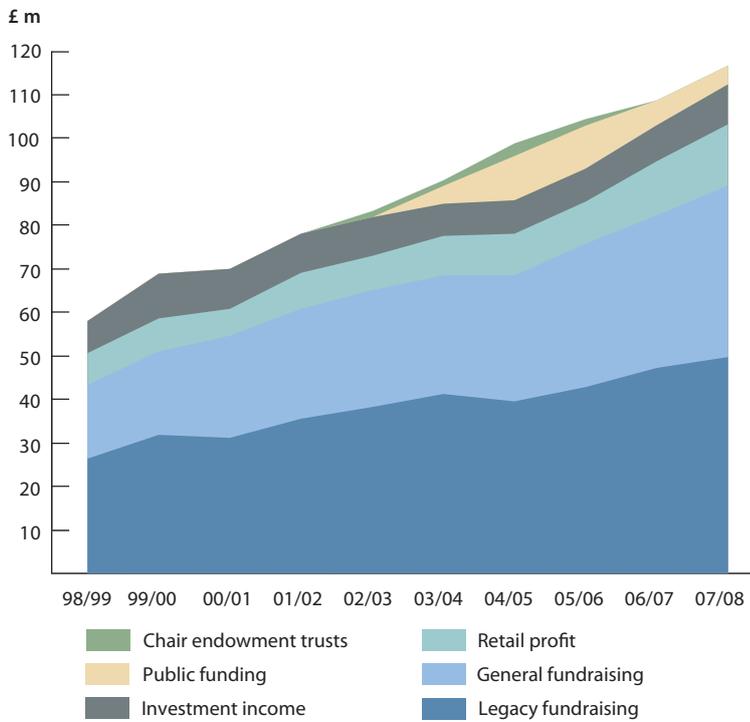
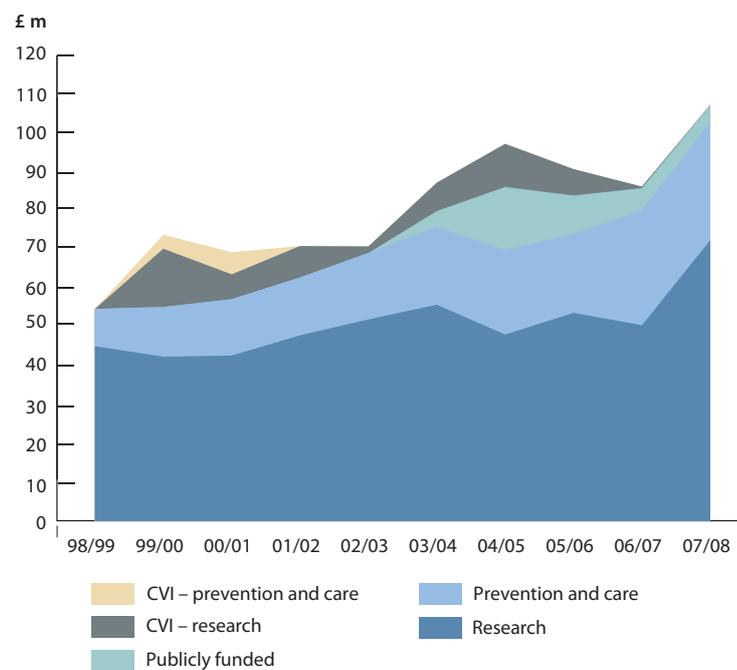


Chart 2

### Charitable expenditure 1999-2008



## Financial review of the year

	1998/99 £m	1999/00 £m	2000/01 £m	2001/02 £m	2002/03 £m	2003/04 £m	2004/05 £m	2005/06 £m	2006/07 £m	2007/08 £m
<b>Ten-year perspective</b>										
<b>Incoming resources</b>										
Legacy fundraising	26.4	31.9	31.2	35.6	38.3	41.3	39.6	42.9	47.3	49.8
General fundraising	17.0	19.2	23.5	25.3	26.9	27.3	29.0	33.0	35.1	39.5
Retail profit	7.3	7.6	6.2	8.3	7.9	9.1	9.6	9.7	12.5	14.1
Investment income	7.4	10.3	9.2	9.0	8.9	7.4	7.7	7.6	8.3	9.2
Public funding	–	–	–	–	–	4.1	10.2	9.9	5.7	4.3
Chair endowment trusts	–	–	–	–	1.4	1.3	2.9	1.5	–	–
<b>See chart 1 opposite</b>	<b>58.1</b>	<b>69.0</b>	<b>70.1</b>	<b>78.2</b>	<b>83.4</b>	<b>90.5</b>	<b>99.0</b>	<b>104.6</b>	<b>108.9</b>	<b>116.9</b>
Fundraising and publicity costs*	-10.6	-12.3	-11.4	-13.5	-16.0	-16.1	-18.9	-21.7	-19.0	-19.3
<b>Net incoming resources</b>	<b>47.5</b>	<b>56.7</b>	<b>58.7</b>	<b>64.7</b>	<b>67.4</b>	<b>74.4</b>	<b>80.1</b>	<b>82.9</b>	<b>89.9</b>	<b>97.6</b>
<b>Expenditure on objectives</b>										
Research	45.0	42.3	42.6	47.8	51.9	55.7	48.0	53.6	50.4	72.3
CVI – research	–	15.0	6.4	8.1	1.7	7.3	11.1	6.8	-0.4	-0.1
Prevention and care	9.6	12.8	14.5	14.9	17.1	20.0	21.8	20.3	29.6	30.4
Publicly funded	–	–	–	–	–	4.1	16.2	9.9	5.7	4.3
CVI – prevention and care	–	3.6	5.7	0.0	0.0	–	–	–	–	–
<b>See chart 2 opposite</b>	<b>54.6</b>	<b>73.7</b>	<b>69.2</b>	<b>70.8</b>	<b>70.7</b>	<b>87.1</b>	<b>97.1</b>	<b>90.6</b>	<b>85.3</b>	<b>106.9</b>

\* including investment management fees

The charts opposite and tables above show that 2007/8 was another year of significant financial progress for the Foundation. For these purposes we treat the profit from the BHF charity shops as our income from that source, whereas in the Accounts that follow, we are required to show the shops' sales as income (and the significant expenses of the separately-managed operation, as costs). In our view, the profit approach gives a more realistic assessment of the situation, while the mandated treatment used in the Accounts exaggerates the income and the costs of the Foundation as a result of the high proportion of shop sales relative to our other income.

On this basis, our income rose by 7% overall, to nearly £117m. The regular annual increase in our income is only possible because of the continuing generosity of our donors and the tireless and dedicated efforts of our volunteers both in branches and shops, together with those of the paid staff.

Legacy fundraising rose by 5% to £49.8m (including a single legacy of £3m) and at 43% remains our greatest single source of income. Whilst legacy income has generally risen consistently over the last few years it varies hugely month by month and there is always the risk that it could decline in the future. General fundraising also performed well and rose by £4.4m (13%) to £39.5m.

Among fundraising highlights:

- 27,000 cyclists took part in the 32nd annual London to Brighton Bike Ride raising £4.0m, a 9% increase on the previous year's total
- Heart Runners in the London Marathon raised over £0.8m, and our supporters' participation in two other high profile marathons, New York and Paris, boosted this total to just under £1m
- the 2008 Valentine Appeal raised nearly £0.8m towards the cost of funding BHF's care services, including over £0.3m from the posting of heart shaped love notes in the windows of our charity shops
- participatory events for the younger age group achieved good results this year, with Jump Rope For Heart and Junior Golf raising £0.8m and £0.2m respectively
- support from our regular supporters, together with an uplift in the use of Gift Aid, increased our income from this source by 6% to £10.5m
- partnerships with companies generated just under £6m (including £1.8m from the HBOS partnership) and helped us to reach many new supporters.

Retail profit rose during the year by £1.6m (13%). This was partly due to the further increase (of 6%) in donations of goods direct to our shops, the modernisation of 120 shops (in which like for like sales improved by over 15%), the higher prices achieved for goods sold to recycling companies, and the progressive introduction from mid-year of the new Gift Aid scheme in all shops.

## Financial review of the year

Public funding included a further £3.1m from the Big Lottery Fund supporting the remaining projects, Heart Failure Nurses and the Cardiac Rehabilitation Programme, together with £0.3m from Sport England to promote Active Workplace projects.

The following numbers of research awards were made during the year:

- 128 Project Grants
- 13 Programme Grants
- 65 Fellowships
- in addition, we funded new BHF Professorships in the Universities of Newcastle and Glasgow, and four Research Excellence Awards to the Universities of Edinburgh and Oxford plus King's College and Imperial College, London. These latter awards provide up to £9m each over 6 years to the four successful applicants - and an amount of £17m was formally awarded in this year.

Expenditure on prevention and care remained constant year on year. 69 new BHF Heart Nurses were appointed for the next three years, at a cost of £4.8m. This brings the total of BHF Heart Nurses in the community to 386.

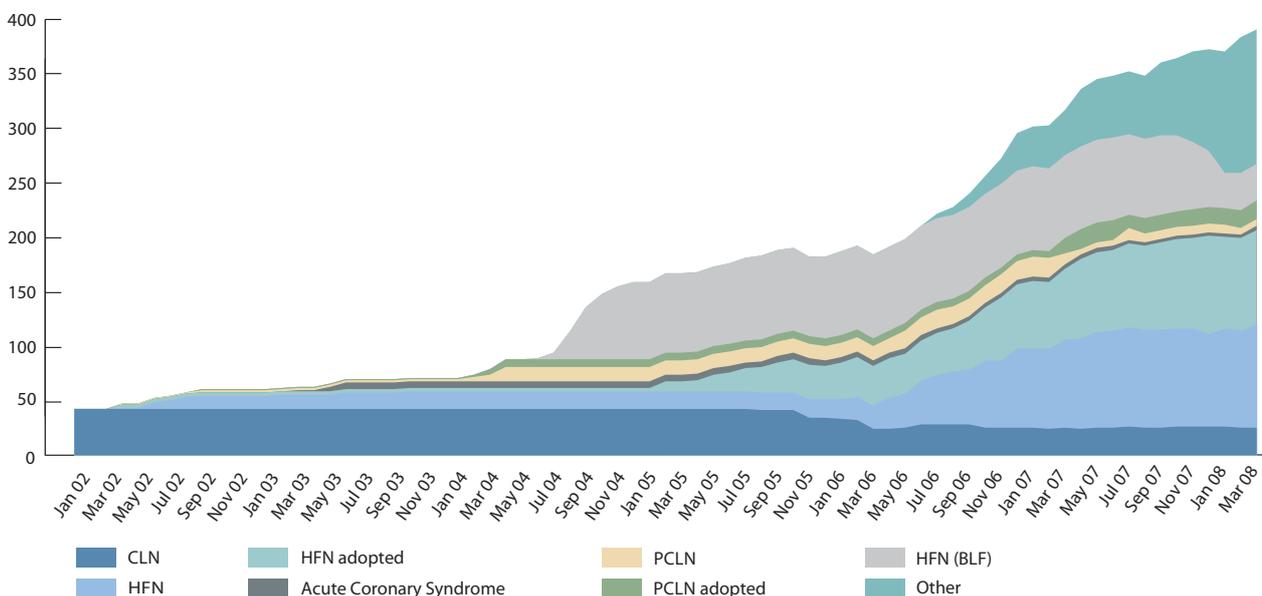
The graph below shows the growth in BHF Heart Nurses since they were initiated and the distribution of the different nurse disciplines. The main ones are:

- Cardiac Liaison Nurses (CLN)
- Paediatric Cardiac Liaison Nurses (PCLN)
- Heart Failure Nurses (HFN)
- Arrhythmia Nurses (ARR)

The BHF's commitment is to support these nurses financially for the first three years and then in general the primary care trusts adopt responsibility for these positions after that period.

The costs incurred in generating funds to achieve these results amounted to £19.3m, but this includes a one-off credit of £0.7m in connection with the reversal of the previous provision for impairment to property values. This represents 17% of the total income described above. Comparisons of such cost ratios between charities must be treated extremely carefully, owing to the widely varying costs of the many different fundraising activities they undertake. A significant proportion of fundraising and publicity expenditure represents an investment in the development of continuing and future income sources.

### Total number of BHF Heart Nurses



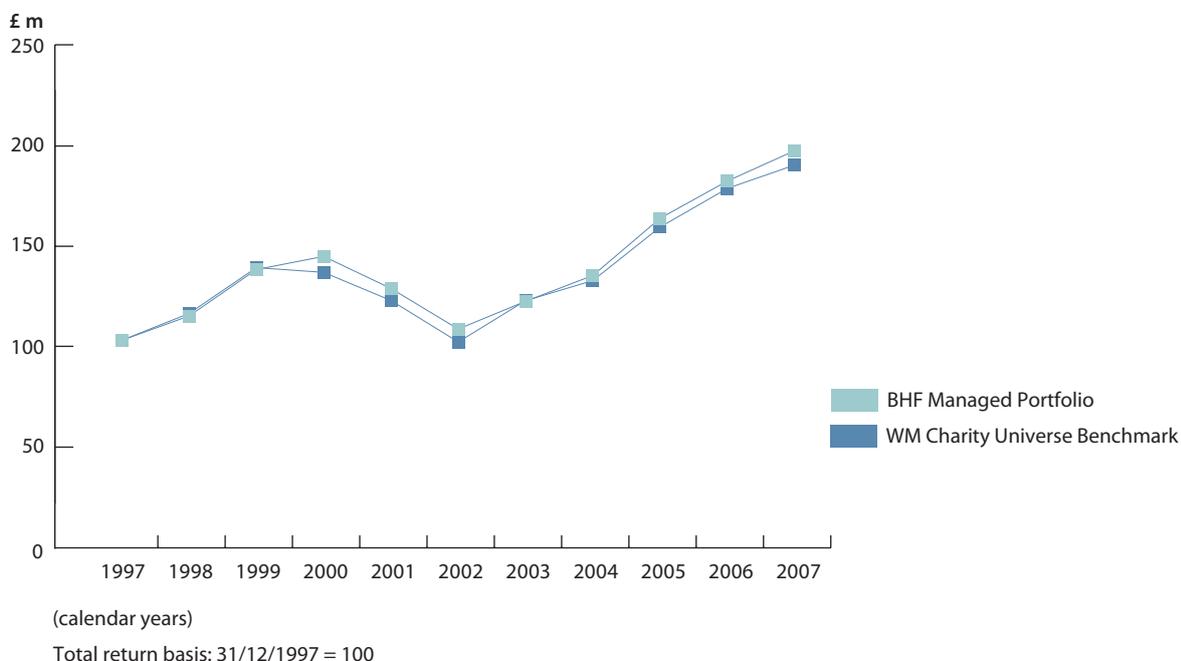
## Financial review of the year

The market value of our investment portfolio suffered a loss of £6m in the financial year, in a climate of increased volatility in the financial markets. Despite the long-term historical success of our investment strategy, we continue to review our approach every year to ensure that it remains appropriate to the changing investing environment.

The Foundation's investment portfolio is split between two discretionary fund managers, whose performance is measured quarterly against a single benchmark tailored to the Foundation's investment policy.

The Foundation does not, and will not, knowingly hold securities in any company in the tobacco industry.

### Ten-year comparison of BHF managed investment portfolio with benchmark



## Trustees' report

The Board of Trustees of the British Heart Foundation submits its statutory Report and Accounts for the year ended 31 March 2008.

### Principal aim and activities

The aim of the British Heart Foundation is to play a leading role in the fight against disease of the heart and circulation so that it is no longer a major cause of disability and premature death. We are striving to achieve a world in which people do not die prematurely of heart disease. To this end, the Foundation continues to pursue five strategic objectives:

- to pioneer research into the causes of heart disease and improved methods of prevention, diagnosis and treatment
- to provide vital information to help people reduce their own heart health risk
- to press for government policies which minimise the risk of heart and circulatory disease
- to help attain the highest possible standards of care and support for heart patients
- to reduce the inequalities in levels of heart disease across the UK.

Since its formation in 1961, through the generous efforts of volunteers and supporters, the Foundation has raised funds from the public throughout the United Kingdom and, after costs, this year generated net incoming resources available for charitable application of £97.6m, the highest in the Foundation's history. The total amount committed to the Foundation's principal objective of supporting research represented 68% of the charitable expenditure in the year, and we continue to be the largest single contributor to UK cardiovascular research. Education of the public and the medical profession, together with expenditure on the care and rehabilitation of heart patients, accounted for the remaining 32% of the total. For the first time, our total charitable expenditure passed the £100m mark to reach £106.9m for the year. This is truly a major milestone, and we thank all of our donors for enabling such significant sums to be devoted towards the Charity's ultimate aim.

Our charitable expenditure exceeded this year's net incoming funds, as planned, so the Foundation had an overall net deficit after meeting governance costs. This was increased by losses on the BHF's portfolio of investments over the twelve month period as, like other investors, we were adversely impacted by the recent upheaval on global markets.

"Beating Heart Disease Together, Our Strategy", a booklet detailing the Foundation's objectives and how we are working to achieve them, is available from the BHF Annual Report and Accounts microsite [bhf.org.uk/report08](http://bhf.org.uk/report08). Comprehensive information concerning research expenditure, grant-making policies and who may apply, can be downloaded from our website [bhf.org.uk](http://bhf.org.uk), as can grant application forms, or is available on request from the Medical Director.

## Trustees' report

### Governance

#### Organisational structure

The Foundation operates as a company limited by guarantee, under the terms of its memorandum and articles dated 28 July 1961, last amended on 29 January 2008.

Governance of the Foundation is the responsibility of a Board of Trustees (the "Board") comprising 14 individuals, with a broad mix of medically-qualified and lay members, each of whom is a trustee and member of Council. This Board has full legal responsibility for the actions of the Foundation and its members, who are appointed for a renewable term of three years, are the directors of the company for purposes of the Companies Act 1985. The Board meets six times a year and the Senior Management Team of the Foundation, to whom management of the activities of the Foundation is delegated, attends these meetings in an ex officio capacity.

The Board may and does appoint members and others to a range of committees and sub-committees to which it delegates specific responsibilities. In addition to the Audit, Investment, Nominations, Remuneration and Shops committees there are a further four medical sub-committees which review grant requests and other scientific award proposals. Guidance and oversight of the work of these medical sub-committees is provided by two advisory boards – the Scientific Advisory Board and the Prevention, Education and Care Advisory Board – whose members are drawn from a field of expert, internationally renowned scientists. Participation at each individual Advisory Board meeting is determined by the specific agenda items.

The Council comprises up to 30 members appointed for their proven abilities in either medical or other fields and meets twice per annum. Its role is primarily advisory. By calling on Council members' particular expertise, it is expected that the Foundation will make better-informed and therefore more sound decisions and thus fulfil its charitable objectives more effectively. Members of Council are provided with relevant documentation concerning the organisational structure, aims and activities of the Foundation, together with the opportunity to receive comprehensive individual briefings from senior management and to contribute individually to the activities of the Foundation as may be appropriate.

The Charity recognises the responsibilities placed by law on a charity trustee and provides a programme of training which includes induction training in all appropriate matters, including governance and compliance, for all new trustees, as well as bi-annual refresher training for existing trustees in order to keep them up to date with current legislation. Training is conducted by a firm of solicitors specialising in advice to charities and other voluntary organisations.

#### Retiring and New Trustees

The Board of Trustees would like to formally record their grateful thanks to Mrs Sue Bell and Dr Nicholas Boon, both of whom retired from the Board during the year, for their significant contribution to the Foundation over many years. The Trustees would also like to pay tribute to the outstanding contribution to the BHF made by Mr Howard Hughes, who retired as Chairman of the Board of Trustees in March 2008 after eight consecutive years in that role and as Chairman of the former Executive Committee. Mr Hughes will be retiring at the AGM in July after almost eleven years as a Trustee.

We are delighted to welcome to the Board Professor John McMurray and Mr Ron Spinney, both of whom were appointed in May 2007.

#### Accounting changes

There have not been any changes in accounting policy during the year to 31 March 2008.

#### Expenditure in furtherance of charitable objectives

The level of spend last year included £ 72.4m as effective future year commitments following application of the Charity Commission's Statement of Recommended Practice 2005 ("SORP"). Taking this into account, reported expenditure on the Foundation's objectives in the year rose by 29%.

## Trustees' report

	2008	2007
<b>Research</b>		
Grants and awards	<b>£72.3m</b>	£50.4m
Cardiovascular initiative	<b>(£0.1)m</b>	(£0.4)m
	<b>£72.2m</b>	£50.0m
Prevention and care	<b>£34.7m</b>	£35.3m
<b>Total</b>	<b>£106.9m</b>	£85.3m

### Research

This year the BHF spent £72.3m on research awards, an increase of £21.9m over last year's figure due primarily to the decision to grant four substantial Research Excellence Awards for the first time, as noted below. All BHF's research awards are made by one of the four sub-committees following exacting peer review of applications. Grant requests fall into one of several categories, but all are assessed as to their scientific merits and the potential benefits to those suffering from or at risk of cardiovascular disease. This year we have made awards as follows:

- 4 Research Excellence Awards - if we are to continue to lead the fight against heart disease, we need to do more to improve the pool of cardiac researchers in the UK. We are actively promoting cardiovascular research to establish the next generation of world class researchers. To this end we have granted Research Excellence Awards to the Universities of Edinburgh and Oxford plus King's College and Imperial College, London. The awards were made after rigorous international peer review of applications made by 17 UK universities and provide up to £9m each over six years to the four successful applicants, allowing them to train more than 100 new cardiovascular researchers. In addition, the awards are intended to allow scientific leaders to pursue innovative research ideas and to recruit scientists from outside traditional biological sciences, such as physicists, mathematicians and chemists, into the cardiovascular field
- 128 Project Grants – three year awards to new or established investigators for research consumables and staff salaries for research with a well defined scientific goal
- 13 Programme Grants – five year awards to established investigators to support a team of scientists working on a particular research theme
- 65 Fellowships – awards providing personal salaries for particularly talented individuals to be trained in research techniques (Training Fellowships), or to advance their research training towards becoming an independent researcher (Intermediate Fellowships), or to allow those with outstanding research abilities to pursue a research theme for a period of five years (Senior Research Fellowships). Most Senior Research Fellows achieve professorships during or shortly after the tenure of their award
- in addition, we awarded two new BHF Professorships in the Universities of Newcastle and Glasgow, increasing the total of such BHF financed positions to 26. BHF chairs are conferred on internationally recognised leaders in their field of research to enable them to pursue their research without the distractions of the teaching and administrative burden that can come with established university chairs. Chairholders usually hold at least one Programme Grant and several Project Grants and are expected to train the next generation of cardiovascular scientists through our Fellowships scheme
- Strategic Awards – 'one off' awards for capital sums to help leading research universities achieve their strategic goals in cardiovascular research. One such award for £2m was made to the University of Oxford towards an extension of the John Radcliffe Hospital to bring together cardiovascular researchers currently dispersed throughout the hospital site.

## Trustees' report

### Prevention and Care

In last year's Report we outlined the structural changes required to deliver the Prevention and Care strategy approved by our external Expert Advisory Group in 2006. These changes have now been made and we are reallocating some of our resources towards intensifying the depth and sustainability of our health care initiatives.

Disadvantaged communities are disproportionately affected by heart disease. Because of the unequal distribution of heart disease across the UK, the BHF is embarking on a 'localities' programme that will focus our prevention and care resources on communities with particularly high rates of heart disease. Our objective, in partnership with local authorities and public health departments, is to provide 'hard to reach' communities with the resources needed to help them avoid developing heart disease. BHF resources will be deployed in each of the localities in which we shall work and will be tailored to the specific priorities and needs of those communities. We are currently determining the measures by which we should best assess the impact of this programme which, if successful, has the potential to become a major contributor to the reduction of heart disease in the target communities and a key component of BHF prevention and care activities in the years ahead. Discussions are well advanced for our first localities project in the London Borough of Newham.

In parallel with developing our localities project, our Heart Save team will continue to deploy life-saving cardiac defibrillators throughout the UK. However our emphasis over the coming years will be on disseminating and sustaining resuscitation skills in the community through a network of Community Defibrillation Officers based in ambulance services across the UK. Also, by supporting some 3000 Heartstart initiatives, 60% of which are based in schools, BHF is ensuring that the next generation understands the importance of, and is able to deliver, emergency life support.

The past 12 months has seen a refocusing of our Heart Care activities. In the past the BHF has provided grants to NHS institutions for specialist nurses to care for patients with heart disease with the expectation that, once established, the NHS would maintain that service. With the advent of multiple care providers in the modern NHS, the BHF is now focusing its resources on providing specialist training for health care professionals and, in so doing, is pioneering new ways of working. For example, BHF has recently awarded grants to cardiac networks for trainers in cardiac physiology who will help to train much needed

new technical staff to provide essential cardiovascular diagnostic services.

As the demand for intervention in coronary disease (angioplasty and stenting) increases, a limiting factor in care delivery is appropriately trained staff for the cardiac catheter laboratories across the UK where multiple skills are currently supplied from several different sources. In collaboration with the British Cardiovascular Society, we are establishing training programmes that will ensure that individual catheter laboratory staff will have all the skills necessary to support catheter lab activity.

Nevertheless, we have not completely abandoned our tradition of providing specialist skills to establish new ways of working in the NHS. Accordingly, we have recently agreed to support nine genetic specialists – mostly nurses – to help establish much needed cardiac genetic services to ensure family members afflicted by genetically determined, serious cardiac conditions can be identified and treated before the condition, usually symptomless, causes a tragic sudden death.

Our Heart HelpLine team handles thousands of calls a year from patients and carers of patients with heart disease. Our publications, in particular our popular Heart Information Series, can be found in GP surgeries and hospital out-patient departments throughout the UK. Because of the rapid changes in treatments brought about by, amongst other things, BHF-funded research, these resources need constant updating. Our Heart Health team currently publishes some twenty five titles in the Heart Information Series as well as a wide range of other educational materials aimed at patients, carers and doctors. A major focus of our educational material is on ethnic minorities, in particular South Asians, who are particularly prone to heart disease. This will become an increasingly important aspect of our localities project.

### Income

Net incoming resources available to the Foundation for charitable application increased by 11% to £97.6m.

#### Incoming resources from generated funds

The Trustees are delighted to report that the Foundation once again had a successful year in generating funds towards meeting our principal aim, with higher income levels achieved across the range of sources of voluntary income. Each year presents new challenges in this regard and, particularly in light of the current outlook for the UK economy, we do have to note that similar future growth in income is not assured. We anticipate that 2008/9 will prove to be a more difficult year for charities generally, and BHF is unlikely to be an exception.

## Trustees' report

Total voluntary income rose by 8% to £89.3m, within which legacy income at £49.8m increased by 5%. All other forms of voluntary income (broadly those generated by general fundraising) totalled £39.5m – a rise of 12%, a good result in a challenging environment with corporate and event activity performing particularly well. The strategic fundraising emphasis was on developing new and cost effective ways to recruit individual supporters in the first instance and also ways to retain, develop and maximise that support. We continued to test new target audiences and achieved promising results. We also began work to develop a new model which will, when it is fully developed and tested, enable us to reach more people who would benefit from our activity in order that we can offer them advice, information and support. In return we will invite those people to offer support to the BHF.

With legacy income still representing more than half of our total voluntary funds, the Foundation continues to benefit tremendously from the generosity of those who name BHF as a beneficiary in their Wills and was particularly grateful to receive a legacy of £3m during the year, the largest single legacy we have ever received.

Retail income arises primarily through BHF's expanding chain of over 560 charity shops across the UK. Our Shops Division is run as a semi-autonomous part of the Foundation, managed by an experienced, capable team who have many years of successful retail experience within both the charity sector and the commercial sphere. Total retail turnover of £82.3m increased by 10% over the previous year while the profit of £14.1m which it generated was 13% higher, due primarily to pricing improvements, continuation of our successful new store opening programme and the progressive implementation of a gift aid scheme in both our standard and Furniture and Electrical stores.

Investment income for the year was £9.2m, reflecting generally higher rates of interest and good dividend yields. Investment management fees of £0.8m, a small increase on last year, are included within the cost of generating funds.

### Incoming resources from charitable activities

Public funding received in the year fell as expected, to £4.3m. The Big Lottery Fund contributed £3.1m in respect of the Heart Failure Nurses Support Network and a Cardiac Rehabilitation Programme. BHF also received £0.7m from NHS London to fund a repeat of the successful Doubt Kills campaign, previously run nationally, throughout the metropolitan area.

### Cost of generating funds (including staff pension costs)

Expenditure on fundraising and publicity in 2007/8 rose by 1% to £18.6m.

In 2008/9, the Foundation will move from its existing head office in Fitzhardinge Street, London to more suitable premises in north London. In preparation for this relocation, BHF has been in discussions with various third parties who have expressed interest in acquiring some or all of the properties which we shall vacate. This activity has indicated that there is no longer a need for the impairment provision of £1.6m on these properties which was recorded in 2005/6 following an asset revaluation. Accordingly, this provision has been credited back to the Income and Expenditure Account in 2007/8 and allocated across BHF operating divisions for reporting purposes (the portion of this credit that relates to fundraising and publicity is £0.7m). Excluding this credit, expenditure on fundraising and publicity this year increased by 4% to £19.3m.

We are conscious that the charity sector is under pressure, reporting a fall in levels of giving for the first time in many years, and are very aware of the need to have to work harder and smarter to maintain our own strong levels of growth whilst not allowing the cost of generating income to spiral upwards. In order to contain costs and protect our cost to income ratio we continued to seek better and more effective ways of delivering our fundraising activities in particular and have made some organisational improvements, as well as changes to processes, to achieve that goal.

The Staff Pension Scheme has been closed to new members since 2001 and existing members agreed to increase their contributions significantly from July 2003. The triennial actuarial valuation at 1 July 2005 showed a small reduction in the ongoing scheme deficit to £5.2m. The Foundation's Board has assured members of its continued support for, and desire to retain, the Scheme, while not giving any absolute guarantees. In connection with this, the Council agreed to make an additional contribution of £2.5m in April 2006, together with additional annual contributions to the Scheme from April 2007, initially of £0.6m pa, designed to eliminate the remaining actuarial shortfall over the next five years. These payments have been made by the Foundation. The FRS17 valuation undertaken at 31 March 2008 produced a 'snapshot' deficit of £1.0m and an improvement in the funding level from 88% to 96% over the year. The relevant shortfall has been included as a creditor on the Foundation's opening and closing balance sheets.

## Trustees' report

### Financial result for the year

Expenditure in the year exceeded income by £10.2m, after taking account of £0.8m governance costs and writing back the £1.6m property impairment provision. This compares with a surplus of £3.9m for the previous year, after a write back of £0.4m on our long term Cardiovascular Initiative and £0.7m of governance costs. However, after taking account of investment losses (see below), this year produced a net decrease in funds of £14.8m. This deficit was planned, as the Trustees had decided to increase the research spend of the Foundation through the Research Excellence Awards.

### Balance sheet

#### Investments

The Foundation's investment portfolio was valued at £205.4m at 31 March 2008. It provides cover for commitments, including liabilities for grants already awarded totalling £200.4m.

A run of four successive years of good stock market performance came to an abrupt end with the turbulence now commonly known as the Credit Crunch. Gains recorded in the first quarter were wiped out by subsequent declines in the value of the portfolio and our year ended with net losses of £6.1m, almost a mirror image of the gain of £6.3m in 2006/7. At the end of the financial year equities represented 70% of the total portfolio, a 4 percentage point decline compared with the prior year.

The Foundation's investment policy seeks to maximise long-term total return while maintaining a sensible level of diversification and risk commensurate with the Foundation's predicted liquidity needs and the investment outlook in the various markets. Following a reassessment of the objectives and management of the BHF's investment portfolio in 2006, the Trustees decided to plan to liquidate a proportion of its investment holdings and devote the proceeds to higher levels of charitable expenditure than would be supported by forecast income over the next few years. The Research Excellence Awards in 2008 reflect this decision. Although partly dependent upon the success of fundraising activities, the timing of actual cash expenditures and stock market fluctuations, funds will be drawn down from the portfolio this year to meet the resultant charitable commitments. We expect the 2008/9 drawdown to be minor, but shall continue to keep our cash needs and the investment position under close review.

BHF's investments are managed by two discretionary managers with Newton Investment Management managing some 60% and the balance of 40% being with Smith & Williamson Investment Management.

Their respective performance is measured against a common benchmark tailored to BHF requirements and subjected to quarterly review by the Foundation's experienced Investment Committee.

The Foundation does not, and will not, knowingly hold securities in any company in the tobacco industry.

### Funds and reserves

The Board has reviewed the reserves of the Foundation, taking into account its policy that all grants are recognised as creditors (to the extent that they are legal or constructive obligations) as soon as they are agreed, irrespective of the period over which they are payable. It has concluded that it requires a general fund reserve and, bearing in mind the extent to which the general fund has demonstrated its exposure to fluctuations in the stock market, the Board has decided that a balance equivalent to between 6 and 18 months' operating costs will allow the Charity to be managed efficiently and provide a buffer against unanticipated interruption to its income stream.

The year-end balance of the general fund (which is the Foundation's operating reserve) is £31.3m, representing some 6 months of planned non-retail overhead expenditure plus cover for two years of our previously announced intention to increase charitable expenditure over a five year period by some £40m in aggregate above the level supported by income. The increased level of charitable activities and related costs this year have reduced the general reserve cover compared with last year, but it remains within the agreed range. Based on current projections, the Trustees still intend to maintain charitable spending levels in excess of anticipated income for the medium term. We therefore expect the level of general reserves to decline further in the coming years. The Board will continue to review the reserves policy annually.

### Restricted funds

The overall balance of restricted funds was in deficit by £0.2m at the year-end, owing to a deficit on lottery-funded awards. This has arisen from the application of the SORP to the accounting policy for recognition of multi-year awards made by the BHF to successful applicants under programmes funded by the Big Lottery Fund, requiring provision to be made in full for the unpaid balances of the awards. The lottery income, however, remains recognisable (and receivable) when performance conditions are met quarterly. Consequently the deficit will be reduced each year and eliminated when the programmes are completed (expected to be in the next year).

## Trustees' report

### Endowment funds

At the year-end a total of £7.2m was held in endowment funds. These funds have arisen where institutions, which have benefited from the Foundation's earlier practice of awarding endowments to fund BHF Chairs in perpetuity, have returned the trusteeship of the balance of such funds to the BHF in exchange for awards of committed funding for personal chairs. This form of funding is more likely to provide the institution with appropriate maintenance sums each year, while an endowment fund has proved increasingly unlikely to do so; it is for this reason that all new awards for the past 21 years have been as personal chairs.

### Internal control

#### Managing risk

In March the Board completed its annual review of the Foundation's risk management strategy in accordance with the requirements of the SORP. Each risk is classified into one of the following five categories:

- Financial – reduction in assets (e.g. investment values, including the impact of increased market volatility) or loss of income
- Infrastructure – breakdown in systems or procedures (e.g. computer or fire damage)
- Reputation – damage through BHF/staff action or adverse publicity
- People – attacks on individuals working for or with the Foundation
- Regulatory – legislative actions which could affect our modus operandi.

In the course of this review, the Board has determined the major risks to which the Foundation is exposed, the potential impact if an individual risk materialises, and what mitigating action is to be taken by whom in order to reduce each risk to a level which the Board considers to be acceptable. This position is recorded in a risk register, which is used by management and will continue to be reviewed annually.

### Key Performance Indicators

On behalf of the Board of Trustees, the Foundation's management monitors a variety of Key Performance Indicators (KPIs) to check achievement of BHF's strategic and operational objectives and reports upon them monthly, quarterly or annually as appropriate. These KPIs have been recently revised and include measures to track medical research applications and awards, the public awareness and effectiveness of prevention and care programmes, progress towards achievement of Heart Care and Heart Save placement targets (e.g. BHF Heart Nurses and defibrillators in the community),

internal staff turnover and financial measures such as fundraising achievements, retail performance and other net income generated for charitable activities (further analysis is provided in the 'Financial review of the year').

### Employees

The Foundation aims to maintain high standards in its employment practices to ensure the fair and efficient use of its most valuable asset, its staff. All employees and potential employees (whether full-time, part-time, permanent or temporary) are treated fairly, regardless of gender, sexual orientation, race, ethnic origin, disability, religious beliefs or age. The sole criterion for selection or promotion is the suitability of an applicant for the job. Training is provided and available to all staff, who are encouraged to develop their potential and the contribution they can make to the Foundation's work.

Staff members are kept well informed of the objectives and activities of the Foundation through regular meetings, team briefings, personal briefings, The Bulletin and HeartNet, the BHF's intranet. These are supplemented by the Foundation's strategy document, newsletters, leaflets and publications. In line with best practice and current law, staff are also consulted via their elected representatives on an Information & Consultation Forum about Foundation developments and proposed changes which may affect staff, including matters affecting their employment and benefits.

### Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them, under section 485 of the Companies Act 2006, will be proposed at the forthcoming Annual General Meeting.

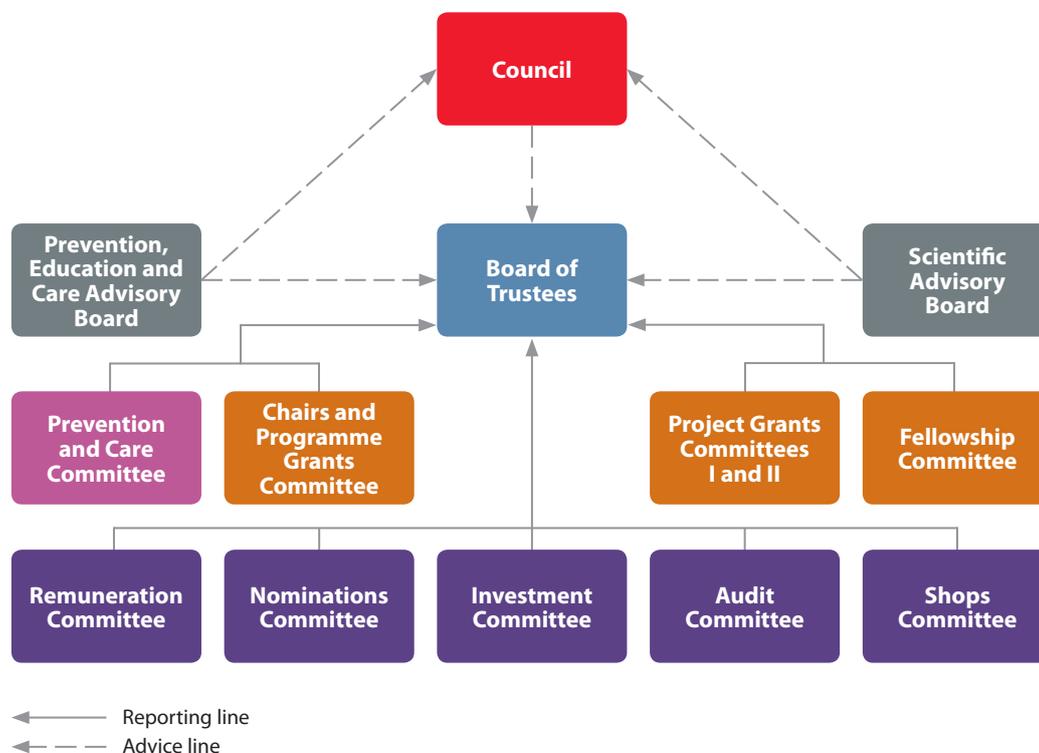
By Order of the Board of Trustees



**Malcolm I Hall**  
Secretary

8 July 2008

## Board of Trustees and Committees As at 31 March 2008



### Patron

His Royal Highness The Prince Philip KG KT

### Board of Trustees

#### Chairman

John H Salmon FCA *Chairman from 26 March 2008*

#### Members

Susan J Bell *retired 31 May 2007*

Dr Nicholas A Boon MD FRCP *retired 31 May 2007*

Robin D Broadley

Dr Jane Flint MD FRCP

Howard Hughes FCA *Chairman to 26 March 2008*

Professor Kay-Tee Khaw CBE FRCP

Susan H Lloyd

Professor Sir Michael G Marmot PhD FFCM

Professor John McMurray MD FRCP FESC *appointed 31 May 2007*

Sir Peter Morris AC FRS FRCS

Sir Robin Mountfield KCB

Dr Denise Pollard-Knight PhD

Professor Patrick Sissons MD FRCP FMedSci

Ron Spinney *appointed 31 May 2007*

Professor Kenneth M Taylor MD FRCS

#### In Attendance

Peter T Hollins

Malcolm Hall FCA

Professor Peter L Weissberg MD FMedSci

Aneasha Moreira

Kenneth C Blair

Betty McBride

Julie Weston MA BA MCIPD

### The Council

#### Chairman

Sir Peter Morris AC FRS FRCS

#### Members of Council

The Lord Ahmed

Richard B Blossom BSc (Hons)

Dr Nicholas A Boon MD FRCP

Robin D Broadley

Professor Morris Brown MD FRCP

The Lord Crisp *appointed 31 May 2007*

Professor J Clive Ellory DSc ScD

Dr Jane Flint MD FRCP

Professor Anthony M Heagerty MD FRCP

Professor Richard Hobbs FRCGP FRCP FESC FMedSci *appointed September 2007*

Howard Hughes FCA

Dr Kevin P Jennings MB FRCP

Professor Kay-Tee Khaw CBE FRCP

Sir Bruce Keogh KBE MD FRCS *appointed September 2007*

Susan H Lloyd

Professor Sir Michael G Marmot PhD FFCM

Professor John McMurray MD FRCP FESC *appointed 31 May 2007*

Alistair C Mitchell-Innes

Sir Robin Mountfield KCB

Roger G Pilgrim MA (Cantab) FCA *appointed 31 May 2007*

Dr Denise Pollard-Knight PhD

Suzannah Power

John H Salmon FCA

Professor John Savill MB PhD FRCP FMedSci

Professor Patrick Sissons MD FRCP FMedSci

Ron Spinney *appointed 31 May 2007*

Professor Kenneth M Taylor MD FRCS

## Board of Trustees and Committees As at 31 March 2008

Sir Richard Thompson KCVO DM FRCP  
Benjamin H B Wrey MA (Cantab)

The following members retired during the year:

Susan J Bell *retired 31 May 2007*  
Dr Nicholas Brooks FRCP FESC *retired 31 May 2007*  
Mr Patrick G Magee *retired 3 July 2007*  
Anthony Spink *retired 3 July 2007*

### In Attendance

Peter T Hollins  
Malcolm Hall FCA  
Professor Peter L Weissberg MD FMedSci  
Aneesha Moreira  
Kenneth C Blair  
Betty McBride  
Julie Weston MA BA MCIPD

### Shops Committee

#### Chairman

Alistair C Mitchell-Innes

#### Members

Susan H Lloyd  
David E Lockyer MSc  
Gareth Thomas *retired April 2007*  
Andrew J Varley *retired December 2007*

#### Ex-Officio

Peter T Hollins  
Malcolm Hall FCA  
Kenneth C Blair  
Betty McBride

### Investment Committee

#### Chairman

Benjamin H B Wrey MA (Cantab)

#### Members

Howard Hughes FCA  
Roger G Pilgrim MA (Cantab) FCA  
James Robinson BSc FCA  
Nick Train BA (Oxon)

#### Ex-Officio

Peter T Hollins  
Malcolm Hall FCA

### Audit Committee

#### Chairman

John H Salmon FCA

#### Members

Howard Hughes FCA  
Roger G Pilgrim MA (Cantab) FCA

### Nominations Committee

#### Chairman

John H Salmon FCA

#### Members

Robin D Broadley  
Howard Hughes FCA  
Dr Denise Pollard-Knight PhD  
Sir Peter Morris AC FRS FRCS  
Professor Patrick Sissons MD FRCP FMedSci

#### Ex Officio

Peter T Hollins

### Remuneration Committee

#### Chairman

Howard Hughes FCA

#### Members

Alistair C Mitchell-Innes  
Sir Peter Morris AC FRS FRCS  
John H Salmon FCA

#### Ex-Officio

Peter T Hollins

### Senior Executives (to whom responsibility is delegated)

#### Chief Executive

Peter T Hollins

#### Secretary and Finance Director

Malcolm Hall FCA

#### Medical Director

Professor Peter L Weissberg MD FMedSci

#### Director of Fundraising

Aneesha Moreira

#### Shops Chief Executive

Kenneth C Blair

#### Director of Policy & Communications

Betty McBride

#### Director of Human Resources

Julie Weston MA BA MCIPD

### Medical Committees

### Chairs and Programme Grants Committee

#### Chairman

Professor John Savill MB PhD FRCP FMedSci *appointed 16 May 2007*

#### Vice Chairman

Professor Peter L Weissberg MD FMedSci

#### Members

Professor Cyrus Cooper DM FRCP  
Professor David C Crossman MD FRCP  
Professor D Grahame Hardie FRS FRSE FMedSci  
*appointed 14 May 2008*  
Professor Robin F Irvine PhD FRS *retired 13 February 2008*  
Professor Roger K Patient BSc PhD *appointed 16 May 2007*  
Professor Peter J Ratcliffe MA MBChB MD *appointed 14 May 2008*  
Professor Stephen K Smith DSc FMedSci *retired 14 November 2007*  
Professor Nick B Standen PhD FMedSci  
Professor Paul M Stewart MD FMedSci

## Board of Trustees and Committees As at 31 March 2008

### Ex officio

Peter T Hollins  
Professor Jeremy D Pearson FMedSci PhD  
Valerie Mason

### Project Grants Committees

#### Chairmen

Professor J Clive Ellory DSc ScD  
Professor David J Webb DSc FRCP

#### Members

Professor Metin Avkiran PhD DSc  
Professor David J Beech BSc PhD  
Professor D John Betteridge MD FRCP  
Professor Robert S Bonser MRCP FRCS *retired 21 November 2007*  
Professor Barbara Casadei MD DPhil  
Professor John N Danesh MBChB MPhil  
Professor George Davey Smith MB BChir MA MSc MD DSc FFFPM  
FRCP FMedSci *appointed 21 May 2007*  
Dr Perry M Elliott MBBS MRCP  
Dr Sheila E Francis BSc PhD *appointed 23 January 2008*  
Dr Christopher H George BSc PhD *appointed 19 March 2008*  
Dr Sarah J George BSc PhD  
Professor Anthony H Gershlick MBBS FRCP  
Dr David J Grainger PhD *appointed 23 May 2007*  
Professor Alistair S Hall PhD FRCP  
Professor Jules C Hancox BSc PhD  
Professor Mark A Hanson MA DPhil FRCOG  
*appointed 23 January 2008*  
Professor Sian E Harding BSc PhD *retired 21 November 2007*  
Dr Deborah J Henderson BSc PhD  
Dr Aroon D Hingorani MBBS MRCP PhD *appointed 23 May 2007*  
Professor Graham A Hitman MD FRCP  
Professor Alun D Hughes MBBS PhD *retired 19 September 2008*  
Professor Mark T Kearney MBChB DM  
Professor William A Large PhD BPharm *retired 19 March 2007*  
Dr Theresa A McDonagh MBChB MRCP  
Professor David E Newby PhD DM  
Dr Christopher M H Newman PhD FRCP  
Dr Kevin M O'Shaughnessy MA BM DPhil FRCP  
*appointed 23 May 2007*  
Professor David J Paterson MSc DPhil  
Professor Andrew C Rankin MBChB MD  
Professor Catherine M Shanahan BSc PhD  
Professor Michael J Shattock PhD FESC *appointed 19 March 2008*  
Professor Stephen P Watson PhD FMedSci  
Professor Peter H Whincup MB PhD  
Dr Ian B Wilkinson MA DM  
Dr Christopher Wren FRCP *retired 19 September 2007*  
Professor Ian S Young BSc MD FRCP FRCPI FRCPath  
*appointed 18 July 2007*

### Ex officio

Peter T Hollins  
Professor Peter L Weissberg MD FMedSci  
Professor Jeremy D Pearson FMedSci PhD  
Valerie Mason

### Fellowships Committee

#### Chairman

Professor Morris Brown MA MSc FRCP FAHA FMedSci

#### Members

Professor Mark Caulfield MBBS MD FRCP *retired 4 October 2007*  
Professor Stuart Cobbe MD FRCP FMedSci *retired 10 January 2008*  
Professor David Eisner MA DPhil  
Professor Bryan Williams MD FRCP  
Professor Ian Zachary BSc PhD  
Professor Ajay Shah MD FRCP FESC  
Professor Timothy Aitman DPhil FRCP FMedSci  
*appointed 10 January 2008*  
Professor Stefan Neubauer MD FRCP *appointed 3 April 2008*

#### Ex officio

Peter T Hollins  
Professor Peter L Weissberg MD FMedSci  
Professor Jeremy D Pearson FMedSci PhD  
Valerie Mason

### Prevention and Care Committee

#### Chairman

Professor Richard Hobbs FRCP FRCGP

#### Members

Dr Nick Boon MD FRCP  
Fiona Bull  
Professor Simon Capewell  
Mel Clark  
Professor Stuart M Cobbe MD FRCP  
Ms Linda Edmunds  
Dr Jane Flint MD FRCP  
Dr Sandeep Gupta MD FRCP  
Dr David Hackett  
Ian Jones  
Alan Keyes  
Professor Bob Lewin MA MPhil  
Mrs Elizabeth Lynham  
Professor Sir Michael Marmot PhD FFCM  
Dr Terry McCormack  
William Scott  
John Wilson

#### Ex officio

Peter T Hollins  
Professor Peter L Weissberg MD FMedSci  
Dr P Michael Knapton MBBChir FRCGP  
Betty McBride  
Aneesha Moreira  
Nicki Cooper  
Maura Gillespie  
Jackie Lodge  
Katharine Peel  
Andy Carver

## Statement of Trustees' responsibilities

The members of the Board of Trustees, as trustees and directors, are responsible for preparing the Annual Report and the financial statements. The Trustees have chosen to prepare accounts for the company and the group in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the Trustees to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the surplus or deficit of the company for that period and comply with UK GAAP and the Companies Act 1985.

In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a trustees' report which complies with the Companies Act 1985.

The Trustees are responsible for ensuring the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

### Provision of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

## Independent Auditors' report to the Trustees of the British Heart Foundation

We have audited the group and parent charitable company financial statements (the "financial statements") of the British Heart Foundation for the year ended 31 March 2008 which comprise the Group Statement of Financial Activities (incorporating the Group Income and Expenditure Account), the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of the British Heart Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report. This other information comprises only the Financial Review of the Year and the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charitable company's affairs as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Report is consistent with the financial statements.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London  
8 July 2008

## Group statement of financial activities for the year ended 31 March 2008 (incorporating a group income and expenditure account)

Note	General fund £000	Designated funds £000	Restricted funds £000	Endowment funds £000	2008 Total funds £000	2007 Total funds £000	
<b>Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Voluntary income	2	85,103	–	4,163	–	89,266	82,434
Retail income	3	81,931	–	372	–	82,303	74,632
Investment income	4	8,844	–	395	–	9,239	8,301
<b>Incoming resources from charitable activities</b>							
Public funding for prevention and care	5	–	–	4,266	–	4,266	5,651
<b>Other incoming resources</b>							
Profit on sale of fixed assets	6	15	–	–	–	15	69
<b>Total incoming resources</b>		175,893	–	9,196	–	185,089	171,087
<b>Resources expended</b>							
<b>Cost of generating funds</b>							
Fundraising	6	17,732	–	–	–	17,732	17,435
Publicity	6	817	–	–	–	817	893
Retail costs	3,6	68,197	–	–	–	68,197	62,096
Investment management fees	6	756	–	–	–	756	711
<b>Total cost of generating funds</b>		87,502	–	–	–	87,502	81,135
<b>Net incoming resources available for charitable application</b>							
		88,391	–	9,196	–	97,587	89,952
<b>Charitable expenditure:</b>							
Research	6	71,579	–	744	–	72,323	50,414
Cardiovascular Initiative – research awards	6	(97)	–	–	–	(97)	(384)
		71,482	–	744	–	72,226	50,030
Prevention and care	6	29,227	–	5,471	–	34,698	35,275
<b>Expenditure in furtherance of charitable objectives</b>		100,709	–	6,215	–	106,924	85,305
<b>Governance costs</b>							
	6	829	–	–	–	829	733
<b>Total resources expended</b>	6	189,040	–	6,215	–	195,255	167,173
<b>Net (outgoing) resources before transfers</b>		(13,147)	–	2,981	–	(10,166)	3,914
Transfers between funds:							
Fixed asset fund	7	(3,296)	3,296	–	–	–	–
Cardiovascular Initiative fund	7	1,606	(1,606)	–	–	–	–
<b>Net (expenditure)/income before other recognised gains</b>		(14,837)	1,690	2,981	–	(10,166)	3,914
<b>Other recognised gains/(losses)</b>							
Net investment (losses)	7,9	(6,058)	–	–	–	(6,058)	6,287
Actuarial gain/(loss) on defined benefit pension scheme	16	1,396	–	–	–	1,396	555
<b>Net movement in funds</b>		(19,499)	1,690	2,981	–	(14,828)	10,756
Total funds brought forward at 1 April	7	49,840	25,489	(3,193)	7,163	79,299	68,543
<b>Balance of funds at 31 March</b>	7	30,341	27,179	(212)	7,163	64,471	79,299

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities.

## Group balance sheet at 31 March 2008

	Note	£000	2008 £000	£000	2007 £000
<b>Fixed assets</b>					
Tangible assets	8		<b>27,179</b>		23,883
Investments	9		<b>205,401</b>		212,213
			<b>232,580</b>		236,096
<b>Current assets</b>					
Stock of goods for resale		<b>1,087</b>		1,033	
Debtors	10	<b>11,820</b>		9,167	
Short-term deposits		<b>5,979</b>		16,827	
Cash on deposit, at bank and in hand		<b>23,026</b>		14,591	
		<b>41,912</b>		41,618	
<b>Creditors: amounts falling due within one year</b>					
Research and other awards	11	<b>(119,514)</b>		(119,237)	
Other creditors	12	<b>(8,576)</b>		(7,846)	
		<b>(128,090)</b>		(127,083)	
<b>Net current liabilities</b>					
			<b>(86,178)</b>		(85,465)
<b>Total assets less current liabilities</b>					
			<b>146,402</b>		150,631
<b>Creditors: amounts falling due after more than one year</b>					
Research and other awards	11		<b>(80,929)</b>		(68,218)
<b>Net assets excluding pension scheme liability</b>					
			<b>65,473</b>		82,413
Pension scheme liability	16		<b>(1,002)</b>		(3,114)
<b>Net assets including pension scheme liability</b>					
			<b>64,471</b>		79,299
Represented by:					
<b>Funds</b>					
<b>Endowment</b>					
Chair endowment trusts	7	<b>7,089</b>		7,089	
G M Yule bequest	7	<b>74</b>		74	
			<b>7,163</b>		7,163
<b>Restricted</b>					
Big Lottery Fund awards	7	<b>(212)</b>		(3,193)	
			<b>(212)</b>		(3,193)
<b>Designated</b>					
Fixed asset fund	7	<b>27,179</b>		23,883	
Cardiovascular Initiative fund		<b>-</b>		1,606	
			<b>27,179</b>		25,489
<b>General</b>					
General reserve		<b>31,343</b>		52,954	
Pension reserve	16	<b>(1,002)</b>		(3,114)	
			<b>30,341</b>		49,840
			<b>64,471</b>		79,299

Approved by the Board of Trustees on 8 July 2008



John Salmon, Chairman



Sir Peter Morris, Deputy Chairman

} Members of the Board of Trustees

## Group cash flow statement for the year ended 31 March 2008

	2008 £000	2007 £000
<b>Net (expenditure)/income before other recognised gains</b>	<b>(10,166)</b>	3,914
Adjustment of net (expenditure)/income to net cash inflow from operating activities (see note A below)	<b>12,605</b>	636
<b>Net cash inflow from operating activities</b>	<b>2,439</b>	4,550
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(5,757)	(5,474)
Receipts from sales of tangible fixed assets	151	160
Purchase of investments	(54,593)	(45,633)
Receipts from sales of investments	55,347	46,365
	<b>(4,852)</b>	(4,582)
<b>Management of liquid resources</b>		
Decrease in short-term deposits	<b>10,848</b>	4,845
<b>Increase in cash (see note B below)</b>	<b>8,435</b>	4,813

### Notes to the group cash flow statement

	2008 £000	2007 £000
<b>Note A</b>		
<b>Adjustment of (expenditure)/income to net cash inflow from operating activities</b>		
Depreciation: charge for the year	<b>3,883</b>	3,326
reversal of previous impairment	<b>(1,558)</b>	–
(Profit) on sale of tangible fixed assets	<b>(15)</b>	(69)
(Increase) in stocks	<b>(54)</b>	(248)
(Increase) in debtors	<b>(2,653)</b>	(1,502)
Increase in creditors	<b>730</b>	1,002
Pension scheme contributions (in excess of charge)	<b>(716)</b>	(2,536)
Awards made during the year	<b>82,222</b>	78,058
Awards paid	<b>(69,234)</b>	(77,395)
	<b>12,605</b>	636

### Note B

#### Changes in net funds during the year

Net funds being cash at 1 April	<b>14,591</b>	9,778
Increase in cash	<b>8,435</b>	4,813
Net funds being cash at 31 March	<b>23,026</b>	14,591

## Notes to the accounts

### 1. Accounting policies

The financial statements are prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and comply with applicable accounting standards. They also comply with the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005). The following are the main accounting policies adopted by the Foundation.

#### a. Basis of accounting

The financial statements, which consolidate the financial statements of the Foundation and all its subsidiary undertakings, have been prepared under the historical cost convention except for investments which are included at market value. No Income and Expenditure account has been presented for the Foundation as permitted by Section 230 of the Companies Act 1985.

#### b. Income and Expenditure

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacy income, entitlement is counted from the earlier of estate accounts being finalised and cash received. Legacies where the Foundation's receipt of income is subject to a life tenancy have not been included in the accounts. Gifts donated for sale are included as income when they are sold. Grants receivable, where related to performance and specific deliverables, are accounted for as the Charity earns the right to consideration by its performance. 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. No amounts are included in the financial statements for services donated by volunteers.

SORP 2005 requires that costs are allocated where appropriate to charitable expenditure and to cost of generating funds. The Foundation's Head Office overheads have been allocated to charitable expenditure, fundraising, publicity and retail expenses on the basis of their use of central services, with the aim of ensuring that those costs remaining within governance relate to the management of the Foundation's assets, organisational administration and compliance with constitutional and statutory requirements.

#### c. Fund accounting

General fund comprises accumulated surpluses and deficits after transfers to or from designated funds. Designated funds are amounts which have been put aside at the discretion of the Council. Restricted funds are subject to restrictions imposed by the donors. Endowment funds require the capital to be retained and invested. The income from the

G M Yule bequest fund is available for general purposes, whereas the income from the chair endowment trusts is restricted to meeting part of the costs of maintaining specific chairs of cardiovascular medicine. Details of all funds are shown in note 7.

#### d. Awards

The total sum awarded during the year is expensed, as defined below, in the Statement of Financial Activities, notwithstanding that a proportion will be disbursed in subsequent accounting periods.

Chairs of Cardiovascular Disease - awards are subject to a quinquennial site visit and review. Full provision is made in the accounts for the Foundation's liability up to the review.

Programme Grants - awards run initially for five years, and can be extended for a further period of five years subject to Committee approval.

New awards are subject to a mid-term review during year three, at which time a decision will be made as to the continuing appropriateness of each award. Provision is made in the accounts for the Foundation's liability up to the time of this mid-term review.

Other Research Grants - full provision is made in the accounts for the Foundation's liability for all other types of research grants.

BHF Heart Nurses - the Foundation is committed to fund nurses for three years from the date of appointment. Full provision is made in the accounts for this liability.

Prevention and Care Grants - the majority of awards are for one year projects, and are funded out of current incoming resources. Where an award is for more than one year the Foundation's liability is recognised in full in the accounts.

Research Excellence Awards - made in 2007/8 to the Universities of Edinburgh, Oxford, King's College and Imperial College, London - up to £9m each over 6 years. These awards are subject to a mid-term review, and provision is made in the accounts for the Foundation's liability up to the time of this review.

#### e. Fixed assets

These are stated at cost. Depreciation is provided by the straight line method calculated to write off assets over their estimated useful lives at the following rates:

Freehold property - over fifty years on cost of buildings; depreciation is not charged on land.

Freehold improvements - over twenty years.

Long leasehold property - over fifty years on cost of buildings; depreciation of land over the life of the lease.

Short leasehold property - over the life of the lease.

Leasehold improvements - over twenty years.

Shop fittings - over seven years.

Vehicles - over three to four years.

Furniture and equipment - over three to four years.

With effect from 1 January 2006, the Foundation generally adopted a minimum capitalisation limit of £1,000; the Retail Division, due to the disparate nature of its business, has a lower limit of £100.

#### f. Investments

Investments (including listed and unlisted shares and property) are shown at market value where there is a readily identifiable market value. Where there is no readily identifiable market value they are recorded at cost. The Foundation revalues its investments regularly so that when investments are sold, gains or losses which arose before the previous year-end have already been recognised. The Statement of Financial Activities does not distinguish between valuation adjustments relating to disposals and those relating to continued holdings. They are together treated as changes in the investment portfolio. Movements in value arising from investment changes or revaluation, together with profits on disposal of investments, have been recognised in the general fund.

#### g. Stock

Stocks are valued at the lower of cost and net realisable value.

#### h. Pension costs

For the defined benefit scheme, the amounts charged in the Statement of Financial Activities are the current service costs, and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs and other finance costs have been recognised immediately in the Statement of Financial Activities. Actuarial gains and losses are recognised immediately in "Other recognised gains/(losses)".

For the defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the total of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### i. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

## Notes to the accounts

	General fund £000	Restricted funds £000	2008 Total funds £000	2007 Total funds £000
<b>2. Voluntary income</b>				
Legacies	49,557	237	<b>49,794</b>	47,285
Donations	17,377	2,161	<b>19,538</b>	14,826
Community fundraising	11,110	1,082	<b>12,192</b>	10,574
National events	7,059	–	<b>7,059</b>	8,339
Restricted appeals	–	683	<b>683</b>	1,410
	<b>85,103</b>	<b>4,163</b>	<b>89,266</b>	<b>82,434</b>

### 3. Retail income

The results of the Foundation's retail activities through charity shops (selling donated goods), BHF Shops Ltd (selling bought in goods) and the retail activities of British Heart Foundation Ventures Ltd, are detailed below.

	Charity shops donated goods £000	BHF Shops Ltd £000	British Heart Foundation Ventures Ltd Retail activities £000	2008 Total £000	2007 Total £000
Sales *	75,970	5,682	279	<b>81,931</b>	74,322
BHF Heart Nurse Appeal	372	–	–	<b>372</b>	310
Retail income	76,342	5,682	279	<b>82,303</b>	74,632
Retail costs	(64,172)	(3,845)	(180)	<b>(68,197)</b>	(62,096)
Net incoming resources available from retail activities	12,170	1,837	99	<b>14,106</b>	12,536

\*2008 includes income of £4.18m representing donations from supporters resulting from sale of their goods through BHF Shop's Retail Gift Aid Programme.

	General funds £000	Restricted funds £000	2008 Total funds £000	2007 Total funds £000
<b>4. Investment income</b>				
Listed investments	7,018	–	<b>7,018</b>	6,278
Bank interest	1,675	395	<b>2,070</b>	1,883
Property	121	–	<b>121</b>	118
Unlisted investments	26	–	<b>26</b>	19
G M Yule Bequest	4	–	<b>4</b>	3
	<b>8,844</b>	<b>395</b>	<b>9,239</b>	<b>8,301</b>

	General funds £000	Restricted funds £000	2008 Total funds £000	2007 Total funds £000
<b>5. Incoming resources from charitable activities</b>				
Public funding for prevention and care:				
Department of Health – NHS London	–	693	<b>693</b>	–
– other projects	–	128	<b>128</b>	165
The Big Lottery Fund	–	3,076	<b>3,076</b>	4,824
Sport England	–	316	<b>316</b>	662
Food Standards Agency	–	53	<b>53</b>	–
	–	<b>4,266</b>	<b>4,266</b>	<b>5,651</b>

## Notes to the accounts

	Awards (note 11) £000	Other direct costs £000	Support costs allocated £000	<b>Total 2008 £000</b>	Total 2007 £000
<b>6. Gross expenditure</b>					
<b>Cost of generating funds</b>					
Fundraising	–	16,053	1,679	<b>17,732</b>	17,435
Publicity	–	596	221	<b>817</b>	893
Retail costs	–	67,934	263	<b>68,197</b>	62,096
Investment management fees	–	756	–	<b>756</b>	711
	–	85,339	2,163	<b>87,502</b>	81,135
<b>Charitable expenditure</b>					
Research	71,640	462	221	<b>72,323</b>	50,414
Cardiovascular Initiative – research	(97)	–	–	<b>(97)</b>	(384)
Prevention and care	10,679	22,561	1,458	<b>34,698</b>	35,275
	82,222	23,023	1,679	<b>106,924</b>	85,305
<b>Governance</b>					
	–	255	574	<b>829</b>	733
	82,222	108,617	4,416	<b>195,255</b>	167,173

### Direct costs

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity.

### Support costs included in gross expenditure

The Foundation 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.

The costs of the Directorate and the Finance Divisions, which provide support for the activities listed above, are allocated as shown below. The allocation is based on the time spent by each department in supporting the various activities.

Overheads are allocated to activities on the basis of square footage occupied, by headcount involved, or in proportion to resources used.

Support costs for the year ended 31 March 2007 have been recalculated to be consistent with the formula changes applied to publicity costs in year ended 31 March 2008; this follows a detailed assessment of the activities undertaken for income generation and for charitable purposes respectively.

	Costs of Generating Funds			Charitable expenditure		Governance £000	Total £000
	Fundraising £000	Publicity £000	Retail costs £000	Research £000	Prevention and Care £000		
Directorate	161	21	25	21	140	55	423
Facilities management	152	20	24	20	132	52	400
Finance	217	29	34	29	189	74	572
Human resources	363	48	57	48	316	124	956
Information technology	539	71	85	71	468	184	1,418
Legacy administration	110	14	17	14	95	38	288
Legal	79	10	12	10	68	27	206
Secretariat	58	8	9	8	50	20	153
<b>Total</b>	1,679	221	263	221	1,458	574	4,416

## Notes to the accounts

	Total 2008 £000	Total 2007 £000
<b>6. Gross expenditure continued</b>		
<b>Analysis of governance costs</b>		
Internal Audit	127	169
Company Secretarial	65	65
Legal and professional fees	–	10
Audit fees – charity	41	35
Audit fees – subsidiary companies	13	12
Costs of AGM and trustee travel	4	5
Annual Report and Accounts	5	15
Support costs allocated	574	422
	<b>829</b>	<b>733</b>
	2008 £000	2007 £000
<b>Gross expenditure for the year is stated after charging (crediting):</b>		
Audit of lotteries included in fundraising	3	1
Operating lease rentals	15,383	14,397
Profit/(loss) on disposal of fixed assets	15	69
Depreciation: charge for year	3,883	3,326
reversal of previous impairment	(1,558)	–

### Taxation

The Foundation is a registered charity and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities as it falls within the various exemptions available to registered charities.

Subsidiary companies pay any taxable profits or surpluses to the charity each year under Gift Aid.

	2008 £000	2007 £000
<b>Staff and Trustee information</b>		
<b>Staff costs</b>		
Salaries	32,549	29,814
Social security	2,926	2,669
Other pension costs (see note 16)	1,703	1,767
Other staff costs	1,035	674
	<b>38,213</b>	<b>34,924</b>
	2008	2007
The average number of staff, on a full-time equivalent basis, employed in the year, was:		
Head office	262	232
Regions	117	108
Shops	1,338	1,325
	<b>1,717</b>	<b>1,665</b>

## Notes to the accounts

	2008	2007
<b>6. Gross expenditure continued</b>		
The following numbers of staff have emoluments above £60,000:		
Between £ 60,001-£ 70,000	8	10
Between £ 70,001-£ 80,000	6	2
Between £ 80,001-£ 90,000	2	6
Between £ 90,001-£100,000	5	1
Between £140,001-£150,000	–	1
Between £150,001-£160,000	2	1
Between £160,001-£170,000	–	1
Between £180,001-£190,000	1	–
Number of staff included above for whom retirement benefits are accruing – defined contribution schemes	19	16
– defined benefit schemes	5	6
	<b>2008</b>	2007
	<b>£000</b>	£000
Contributions in the year for the provision of defined contribution schemes for staff included above.	<b>289</b>	237

The Remuneration Committee determines the salaries and benefits of senior executives.

### Trustee costs

No Trustees received any remuneration for services as members of the Board of Trustees, but a total of £1,998 (2007: £2,290) was reimbursed to five (2007: six) members for travelling expenses to and from meetings.

As permitted in the Memorandum and Articles of Association, Trustee indemnity insurance was purchased at a total cost of £ 5,670 (2007: £ 7,159).

## Notes to the accounts

Notes	Balance 1 April £000	Incoming resources £000	Total resources expended £000	Net investment (losses) £000	Actuarial gain pension fund £000	Transfers £000	Balance 31 March £000
<b>7. Statement of funds</b>							
Endowment funds:							
Chair endowment trusts	a	<b>7,089</b>	–	–	–	–	<b>7,089</b>
G M Yule bequest	b	<b>74</b>	–	–	–	–	<b>74</b>
		<b>7,163</b>	–	–	–	–	<b>7,163</b>
Restricted funds:							
Research restricted legacies/ donations							
	c	–	349	(349)	–	–	–
Chair endowment trust income	d	–	395	(395)	–	–	–
Cardiac equipment and care legacies/donations							
	e	–	1,008	(1,008)	–	–	–
Department of Health funding	f	–	821	(821)	–	–	–
Sport England funding	g	–	316	(316)	–	–	–
BHF Heart Nurse appeal/ nurse restricted donations							
	h	–	3,178	(3,178)	–	–	–
Food Standards Agency	i	–	53	(53)	–	–	–
Lottery funded awards – block grants	j	<b>(3,193)</b>	3,076	(95)	–	–	<b>(212)</b>
		<b>(3,193)</b>	<b>9,196</b>	<b>(6,215)</b>	–	–	<b>(212)</b>
Designated funds:							
Fixed asset fund							
	k	<b>23,883</b>	–	–	–	3,296	<b>27,179</b>
Cardiovascular Initiative fund	l	<b>1,606</b>	–	–	–	(1,606)	–
		<b>25,489</b>	–	–	–	1,690	<b>27,179</b>
General fund:							
		<b>49,840</b>	175,893	(189,040)	(6,058)	1,396	<b>30,341</b>
Total funds							
		<b>79,299</b>	<b>185,089</b>	<b>(195,255)</b>	<b>(6,058)</b>	<b>1,396</b>	<b>64,471</b>

### Notes

- The Chair endowment trusts represent endowments returned to the Foundation by universities (note 15)
- Income from the G M Yule bequest is available for the general activities of the Foundation
- Research restricted legacies/donations are those where the terms of the bequest/gift specifically require the money to be used for research
- Interest earned by the Chair endowment trust is to support Chairs of cardiovascular medicine
- Cardiac equipment and support donations are funds restricted by the donor to specific projects
- Department of Health – Section 64 Funding (discretionary grants to voluntary sector organisations in England whose activities support the Department of Health's policy priorities)
- Sport England are our partners in supporting the active workplace projects
- The Real Valentine BHF Heart Nurse appeal supports the creation of new nurse posts
- Income for a Food Standards Agency funded salt awareness project targeting social cooking in 15 places of worship
- The Big Lottery Fund now supports two projects covering heart failure nurses and cardiac rehabilitation programmes
- The fixed asset fund represents the net book value of tangible fixed assets used by the Foundation
- Remaining funds were transferred out of the CVI designated fund as no further grants will be made under this initiative

## Notes to the accounts

	General £000	Designated £000	Restricted £000	Endowment £000	Total £000
<b>7. Statement of funds continued</b>					
<b>Analysis of net assets between funds</b>					
Tangible fixed assets	–	27,179	–	–	<b>27,179</b>
Investments	198,238	–	–	7,163	<b>205,401</b>
Current assets	41,912	–	–	–	<b>41,912</b>
Current liabilities	(127,878)	–	(212)	–	<b>(128,090)</b>
Long-term liabilities	(80,929)	–	–	–	<b>(80,929)</b>
Pension Fund deficit	(1,002)	–	–	–	<b>(1,002)</b>
	<b>30,341</b>	<b>27,179</b>	<b>(212)</b>	<b>7,163</b>	<b>64,471</b>

	Land, buildings and improvements						Total £000
	Freehold £000	Long leasehold £000	Short leasehold £000	Shop fittings £000	Vehicles £000	Furniture and equipment £000	
<b>8. Tangible fixed assets</b>							
<b>Group and Charity</b>							
<b>Cost</b>							
At 1 April 2007	11,695	1,556	13,517	13,998	1,371	10,199	52,336
Additions	–	–	1,100	2,329	320	2,008	5,757
Disposals	–	–	(99)	(128)	(324)	(863)	(1,414)
At 31 March 2008	<b>11,695</b>	<b>1,556</b>	<b>14,518</b>	<b>16,199</b>	<b>1,367</b>	<b>11,344</b>	<b>56,679</b>
<b>Depreciation</b>							
At 1 April 2007	3,572	125	7,143	9,093	669	7,851	28,453
Charge for year	152	25	996	1,015	357	1,338	3,883
Reversal of previous impairment	(1,558)	–	–	–	–	–	(1,558)
Disposals	–	–	(78)	(117)	(258)	(825)	(1,278)
At 31 March 2008	<b>2,166</b>	<b>150</b>	<b>8,061</b>	<b>9,991</b>	<b>768</b>	<b>8,364</b>	<b>29,500</b>
<b>Net book values</b>							
<b>At 31 March 2008</b>	<b>9,529</b>	<b>1,406</b>	<b>6,457</b>	<b>6,208</b>	<b>599</b>	<b>2,980</b>	<b>27,179</b>
At 31 March 2007	8,123	1,431	6,374	4,905	702	2,348	23,883

An indicative valuation was obtained from Lambert Smith Hampton in 2008 showing the market value of BHF's properties to be in excess of the original, un-impaired net book value. Consequently the previous provision of £1.56m (made in March 2006) for impairment to property values, has been reversed.

## Notes to the accounts

	2008 £000	2007 £000
<b>9. Investments</b>		
<b>Group and Charity</b>		
<b>Market value</b>		
At 1 April	212,213	206,658
Purchase of investments	54,593	45,633
Receipts from sale of investments	(55,347)	(46,365)
	<b>211,459</b>	<b>205,926</b>
Net investment (loss)/gain	(6,058)	6,287
At 31 March	<b>205,401</b>	<b>212,213</b>
<b>Represented by</b>		
Listed investments – Fixed interest securities	38,555	33,432
– Equities	144,057	157,960
Unlisted investments	219	219
Property	4,457	5,776
Short term deposits	18,113	14,826
	<b>205,401</b>	<b>212,213</b>
Listed investments include overseas investments of £50 million (2007: £47.7 million).		
<b>Historical cost at 31 March 2008</b>	<b>174,335</b>	<b>168,691</b>
<b>Unrealised gains at 31 March 2008</b>	<b>31,066</b>	<b>43,522</b>
<b>Gains realised in the year</b>	<b>6,990</b>	<b>8,460</b>

The listed investments include shares in four companies quoted on the Alternative Investment Market (AIM) of the London Stock Exchange, which the Foundation accepted as donations under the condition that they would not be sold until various dates up to March 2007.

At 31 March 2008 the total quoted value of these shares was £0.1m (2007 : £0.2m) but, recognising the lack of any effective market for the quantity of the shares held, the Board of Trustees has decided that the difficulties in trying to establish a real market value outweighs any benefit and since they were received at no cost no amount has been included in the financial statements.

	Group		Charity	
	2008 £000	2007 £000	2008 £000	2007 £000
<b>10. Debtors</b>				
Amount owed by subsidiary undertakings	–	–	3,389	3,706
Other debtors	3,672	3,164	2,896	2,440
Prepayments	5,303	4,492	5,054	4,312
Income tax recoverable	2,845	1,511	2,756	1,511
	<b>11,820</b>	<b>9,167</b>	<b>14,095</b>	<b>11,969</b>

Other debtors includes an amount of £449,609 (2007 : £946,000) which represents accrued legacies which have been recognised in incoming resources.

The Foundation has received notification of 980 (2007 : 869) legacies for which no income has been recognised at 31 March 2008; this will be included in future years.

## Notes to the accounts

		2008 £000		2007 £000
<b>11. Research and other awards</b>				
Outstanding liabilities at 1 April		<b>187,455</b>		186,792
Awarded during the year:				
Research		<b>72,554</b>		53,270
Discounting of research awards:				
	unwinding of 2007	<b>2,460</b>		
	incremental change in 2008	<b>(3,374)</b>		(3,656)
		<b>71,640</b>		49,614
Cardiovascular Initiative – research		<b>(97)</b>		(384)
Prevention and care		<b>10,694</b>		29,319
Discounting of prevention and care awards:				
	unwinding of 2007	<b>364</b>		
	incremental change in 2008	<b>(379)</b>		(491)
		<b>10,679</b>	<b>82,222</b>	<b>28,828</b>
			<b>78,058</b>	
		<b>269,677</b>		264,850
Paid during the year		<b>(69,234)</b>		(77,395)
Outstanding liabilities at 31 March		<b>200,443</b>		187,455
Awards falling due within one year		<b>119,514</b>		119,237
Awards falling due after more than one year		<b>80,929</b>		68,218
		<b>200,443</b>		187,455

Liabilities for research and other awards represent the unpaid balances on grants awarded as at the balance sheet date. They relate to current and ongoing research being funded by the Foundation and to which the Foundation is firmly committed. Where awards are subject to a mid-term review, provision is made in the financial statements for the Foundation's liability up to the time of that review. In the case of awards for Chairs of Cardiovascular Disease there remains a significant but unquantified commitment to continue funding chairholders for the remainder of their career in that post, subject to the successful outcome of each five yearly review.

In line with the requirements of the SORP 2005, the Foundation has discounted its long term grant liabilities, both for research and for prevention and care.

The amount shown for the Cardiovascular Initiative research, represents un-spent funds on a completed project.

The Foundation sometimes 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. During the year ended 31 March 2008 the Foundation awarded grants of £nil (2007: £nil) for projects to which members of the Board of Trustees or Council are connected. One research grant of £0.1m was awarded to an institution whose applicants included the son of one of the Trustees, who did not participate in the decision to award the grant.

All grants are made to institutions, and a list of the 212 research awards made during the year by the medical committees is obtainable from The Medical Director, British Heart Foundation, 14 Fitzhardinge Street, London, W1H 6DH.

	Group		Charity	
	2008 £000	2007 £000	2008 £000	2007 £000
<b>12. Other creditors</b>				
Amount owed to subsidiary undertakings	–	–	<b>681</b>	1,011
Accruals	<b>7,245</b>	6,329	<b>7,211</b>	6,317
Deferred income	<b>1,197</b>	1,301	<b>802</b>	674
Taxes and social security	<b>134</b>	216	–	–
	<b>8,576</b>	7,846	<b>8,694</b>	8,002

Deferred income at 31 March 2007, which related to rental income and sponsorship of forthcoming events, was released during the year to incoming resources for both the group and the charity.

### 13. Lease commitments

	2008 £000	2007 £000
At 31 March 2008 the Foundation had annual commitments, all for land and buildings, as follows:		
For leases expiring:		
Within one year	<b>504</b>	516
Between two and five years	<b>4,102</b>	3,129
After five years	<b>10,674</b>	10,877
	<b>15,280</b>	14,522

## Notes to the accounts

### 14. Subsidiary undertakings

The British Heart Foundation has four wholly owned non-charitable subsidiary undertakings registered in England and Wales, all of which are consolidated. They are:

- British Heart Foundation Ventures Limited, retailing Christmas cards, Heart Week roses and branded goods through the Foundation's network of voluntary branches, and making commission arrangements and sponsorship agreements.
- BHF Shops Limited, retailing non-donated goods in the Foundation's charity shops.
- London to Brighton Bike Ride Limited, owning rights to, and operating, the British Heart Foundation LONDON TO BRIGHTON BIKE RIDE.
- British Heart Foundation Sales Limited – dormant.

The net profits of these undertakings were transferred to the Foundation under Gift Aid.

Retail activities are shown in note 3 and fundraising activities are shown gross in note 2.

	British Heart Foundation Ventures Ltd £000	BHF Shops Ltd £000	London to Brighton Bike Ride Ltd £000	Total 2008 £000	Total 2007 £000
Turnover	1,867	6,432	1,068	<b>9,367</b>	8,914
Cost of sales	(205)	(3,541)	(128)	<b>(3,874)</b>	(3,541)
Gross profit	1,662	2,891	940	<b>5,493</b>	5,373
Other costs	(182)	(1,057)	(865)	<b>(2,104)</b>	(1,667)
Net profit	1,480	1,834	75	<b>3,389</b>	3,706
Gift Aid payment	(1,480)	(1,834)	(75)	<b>(3,389)</b>	(3,706)

The consolidated balance sheet includes aggregate amounts in respect of the assets and liabilities of the Foundation's subsidiary undertakings of £3.94m (2007 : £4.561m) and £3.94m (2007 : £4.561m) respectively.

### 15. Endowment of Chairs of Cardiovascular Medicine

Thirteen of the Foundation's Chairs of Cardiovascular Medicine were supported by endowments (the last of which was created in 1987), while the remainder were personal chairs.

The income these endowments generate is considered insufficient to fund the salaries of the professor, a secretary and a technician as was originally intended and the Foundation has started to offer the universities personal chairs for their professors in exchange for the return of the endowments. Four universities took up the offer in 2002/3 in respect of six endowments. Of these, four were capable of straightforward transfer back to the Foundation: the endowments themselves were returned to the Chairs and Programme Grants Committee that originally funded them, and the growth in the value of the endowments was treated as income. The remaining two endowments had been designated "in perpetuity" and, following Charity Commission advice that the Foundation should treat them differently, these endowment trusts were transferred in their entirety from the universities to the Foundation.

Two universities returned endowments during 2003/4, one university returned an endowment during 2004/5, and one further university returned an endowment during 2005/6. All these endowments were transferred in their entirety to the Foundation. The Foundation recognises these trusts as endowment funds and they are held on the balance sheet as such. Three universities still hold three endowments, which they may be invited to return to the Foundation.

## Notes to the accounts

	2008 £000	2007 £000
<b>16. Pensions</b>		
<b>Pension scheme contributions</b>		
Defined benefit scheme	389	529
Defined contribution scheme	1,314	1,238
	<b>1,703</b>	<b>1,767</b>

The Foundation operates a defined benefit scheme which was closed to new entrants from 30 June 2001.

The assets of the scheme are held in a separate trustee-administered fund. Contributions are made according to funding rates advised by the scheme actuary and are invested on a discretionary basis by Newton Investment Management Limited.

The last valuation of the scheme was carried out as at 1 July 2005 using the 'attained age' method of valuation. The market value of the scheme's assets at that date was £16,577,000, which represented 76% of the liabilities of the fund after allowing for expected future increases in earnings and pensions.

The principal actuarial assumptions used in the 2005 valuation were: a return on investments pre-retirement of 2.3% per annum greater than salary increases, a return on investments after retirement of 4.7% per annum and pension increases of 5% per annum in respect of pensionable service up to 30 June 2000 and thereafter at 2.5% per annum. The next valuation will be carried out as at 1 July 2008.

The contribution rate for 2008 was 24.4% of pensionable salaries (2007: 24.2% of pensionable salaries), plus the cost of insurance premiums to provide death in service benefits.

The Board of Trustees has assured members of its continued support for, and desire to retain, the scheme, while not giving any absolute guarantees. As a consequence it has resolved to pay an additional sum each year with the intention of eliminating the residual deficit by 2011. The first of these payments, amounting to £2,500,000 was made in April 2006 with second and third payments of £630,000 in April 2007 and 2008. The amount of future payments will be reviewed on the occasion of each triennial actuarial valuation of the pension scheme.

In addition the Foundation operates defined contribution schemes for certain employees, including all staff joining the Foundation since 1 July 2001, and contributes between 8% and 20% of pensionable salaries.

### FRS 17 'Retirement Benefits'

In accordance with the requirements of Financial Reporting Standard 17, the full actuarial valuation dated 1 July 2005 has been updated at 31 March 2008 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at a fair value.

The pension scheme is closed to new members and therefore under the projected unit method, the current service cost would be expected to increase as the members of the scheme approach retirement.

The major assumptions used for the actuarial valuation were:

	2008 %	2007 %	2006 %	2005 %
Rate of increase in salaries	5.1	4.7	4.5	4.5
Rate of increase in pensions in payment – Limited Prices Indexation	3.5	3.1	2.7	2.7
Rate of increase in pensions in payment – Guaranteed increases	5.0	5.0	5.0	5.0
Discount rate	6.7	5.4	5.1	5.5
Inflation assumption	3.6	3.2	3.0	3.0

### Mortality

	2008	2007
The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:		
Male	88.6	84.8
Female	91.1	87.8
The average life expectancy in years of a pensioner retiring at age 65, twenty years after the balance sheet date is as follows:		
Male	90.7	84.8
Female	93.0	87.8

## Notes to the accounts

### 16. Pensions continued

	Asset categories as a percentage of plan assets		Expected rate of return at the balance sheet	
	2008 %	2007 %	2008 %	2007 %
Equities	62	66	8.9	7.4
Fixed Interest Gifts	28	26	4.6	4.7
Corporate Bonds	8	5	6.7	5.4
Property	1	2	7.0	7.0
Cash/Other	1	3	4.8	4.7

The fair value of assets and present value of scheme liabilities are stated for 2008 excluding AVCs and figures for previous periods have been restated on the same basis. This has no impact on the deficit in the scheme and net pension liability.

### Analysis of amount charged to the Statement of Financial Activities under FRS 17

	2008 %	2008 £000	2007 %	2007 £000	2006 %	2006 £000	2005 %	2005 £000
Current service cost		514		621		606		708
Past service cost		172		167		50		21
Total operating charge		686		788		656		729
Expected return on pension scheme assets	(1,510)		(1,391)		(1,025)		(906)	
Interest on pension scheme liabilities	1,385		1,299		1,140		1,061	
Other finance (income) costs		(125)		(92)		115		155
Total		561		696		771		884

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

	Present Value of Defined Benefit Obligation		Fair Value of Scheme Assets		Net Liability Recognised in the Balance Sheet	
	2008	2007	2008	2007	2008	2007
Opening	(25,796)	(25,445)	22,682	19,240	(3,114)	(6,205)
Current Service cost	(514)	(622)	–	–	(514)	(622)
Past Service cost	(172)	(167)	–	–	(172)	(167)
Interest cost	(1,385)	(1,299)	–	–	(1,385)	(1,299)
Expected Return	–	–	1,510	1,392	1,510	1,392
Employer contributions	–	–	1,277	3,232	1,277	3,232
Members contributions	(105)	(128)	105	128	–	–
Actuarial gain (loss)	2,609	1,012	(1,213)	(457)	1,396	555
Benefits received/ paid	1,101	853	(1,101)	(853)	–	–
Closing	(24,262)	(25,796)	23,260	22,682	(1,002)	(3,114)

### Analysis of pension scheme assets and liabilities for the previous five financial periods

	2008	2007	2006	2005	2004
Present value of pension scheme liabilities	(24,262)	(25,796)	(25,445)	(20,658)	(19,115)
Fair value of pension scheme assets	23,260	22,682	19,240	14,945	12,652
Pension deficit	(1,002)	(3,114)	(6,205)	(5,713)	(6,463)
Experience adjustments in the pension scheme liabilities amount	–	–	310	(245)	(145)
Percentage of the pension scheme liabilities	0%	0%	1%	(1%)	(1%)
Experience adjustments to fair value of plan assets amount	(1,213)	(457)	2,609	546	1,135
Percentage of pension scheme assets	(5%)	(2%)	13%	4%	9%

## Charity balance sheet at 31 March 2008

	Note	£000	2008 £000	£000	2007 £000
<b>Fixed assets</b>					
Tangible assets	8		27,179		23,883
Investments	9		205,401		212,213
			<b>232,580</b>		236,096
<b>Current assets</b>					
Debtors	10	14,095		11,969	
Short-term deposits		5,979		16,827	
Cash on deposit, at bank and in hand		21,956		12,978	
		<b>42,030</b>		<b>41,774</b>	
<b>Creditors: amounts falling due within one year</b>					
Research and other awards	11	(119,514)		(119,237)	
Other creditors	12	(8,694)		(8,002)	
		<b>(128,208)</b>		<b>(127,239)</b>	
			<b>(86,178)</b>		(85,465)
<b>Net current liabilities</b>					
<b>Total assets less current liabilities</b>					
			<b>146,402</b>		150,631
<b>Creditors: amounts falling due after more than one year</b>					
Research and other awards	11		(80,929)		(68,218)
<b>Net assets excluding pension scheme liability</b>					
Pension scheme liability	16		(1,002)		(3,114)
<b>Net assets including pension scheme liability</b>					
			<b>64,471</b>		79,299
Represented by:					
<b>Funds (note 7)</b>					
<b>Endowment</b>					
Chair endowment trusts	7	7,089		7,089	
G M Yule bequest	7	74		74	
			<b>7,163</b>		7,163
<b>Restricted</b>					
Big Lottery Fund awards	7	(212)		(3,193)	
			<b>(212)</b>		(3,193)
<b>Designated</b>					
Fixed asset fund	7	27,179		23,883	
Cardiovascular Initiative fund		-		1,606	
			<b>27,179</b>		25,489
<b>General</b>					
General reserve		31,343		52,954	
Pension reserve	16	(1,002)		(3,114)	
			<b>30,341</b>		49,840
			<b>64,471</b>		79,299

Approved by the Board of Trustees on 8 July 2008



John Salmon, Chairman



Sir Peter Morris, Deputy Chairman

} Members of the Board of Trustees

### **Registered Office**

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London W1H 6DH

Phone: 020 7935 0185

Fax: 020 7486 5820

Website: [bhf.org.uk](http://bhf.org.uk)

Company registration number 699547

Registered charity number 225971

Scottish Registered Charity Number SCO39426

### **Bankers and principal advisers**

#### **Bankers**

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London E14 5HP

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32 Brandon Parade South  
Motherwell ML1 1UW

National Westminster Bank PLC  
Eden House  
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Mellon Financial Centre  
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Smith & Williamson Investment Management Limited  
25 Moorgate  
London EC2R 6AY

#### **Auditors**

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EC4A 3TR





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British Heart Foundation is a registered charity in England and Wales (225971) and in Scotland (SC039426).