ANNUAL REPORT AND ACCOUNTS 2014

British Heart Foundation

BIG CHANGE

FIGHT FOR EVERY HEARTBEAT

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Over the past 53 years, the BHF has been a driving force in the fight for every heartbeat. This Annual Report and Accounts tells the incredible story of the past year and celebrates those people who have made a huge difference to our work.
THE BHF AT A GLANCE

WHERE THE MONEY COMES FROM

Our income 2013–14
Total income £136.9 million¹

![Income pie chart 2013–14]

Our income 2012–13
Total income £134.7 million¹

![Income pie chart 2012–13]

WHERE THE MONEY GOES

Our expenditure 2013–14
Total expenditure £174.6 million²

![Expenditure pie chart 2013–14]

Our expenditure 2012–13
Total expenditure £149.4 million²

![Expenditure pie chart 2012–13]

1 For this analysis, total income £136.9 million (2013: £134.7 million) includes retail profit (excluding allocated support costs) of £30.3 million (2013: £32.4 million)

2 Total expenditure £174.6 million (2013: £149.4 million) excludes direct retail costs of £138.2 million (2013: £129.0 million)
We’ve developed our strategy for the next five years to help achieve our vision of a world where people do not suffer from or die prematurely from cardiovascular disease. We will continue to strengthen our research, work to reduce the risk and impact of cardiovascular disease, make the UK a Nation of Lifesavers and support the seven million people with a diagnosis of cardiovascular disease.

We are looking forward to sharing our next stage of our journey with you all. You can find out more about our new strategy on page 50 or by visiting bhf.org.uk/strategy. I am confident that together, with your continued support, we will make great strides over the next year towards achieving our mission of winning the fight against cardiovascular disease.

Thank you again for your support.

Simon Gillespie, Chief Executive
@simonmgillespie

It has been an outstanding year for the BHF. Thank you for your contribution to our success.

Over the past year, we’ve been leading the fight for every heartbeat with our ground-breaking programme of research.

The year got off to a stellar start when, with funds from our Mending Broken Hearts Appeal, we launched three BHF Centres of Regenerative Medicine. We have expanded our revolutionary programme of Centres of Research Excellence, committing £18 million to funding the four existing centres for a further five years and investing a further £6 million in two more centres at Cambridge and Glasgow. These world-leading centres will use the BHF’s support and investment to make discoveries that will save lives.

Our fundraising remains strong. We launched our Great British Bag-athon challenge and filled over a million bags of items for our shops. Every bag sold contributed directly to funding our life-saving research. We also saw the nation Ramp up the Red in February to show their support for our cause, whether that was throwing a red-themed party or wearing a dash of red clothing on the day, it was fantastic to see the country rally to join our fight. Ramp up the Red contributed more than £1 million to our income in the year to March 2014.

It has been an outstanding year for us, thanks to you, our incredible supporters.

From the researcher working through the night in their lab, to the fundraiser striving to beat Ditchling Beacon on our London to Brighton Bike Ride, to the nurse supporting patients through their most difficult times, to the people who have lost a loved one and more than 26,000 volunteers who so selflessly devote their time to keeping our shops and events going; I thank you all on behalf of the BHF.

But we know we can’t stand still. We are firmly focused on making sure we are listening to all our supporters across the UK.

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Thank you again for your support.

Simon Gillespie, Chief Executive
@simonmgillespie
ACHIEVING OUR MISSION

Our vision is of a world in which people do not die prematurely or suffer from cardiovascular disease (CVD). It is our mission to win the fight against cardiovascular disease.

Over the past 53 years the BHF has been a driving force in the fight for every heartbeat, but we still lose far too many lives to CVD every day in the UK.

We set six overarching objectives in our 2007 strategy, ‘Beating Heart Disease Together’. In this Annual Report we share the progress we’ve made against these objectives in the last 12 months.

Also, we present the BHF’s next objectives from our new strategy, which we launched this summer, and will guide our work to 2020 and beyond. We’ve developed these through review of the UK’s changing health landscape, listening to our supporters and careful analysis of where the BHF can make the most impact on our mission: to win the fight against CVD.
OBJECTIVE 1:

Pioneer research into the causes of heart disease and improve methods of prevention, diagnosis and treatment
Thanks to your donations, we spent £115 million between April 2013 and March 2014 on supporting the best heart scientists, high-quality projects, cutting-edge clinical trials and world-leading research centres.
Professor Rhian Touyz, BHF
Professor of Cardiovascular Medicine at the University of Glasgow
With £24 million of new investment, we kept up the momentum of progress in our Centres of Research Excellence

In 2008, we launched four BHF Centres of Research Excellence to recruit the best young scientists, and support innovative approaches to accelerate discovery. With our help the Centres have made huge progress training over 200 cardiovascular researchers, so this year we awarded second five-year grants to Oxford, Edinburgh, King's and Imperial. And we've gone further, committing five-year, multi-million pound awards to create two new BHF Centres at the Universities of Glasgow and Cambridge.

Together, the ‘super-six’ will use the BHF’s support and investment to make discoveries that save lives.

Our Centres of Regenerative Medicine made a great start

Thanks to your donations to our Mending Broken Hearts Appeal, three BHF Centres of Regenerative Medicine were created in October 2013. These are networks of world-class scientists from different universities using stem cell research to find a cure for heart failure. We made sure they had the best start by linking up with newly created national hubs of expertise in stem cell technologies, called the MRC Regenerative Medicine Platform.

Specialist software mapped out BHF research progress more clearly

Research discoveries in the laboratory usually require years of development before they make an impact on patient care. ‘Researchfish’ helped us map out the complex journey of around 1,000 BHF-funded research projects this year, including how some have influenced national policy. We also improved our ability to track research that’s on the cusp of changing clinical practice, so we can help to make a difference to patients’ lives as quickly as possible.

We’re pursuing opportunities for heart research in a new world-class research centre

A world-leading medical research facility, called The Francis Crick Institute, is under construction in central London and will open in 2015. We’re in discussion with the main academic partners in the institute to identify top class cardiovascular scientists to work there.

New discoveries, new treatments

This year our researchers made more vital advances. Two exciting stories emerged from more than 20 years of progress by BHF-funded teams:

A step closer to predicting heart attacks

In November 2013, a potential new predictive test for heart attack was revealed in the top medical journal *The Lancet*. Co-funded by us, and led by Dr Marc Dweck, the study showed how a heart scan called PET-CT could identify plaques in coronary arteries that may be on the verge of causing a heart attack. Conventional heart tests show where plaques exist, but they can’t identify which ones are liable to rupture and block the artery. PET-CT scanning seems to pinpoint these in patients, giving doctors the chance to intervene before it’s too late. The next step is for more people to be scanned to confirm the findings, before understanding the best way to incorporate this test into standard care.

This exciting development is built on discoveries made by other BHF-funded scientists who – 14 years ago – first demonstrated the potential of PET imaging in identifying dangerous plaques in patients’ coronary arteries.

New frontiers in heart failure treatment

In April 2013, we announced the first UK clinical trials of an innovative gene therapy for heart failure. Led by BHF-funded researcher Dr Alex Lyon, the two trials are introducing a harmless virus, carrying a gene called SERCA2a, into the hearts of 224 patients with severe heart failure worldwide. SERCA2a is a human gene that’s crucial for healthy pumping of the heart. Levels of SERCA2a fall in heart failure, so it’s hoped that restoring it with gene therapy will help patients recover some strength. We’re co-funding one of the trials, which will test the SERCA2a gene therapy in UK heart failure patients already fitted with a mechanical heart pump known as a left ventricular assist device (LVAD). The device helps the failing heart to pump more effectively while a patient waits for a transplant. This trial will give vital information about the effectiveness of the gene therapy by measuring the amount of the SERCA2a gene that has been introduced into the heart muscle. Changes in the patients’ symptoms will also be assessed.
‘Everyone has a common goal; to improve patients’ lives.’

Cardiovascular disease kills more than one in four people in the UK. Our year began with a campaign showing that heart disease affects young and old alike, and that it devastates lives. We’re fighting back with research, and our Fight for Every Heartbeat adverts featured the work of Mark Kearney, BHF Professor of Cardiovascular and Diabetes Research at the University of Leeds. He is single-minded in his mission to improve the lives of people with heart disease.

I was a junior doctor when I realised the sheer enormity of CVD – there are just so many people blighted by it. Back then heart attacks were, more often than not, fatal.

Things are different now. More people than ever are surviving heart attacks. But for some of them, surviving is all they’re doing. Especially those who go on to develop severe heart failure. I wouldn’t want to do any other job, I’m driven by the need to improve the quality of life of heart failure patients.

Thanks to my BHF funding, I spend some of my week looking after patients, and the rest in the lab. The lab time is really important to me because seeing a patient who’s unwell drives me to think of new research to understand and treat their condition better.

My work focuses particularly on the impact of CVD on people with type 2 diabetes. Despite all the innovations and improvements we’ve made in medicine and surgery, people with type 2 diabetes are two to three times more likely to die from a heart attack, and they don’t respond nearly as well to treatment for heart failure. All I want is for the people I treat to have an equal chance of life.

So I’ll keep on working until they do. Of course we have bad days, but the really great thing about my job is that everyone has a common goal; to improve patients’ lives and keep families together for longer.
OBJECTIVE 2:
Provide vital information to help people reduce their own heart health risk
We’re committed to providing the best information to help keep your heart healthy, and to explain medical terms, tests and treatments for those living with a heart condition. In the past year we’ve sent out more than five million heart health resources. Hundreds of thousands more people accessed our information online, with an average of over three-quarters of a million visits to our website each month, more than 227,000 fans on Facebook and 102,000 Twitter followers.
Around 850,000 smokers answered our rally call ‘V for Victory’ and made a quit attempt on No Smoking Day 2014.

We integrated more of our online and offline information
After a review of our heart health resources, we streamlined our booklet series and included more links to online extras. We also launched ten new online films featuring stories of people learning to cook healthy meals on a budget, and getting physically active in later years.

We know that preparing for heart tests and procedures can be an anxious time, so another new series of website videos, The road ahead: Your guide to heart tests and treatments explains the process through the words of heart patients, and health professionals. The films – produced on DVD and found on YouTube, the BHF and NHS Choices websites – were viewed more than 71,000 times in 10 months.

Our new website, which will improve access to heart health information for millions of visitors each year, will launch later this year.

Health at Work membership rose, and we developed the programme
Our Health at Work programme helps employers to support their workforce to get fit and healthy. This year a membership drive included a report that 650,000 staff in the UK (two per cent of the total) are off sick from work in a typical week. The findings were revealed in an exclusive in The Observer, and helped to inspire almost 3,000 new employers to join the scheme, bringing it to nearly 9,000 employers reaching over seven million employees.

Our pedometer challenge pack has also gone from strength to strength, inspiring employers to promote physical activity to their staff and encouraging employees to kick start a heart healthy lifestyle.

Our Healthy Hearts Kit helped more local health heroes
Across the UK, thousands of heart health champions are taking on heart disease by helping their communities to make healthy choices. Our Healthy Hearts Kit is a ready-to-go learning toolbox used by health promoters. More than 4,000 kits are in use by a range of groups across the UK, including the NHS, local authorities, voluntary and community organisations.

We worked with more children and young people living with heart conditions
By using Facebook and working with partners, we boosted numbers in our Meet@teenheart club for 13-19 year-olds with heart conditions. We developed more on and offline information and ran events for people from across the UK to help develop the young peoples’ skills and confidence. Those who attended a journalism workshop have even taken over the group’s quarterly newsletter.
A life-saving (re)construction

Our award-winning Hands-Only CPR (Cardiopulmonary resuscitation) ad received a Lego makeover in 2014. A pint-sized plastic Vinnie Jones popped up in a ‘Lego-fied’ ITV ad break on 9 February. The tongue-in-cheek remake enabled us to reignite a vital issue; that the chances of surviving a cardiac arrest out of hospital are less than one in ten, but survival rates can be doubled if a bystander carries out CPR. The ad trended on YouTube and has been viewed more than 1.2 million times. Hundreds of people retweeted the advert, and visitors to bhf.org.uk/cpr rose by more than 300 per cent in the following week.

The ‘Women’s Room’ launched on our website
Coronary heart disease is often thought of as a man’s problem, but around 900,000 UK women are living with it too. We heard from women who felt isolated by their diagnosis, we listened to their concerns and in April 2013 we launched the Women’s Room on our website. It’s an online support community, where women can chat with others in a similar situation. The Women’s Room provides vital information about adjusting to life with a heart condition and is already being visited over 5,000 times each month.

No Smoking Day 2014 reached around 850,000 smokers
Around 850,000 smokers answered our rally call ‘V for Victory’ and made a quit attempt on No Smoking Day 2014. The message appeared on more than 19,000 campaign packs requested by our local organisers in pharmacies, GP surgeries, colleges, dentists and more. Inspiring stories of successful quitters featured on the BHF and No Smoking Day websites, where people could also turn their quit attempt into a sponsored event. We also partnered with Public Health England this year in the first step to developing a joint approach to offer smokers year round opportunities to quit.
Michael Barnett
Fighter
Michael Barnett, 32, from Doncaster, smoked 30 cigarettes a day for 15 years. Since quitting smoking Michael has transformed himself from a 16.5 stone couch potato and completed 13 triathlons and one aquathlon. He now exercises up to seven days a week.

As part of No Smoking Day 2014, Michael told his story to inspire smokers in their own bid to quit.

I started smoking when I was 15 because of peer pressure. I decided to quit 15 years later when I realised how much it was affecting my fitness levels.

Once I made the decision I started a blog charting my progress from smoker to triathlete. My quit attempt was going well with the support from my family, friends and blog followers.

But a few months later, I was getting stressed about a job interview and started smoking again. Over the next two weeks I became a secret smoker and hid it from my wife and friends.

I felt so much guilt for lying to my family and blog followers that I decided to admit that I had slipped up.

Admitting this to them was the best decision I ever made – their support was overwhelming.

My advice for quitters is to make sure you have a good support network in place. Social media like Twitter and Facebook really helped me to stay focused and I was able to connect with other people who had decided to quit too.

The changes I have made to my life have been phenomenal. When I was a smoker I could barely run more than 100 metres without being out of breath. I can now ride over a hundred miles. It really is worth stopping.

With the BHF’s help more people can quit. Like me, they’ll feel fitter, save loads of money, and most importantly, look forward to a longer life to spend with their family and friends.

‘The changes I have made to my life have been phenomenal.’
OBJECTIVE 3:

Press for government policies that minimise the risk of cardiovascular disease
During a time of NHS upheaval and economic austerity we have harnessed your campaigning efforts to keep up pressure on policy makers not to lose focus on cardiovascular disease.
Zoe Cook
Survivor
‘The name Zoe means life. She couldn’t be better named.’

Our commitment to funding research has helped survival rates rocket for children with congenital heart disease. But there’s still more to do. Every day in the UK, 12 babies are born with a heart defect. As well as funding vital research to eliminate congenital heart disease, this year we campaigned for better support in schools for children affected by a heart condition. And our Heart Helpline, booklets and website helped more mums like Susie Cook understand their babies’ diagnoses and cope through frightening times.

We’d been worried because at five weeks Zoe wasn’t putting on weight. We took her to the hospital for tests, expecting to go home afterwards. But that’s when they found holes in her heart and we didn’t leave hospital for ten days.

She needed a tube through her nose and into her stomach for food and for all her medicines. We learned to replace it ourselves if we caught Zoe pulling it out. She was always pulling it out!

The doctors wanted to wait so Zoe could put on a bit of weight before she had surgery, but one night I checked on her as she slept and saw straightaway something was wrong. Her skin had gone grey. I had never dialled 999 before in my life, I could hardly get my words out.

That happened twice and doctors decided she needed the surgery right away. She was seven months old.

Before the operation I held her in my arms and held the mask over her face while she went to sleep. It was so traumatic but the surgery went well. Just five days later we were both nervous and happy to be able to take her home.

Zoe is three now and she’s doing really well. I used to think she was so placid and laid-back but that was her condition taking up all her energy. A very big personality has emerged since her operation! The name Zoe means ‘life’. She couldn’t be better named.
In the battle against cigarettes we can help you win

nosmokingday.org.uk
0300 123 1044

©British Heart Foundation 2013, registered charity in England and Wales (225971) and in Scotland (SC039426).
We championed the needs of heart patients within new NHS structures, and shaped social care reforms

Heart patients joined us at political party conferences in 2013, to sharpen politicians and ‘decision-makers’ focus during meetings about issues affecting those with cardiovascular conditions. As part of the Care and Support Alliance (CSA), a consortium of over 70 organisations, we’re determined to secure major improvements to our care system to make it fairer and more effective for families affected by cardiovascular disease (CVD).

National cardiovascular strategies stayed in our sights

We’ve been a constant presence as the UK’s CVD strategies are formed and implemented. In Northern Ireland the first Cardiovascular Service Framework is developing, and we brought together politicians from all parties to ensure it meets the needs of patients. In Scotland, we helped to deliver the Better Heart Disease and Stroke Care Action Plan. And one year after England’s new CVD strategy launched we – as part of the Cardio and Vascular Coalition – began a project to monitor progress under the new NHS decision-makers, and kept it on the Secretary of State for Health’s radar with some parliamentary questions.

In Europe, we won a crucial battle in tobacco control

Every week, over 400 people in the UK die from smoking-related cardiovascular problems. The need for further action to reduce the harm caused by tobacco is urgent.

By writing to MEPs you helped us win a ‘yes’ vote in the European Parliament for new measures to reduce the attraction of smoking, fight tobacco smuggling, and tightly regulate e-cigarettes. Once approved in Brussels, the UK will have two years to enforce large picture warnings on all cigarette packs and a ban on glamorous packs aimed at women. We’ve had success in our pursuit of standardised or ‘plain’ cigarette packaging too. The Scottish Government intend to legislate and we’ve worked with others to strongly support this move. In England, partly through our work with partners on the Children and Families Bill, Westminster also now has the power to introduce this measure.

New rules threaten to stop our researchers analysing data to find health trends that could save lives in future. So we also continued work in Europe this year to ensure anonymous patient data remains available for essential medical research.

BHF Northern Ireland advanced our mission to get Emergency Life Support (ELS) skills taught in all schools

We’re seizing every opportunity to push for life-saving skills to be taught in UK schools. BHF Northern Ireland helped create and shape the country’s first Community Resuscitation Strategy launched in 2014, including provision of ELS training in schools. We are pushing for more progress in England, Wales and Scotland and we’ve asked all parties to commit to CPR training in their manifestos.

Our campaigners helped to make laws that will benefit our children’s health

Thanks in part to the efforts of BHF campaigners, from 2015 in Scotland and England, by law, children will be protected from secondhand smoke in cars. In Scotland, our campaigners were instrumental in helping us push forward the ban, and took action again to help us – as part of the Smokefree Action Coalition – secure a victory at Westminster. It’s a really important issue so we’re pleased that the Welsh Government has similarly committed, while Northern Ireland are making progress.

In July, a vote by the Welsh Government marked the end of a hard-fought campaign by BHF Cymru and others to attempt to raise the number of donor hearts available for transplant. Everyone in Wales is now a potential organ donor unless they actively choose not to be. We’re urging other nations in the UK to follow suit, and the first parliamentary steps are underway in Northern Ireland and Scotland.

Care in the classroom

We fought this year for improvements to school life for young people with heart conditions. They’d told us about a catalogue of misunderstanding and inadequate support that left many feeling isolated. Working with the Health Conditions in Schools Alliance, we campaigned for schools to have a legal duty of care to these pupils. An amendment to the Children and Families Bill made it happen, and guidance for schools in England was created. In Scotland, we worked with the Scottish Commissioner for Children and Young People to put the needs of these young people on the Scottish Government’s agenda and have joined their new working group to review outdated schools guidance.
'I don’t let anything beat me. You just keep on fighting.’

Andrew Duncan from Co. Londonderry is waiting for a new heart. He knows all too well that the current transplant system is inadequate, and he’s been helping BHF Northern Ireland to push the Government for a change to the law. We’d like everyone to be on the organ donor register unless they actively choose not to be included or unless their family objects after their death – this is known as ‘soft opt-out’. It’s an issue we’re campaigning on across the UK, and it’s a battle we won this year in Wales. We made great progress in Northern Ireland too, where we helped establish an alliance to increase awareness of the issue. The first step has been taken, and we’ll be keeping the pressure on to help Andrew and others like him.

I was told I needed a heart transplant in 2011 and got an offer of an organ a year later. But unfortunately there was a problem with the left ventricle and they couldn’t transplant it.

I was over in Newcastle waiting for the transplant. My “window of opportunity was closing”, that’s how they put it. And the only thing they could do was operate on me and fit a mechanical pump to my heart. It’s battery powered. They put that in so I wouldn’t die.

My heart condition – dilated cardiomyopathy – runs in our family. My dad died from it when he was just 40 in 1982, and my sister had it and got a new heart last year.

My illness means that I can barely walk at times, but in February I challenged myself to walk around the city’s Peace Bridge. For anybody else it is easy, for me it was like doing a marathon. But I was proud to finish and to raise more than £2,400 for BHF Northern Ireland.

I’m a very determined person. I will get the transplant. I don’t let anything beat me. You just keep on fighting.
Andrew Duncan
Survivor
OBJECTIVE 4:

To help attain the highest possible standards of care and support for heart patients
We fund care and provide support that saves lives and helps people with CVD to live well for longer. Last year, you might have seen our logo on the defibrillator at your local train station, on the shirt of your friendly community nurse, on the trainer who taught you CPR, or on our vibrant magazine, Heart Matters, dropping through your letterbox. We’re fighting for every heartbeat on the frontline and behind the scenes across the UK.
We improved lives through our care initiatives.

More of you signed-up to Heart Matters and we boosted the online content of the magazine
Our award-winning Heart Matters magazine provides tips on living life to the full with heart disease to more than one million people, six times a year. Many of you choose to take delivery via your inbox – rather than your letterbox. At the click of a button you can now access bonus interviews, video and picture galleries online. The magazine is the flagship of our free Heart Matters service, to which more than 55,000 people signed up this year. You can sign-up by visiting bhf.org.uk/heartmatters

We developed a new way to train young life-savers
A review of our Survival programme, which aims to improve survival rates from out of hospital cardiac arrest, revealed the need for a new approach to training young people in CPR. So this year we decided to adopt a ‘watch and learn’ model to be rolled out in secondary schools in 2014. The kit contains an inflatable resuscitation manikin and half-hour DVD demonstrating the basic steps of CPR. By watching and practising on the manikin, young people learn the essentials they need to help save someone after cardiac arrest. The kit can be taken home too, cascading the skills to friends and family to help save more lives.

We took steps to help communities save more lives with Public Access Defibrillators (PADs)
We think the UK needs a joined-up approach to managing the thousands of portable community-based defibrillators – known as PADs – dotted across the UK. So we’ve been working with the NHS and Ambulance Trusts, and this year we began laying the
foundations towards creating a national database. In June, we relaunched our own PAD funding scheme with renewed focus on providing equipment where there is greatest need and potential impact. We want the machines to save as many lives as possible, so the location must be busy and the machine accessible, with clear plans in place to make local people aware of it and provide CPR training.

1,200 heart health professionals received BHF support, and we planned how to widen our reach
Our healthcare practitioner programme began in 1996 by funding 15 Cardiac Liaison Nurses. Thanks to your donations we’re now able to fund the training and development of 1,200 professionals in the NHS and independent sector, helping them to give patients the best possible care. Although this fell short of our target of 1,500, we have increased the number significantly by supporting 250 more heart health professionals in this year alone. This year we identified a need to widen our reach and developed a new model called The BHF Alliance. Launched in June 2014, the Alliance will enable a wide range of heart health professionals including practice and community nurses and GPs to gain specialist CVD knowledge and skills, and work alongside us to defeat heart disease.

We improved lives through our care initiatives...
When we see current health services falling short, your donations allow us to test new ways of working and assess their impact on patients. Many of our schemes have transformed local care standards, such as a pilot scheme – evaluated this year – to introduce Cardiac Healthcare Assistants into specialist nurse teams. They took on additional duties such as pre-assessment observations and completion of specific documentation, increasing the capacity of the specialist nurses to treat more patients and spend more time helping them understand both the effects of their diagnosis and helpful self-care techniques, which can be crucial for keeping well at home.

...and we shared our findings so that more patients can benefit
It’s vital we tell heart health professionals and NHS decision-makers about new ways of working that we know can have a big impact on patients’ lives. This year we championed our schemes through conferences and articles in journals such as Nursing Times, and we worked closely with NHS decision-makers. We’re proud that two of our projects – improving the care of people with irregular heart rhythms, and delivering intravenous diuretics treatment at home – were chosen and promoted as examples of best practice by the NHS Quality, Innovative, Productivity and Prevention programme.

Our networks of heart patients and carers grew with our support
We’re striving to involve and integrate heart patients and the public in more of what we do. This year we ran a listening exercise with our network of close to 300 local Heart Support Groups to ensure we understand the needs and worries of those living with CVD. We also created a national Heart Voices Network of patients and carers who want to use their experiences to help change the future of heart health services. They’ll help to shape our work, as well as supporting each other to influence local NHS and government to improve services within their communities.

Joining the dots
When current services aren’t providing the best care for people with heart disease, we look at alternative ways of doing things and support health professionals to implement these new methods. In 2012 we invested £1 million in nine innovative schemes to improve heart patient care by better integrating local health services, such as community care, A&E departments and inpatient cardiology. This year, we saw early results from one site in East Cheshire that are really promising. Patients are being seen by a specialist more quickly, having access to more treatments at home, needing fewer admissions to hospital and spending less time in hospital when they are admitted. If formal evaluation of all the sites supports the early findings, we’ll be lobbying for a ‘joined-up’ approach across the UK. The next phase of integrating care will be implementing our plans with our partners in the Coalition for Collaborative Care.
‘I think patients readily identify with and trust the BHF.’

Thirty years ago a researcher funded by the BHF showed that a DNA test could identify people with a ‘silent’ inherited condition known as familial hypercholesterolaemia. ‘FH’ can cause high levels of harmful cholesterol from a young age, but if undetected the first sign that anything is wrong may be a heart attack.

Rob Gingell is a BHF-supported nurse working in Wales to expose the silent killer.

Often the first time I meet my patients is when they’re in hospital after their undetected FH has caused a heart attack. But increasingly, potential cases are picked up earlier when a GP spots a pattern of premature coronary heart disease or significantly raised cholesterol levels and gets suspicious.

My role is to offer a genetic test to people that we suspect might have the condition. If the test confirms FH, we try to trace and test the rest of the family. By testing one patient you can begin a cascade that finds many others at risk, and offer help.

Treatment involves a two-track approach. We offer cholesterol-lowering statins, but we also provide lifestyle advice and support, each as important as the other. Getting in early to control the cholesterol and prevent someone having a heart attack is great, especially having started my career in a coronary care unit, witnessing people already suffering the dreadful effects.

The BHF funded the set-up of our FH testing service, and they support my training and professional development, which helps me to keep up with the latest knowledge and techniques and give my patients the best information and highest standards of care. The connection to the Charity has been invaluable. I think patients readily identify with and trust the BHF.

The BHF’s role in supporting innovative patient services in the NHS is so important for raising the standard of cardiovascular care in the NHS. So I was delighted when one of my patients, David Collings, appeared on ITV’s Text Santa last Christmas to help raise money for more BHF healthcare professionals like me.
OBJECTIVE 5:

To reduce the inequalities in levels of heart disease across the UK
We are determined to tackle the shocking inequalities in the incidence of heart disease. Heart disease death rates in men in Scotland are 40 per cent higher than in South East England. Women in England and Wales in the lowest socio-economic group are five times more likely to die from cardiovascular disease prematurely than women in the highest group.
More Hearty Lives projects began to help young people in deprived areas look after their hearts

Over 159,000 people have taken part in our Hearty Lives projects across the UK. Six of these projects are confronting unhealthy lifestyles in 11-18 year olds, building the foundations for better heart health in adulthood. For example, in Glasgow and Inverclyde – where 40 per cent of local communities are ranked among the most deprived in Scotland – we invested £600,000 in three projects to tackle obesity in young people.

"We continued to make strides with our social cooking project, which launched in 2011. The project encourages heart-healthy dietary changes in South Asian families, by working with congregations and cooks at places of worship."

We developed an ambitious programme to revolutionise care for people living with cardiovascular disease

Work began this year with our partners in the Coalition for Collaborative Care on planning a revolution in cardiac care. We’re aiming to support the creation of integrated and effective care and support services for heart patients across the UK. We’re set to award the first grants of an ambitious funding programme in December 2014.

We reviewed our Healthy Hearts Kit

Thanks to our Healthy Hearts Kit, health promoters across the UK have been able to teach more people how to take care of their hearts. Almost 700,000 people have received guidance through this programme, including over 160,000 from hard-to-reach communities and areas of deprivation.

We reviewed our resources for black and minority ethnic (BME) groups and worked directly with BME communities across the UK

If you are of a South Asian background, you are at risk of developing coronary heart disease.

This year we updated our vital booklets for this audience. Our new 10 mins booklets are suitable for people with low literacy and who speak English as a second language. A new booklet, due out later this year, Taking care of your heart – in multiple South Asian languages – will give a holistic picture of ways you can make small changes for the sake of your heart.

Our work in Nottingham this year targeted South Asian taxi drivers. With long hours in the driving seat, it can be hard for cabbies to make healthy choices.

So in partnership with Bright Ideas Nottingham, we ran clinics at busy taxi ranks and a dozen drivers were supported to complete a ten week health challenge. All of them lost weight, with reductions in blood pressure and resting pulse rate also seen in most.

We continued to make strides with our social cooking project, which launched in 2011. The project encourages heart-healthy dietary changes in South Asian families, by working with congregations and cooks at places of worship. As a result of the project, participants eating a meal at the place of worship each day could see their saturated fat intake halved, and their salt intake reduced by 40 per cent - two important changes for a healthy heart.

People with an African Caribbean background are most at risk of having high blood pressure or a stroke, and among the highest risk for type-2 diabetes of all the ethnic groups in the UK. Having diabetes or high blood pressure increases your risk of heart disease.

Our African Caribbean resources – Taste of the Caribbean and Healthy living, healthy heart booklets continue to be very popular, with close to 50,000 copies being distributed in the past year. A new version of the Healthy living, healthy heart booklet, due out later in the year, aligns with the new South Asian booklet and gives a clear overview of how to make simple lifestyle changes to keep your heart healthy.

Crystal clear

We’re determined to tackle the UK’s divide in heart health. We know that many adults in the worst hit areas have low levels of literacy, so this year we developed a range of heart health resources that are more accessible than ever.

The new easy-read 10 minutes to change your life series covers healthy eating, smoking, high cholesterol and more, while Quick guides cover common heart conditions and tests.
We’re working directly with BME communities across the UK.
‘Every week you get to try a different sport.’

Our latest statistics show that 79 per cent of boys and 84 per cent of girls aged 5 to 15 do not meet current guidelines of at least one hour’s physical activity per day. We know that unhealthy habits increase the risk of coronary heart disease, so we’re working with children and families across the UK – encouraging people to eat well, be more active and keep their weight down.

Our Hearty Lives programme continued to invest in establishing healthy habits in the most deprived communities in the UK. Joanna Anderson, a mother of two from Dundee, shows how our Hearty Lives funding is helping families turn their lifestyles around.

A colleague had joined Active Families, part of Hearty Lives in Dundee, and told me about it. I phoned up and asked if we could join and the project coordinator came out to see us.

I’m not one for sitting in the house, but there was nothing on offer for us to be active as a family.

I wasn’t in the habit of taking the kids swimming – when they were small it was really hard work with a buggy and all the stuff we needed, but now they’re older it’s easier.

Active Families gave us three months’ free leisure passes and we loved it! When we started going swimming the kids were struggling and wearing arm bands. Now my husband and I take them twice a week and they’re diving in, no problem.

When the passes expired we started going to an Active Families drop-in at a local school, which has a nominal fee of £1. You get one hour of sports and one hour swimming. The kids love that. Every week you get to try a different sport, like basketball, tennis, dodgeball or hockey.

To see the kids coming on and growing in confidence is great. They’re making friends too. My kids are quite shy but they’ve gone from holding my hand to chasing people around the sports hall.

The programme really motivates you and we’re definitely having more fun as a family.
OBJECTIVE 6:
Raising vital funds
Thanks to you, we raised over £136 million this year to fight heart disease. Whether you have dropped loose change in a collecting tin, walked yourself fitter on a sponsored hike, de-cluttered and donated to our shops or set up a monthly direct debit, you made a difference.
We got involved with Ramp up the Red.’

Thanks to you for every pound dropped in a BHF collecting tin this year, for every vital donation, for every sponsored mile you cycled, and for every one of you that remembered to put the BHF in your Will.

In February, we asked you to support us again during Ramp up the Red, by donning a red item of clothing, or doing something red-themed on the day. Young heart patient Gretel Lambert and her dad Mark appeared in our national advertising campaign dressed as big red dragons. All those who carried out Ramp up the Red activities during the year, including Gretel and her dad, helped us raise over £1 million more for research to help progress our fight against heart disease.

Gretel was born with three congenital heart problems, including a hole in her heart. At 21 days old she stopped breathing and she had to have an operation to stabilise her condition, but they couldn’t do the big operation until she was a bit stronger.

My wife, Marissa, and I moved to the Glenfield Hospital for four months to be with Gretel and Marissa took a year and a half off work.

At 18 months old she had open heart surgery to correct her right ventricle. Her operations meant she had trouble eating and had to have a stomach tube inserted in order to give her liquid food.

Now five, she has started eating by herself and has started school. We have a busy family life, with Gretel’s seven-year-old brother Rupert and her younger brother Gulliver, aged two. We are very fortunate to have had lots of support from Rupert’s school and in fact from the whole village community.

It’s been traumatic, but when you look back on the last four years it’s been a unique and amazing experience. Thankfully, Gretel has come on and we are embracing her condition as a family. We got involved with Ramp up the Red to turn a very bad experience into a really good one.
Our army of volunteers is greater than ever

Volunteers are the backbone of the BHF, without whom we simply couldn’t raise enough funds to keep our vital research programme going. This year even more of these everyday heroes joined us, and we now have over 26,000 volunteers – enough to populate a town!

And this year, as well as the daily cash-collecting, event-marshalling, talk-giving and shop-running, our volunteer army got involved in ITV’s annual Christmas fundraiser. Text Santa selected the BHF as one of its benefiting charities, and BHF volunteers helped with the Big Bag Pack at Morrisons supermarkets. Their efforts helped towards the £850,000 raised by Text Santa for our work in patient care.

In addition, the continued support of our Branches and Fundraising Groups has been invaluable, helping us to raise vital funds and awareness of the BHF within local communities.

To find out more about volunteering opportunities in your local area visit bhf.org.uk/volunteer

We welcomed new corporate partners, major donors and supporters

If you’ve committed to a regular donation to the BHF, thank you. You’re helping us to drive forward our mission to find cures for devastating conditions like heart failure, to understand inherited heart conditions that cause sudden death, and to try and prevent dangerous heart defects in babies. During the year we recruited 40,000 new regular donors and received over 50,000 new cash donations, contributing over £2.5 million. That’s 90,000 new thank yous from us.

Another 88,500 active individuals gave it their all in support of us by taking part in our outdoor events. From scaling the infamous Ditchling Beacon in order to conquer our iconic London to Brighton Bike Ride, to joining our Heart Runners team and pounding London’s pavements for us at the Virgin London Marathon, to hiking on Derbyshire’s High Peak Trail, to pedalling around South Wales’ Gower Peninsula, thousands of you raised funds to power our research.

We also benefited from fundraising partnerships with businesses that share our determination to defeat heart disease. New partner Asda made a flying start by investing more than £500,000 in defibrillators in their stores and life-saving training for their staff. Their fundraising efforts for Ramp up the Red set a new benchmark, raising over £270,000 for our life-saving research. Other inspiring partners who raised over £100,000 during the year include The FA, Next, SSE, Santander, ITV Text Santa, ISS and Flora pro.activ.

A legacy for the future

This year was our most successful year to date for Gifts in Wills being left to us from generous supporters. We received £55.5 million towards funding our ground-breaking research into CVD.

Legacies remain our biggest source of income. Over 40 per cent of our life-saving research is funded by people leaving gifts in their Wills and we cannot thank those who remember us in their Will enough.

Just one of our BHF cycling events
You Ramped up the Red in National Heart Month
This year, we focused National Heart Month around going red for us, and on the first Friday in February 2014, we urged the UK to Ramp up the Red. With a simple rallying call we promoted the campaign through fun TV and poster advertising, mailings to current and potential supporters, social media and more. The faces of our campaign were inspiring people affected by cardiovascular disease: people like four-year-old Gretel, and her Daddy (see page 40). These brave men, women and children helped us deliver a powerful integrated campaign and raise more than a million pounds for our vital research programme from Ramp up the Red activities carried out by people across the UK over the past year.

The Mending Broken Hearts Appeal funded more regenerative medicine research
This year you donated over £7 million towards our quest to find a cure for heart failure, with which we funded more pioneering research in our Centres of Regenerative Medicine. In September, thanks to your support, we funded Dr Johannes Bargehr in Cambridge to lead a three-year project to create and test patches of lab-grown heart tissue as a potential treatment to fix the heart muscle damage that leads to heart failure.

We grew our retail operation
Thanks to your donations; including handbags and sofas, kettles and coats, our shops play an ever more important role in generating funds for our vital work. This year we re-launched a bigger, better, eBay selling operation to reach the widest market for our unusual, collectable and higher value donations – like the wooden ventriloquist dummy that was given to our Headingly shop and bought on eBay by a collector for nearly £700!

Retailer DFS teamed up with our Furniture and Electrical Stores by promoting our collection service to customers needing to make space for a new sofa. With support from DFS’ extensive advertising of the scheme, we’ve developed a multi-million pound re-use partnership – to date collecting over £3 million of stock. Our network of Furniture and Electrical Stores was joined by 14 brand new outlets this year, so if you have large items to donate, arrange free collection by calling 0808 250 0030.

A UK-wide re-branding of our standard shops reflected our focus on the fight for every heartbeat, including a greater emphasis on showing customers our activity and impact in the local area. During the year 19 new shops opened, eight shops moved to better premises, and we finished the year with 734 stores in total.

Konnie Huq launched our partnership with DFS

Every challenge counts in our fight against heart disease

One family, so many ways to volunteer
The Green family began supporting the BHF more than 30 years ago, after their baby son James had to have surgery for a heart defect. Realising that BHF research had helped to improve treatments for conditions like James’, his parents wanted to help. Mum Angela started by selling cards to raise money for us, then joined a local BHF group and began doing collections. After retiring as a Teaching Assistant, she helped out in her local BHF shop and became a BHF Schools Volunteer. Her husband Charlie used his background in finance by becoming an In Memoriam Volunteer – helping to organise the donations to the BHF made at funerals. This year the Greens went one step further, helping to organise a BHF Ball in October, which raised more than £8,000.

As Angela and Charlie prove, there are so many ways to donate your time and skills. Nevertheless, there is one thing that BHF volunteers all have in common - each and every one is a hero in the fight against heart disease.
‘My biggest challenge has been to learn to accept my heart condition.’

The BHF’s network of over 730 shops this year raised £30 million for our vital work, helped by the mountain of lovely things to sell, donated in 1.1 million bags of stock during The Great British Bag-athon in September. BHF fundraising volunteer, Michelle White from Manchester, was inspired to get involved to help others living with a heart condition.

I used to faint a lot when I was in my teens, but it wasn’t until I was 26 and collapsed at work that doctors found I had a faulty valve in my heart. Then I developed a range of complications. When they told me I needed open heart surgery I just felt like my whole world was crushed.

I was in and out of hospital, for weeks at a time. My heart condition robbbed me of my freedom as a young woman and I’ve missed crucial events in my three children’s lives. I missed my daughter’s first birthday because of the surgery.

My biggest challenge has been to learn to accept my heart condition. I was in denial for a long time. I just thought this was the kind of thing that only happened to older unfit men – not to people like me. But the BHF helped me to understand and come to terms with my diagnosis, and that’s why I volunteer for them and donate when I can.

For Bag-athon I got my friends and family together at my house. With all their stuff and mine we gathered more than 50 bags to donate! I organised my second fundraising dinner and fashion show for BHF’s Ramp up the Red this year too. Altogether, we’ve raised more than £50,000.

I’m really proud of my achievement. And I’ve surprised myself to discover how strong I am, and how I want to get involved in any way I can to help others.
TRUSTEES’ REPORT:
STRATEGIC REPORT

Achievements and performance

Our performance against charitable objectives is discussed in detail on pages 6–45 of this Annual Report.

Financial review

Income

Overall income increased by £2.2 million (2 per cent) to £136.9 million. Forty-one per cent of total income came from legacies, 34 per cent from fundraising, 22 per cent from retail and three per cent from investments.

Our best ever year saw legacy income increase by 3 per cent to £55.5 million, while traditional fundraising increased from £41.6 million to £46.8 million. Thanks to our fantastic supporters and volunteers we saw year-on-year income growth in many areas, in particular, major donors and supporter development. Other highlights included another successful London to Brighton Bike Ride, and ITV’s Text Santa raising almost £0.9 million.

Retail profit in 2013 was based on a 53 week period and therefore year-on-year profit in 2014 decreased six per cent to £30.3 million. Excluding the impact of the 53rd week, retail profit remains broadly in line with 2013. We actively managed our shop portfolio during the year, opening 19 new shops, closing 17 with low contributions and re-siting 8 shops into larger shops in prime locations. This takes the total number of BHF stores across the UK to 734 (up from 732 at March 2013), confirming our position as the largest charity retailer in the UK.

Investment income was £4.3 million in 2014, a decrease of £2.4 million compared to the previous year, reflecting the impact of rebalancing the investment portfolio in March 2013 to increase holdings in lower risk fixed interest securities. Investment performance is reviewed quarterly by our Investment Committee against benchmark industry investment returns.

Financial summary

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>Legacies income</td>
<td>55.5</td>
<td>54.0</td>
</tr>
<tr>
<td>Fundraising income</td>
<td>46.8</td>
<td>41.6</td>
</tr>
<tr>
<td>Retail net profit</td>
<td>30.3</td>
<td>32.4</td>
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<tr>
<td>Investment income</td>
<td>4.3</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total income (net of retail costs)</strong></td>
<td><strong>136.9</strong></td>
<td><strong>134.7</strong></td>
</tr>
<tr>
<td>Direct costs of generating funds</td>
<td>(27.0)</td>
<td>(24.5)</td>
</tr>
<tr>
<td>Research costs</td>
<td>(115.2)</td>
<td>(90.4)</td>
</tr>
<tr>
<td>Prevention and care costs</td>
<td>(26.1)</td>
<td>(27.7)</td>
</tr>
<tr>
<td>Governance costs</td>
<td>(0.3)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Support costs</td>
<td>(6.0)</td>
<td>(6.5)</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>(174.6)</td>
<td>(149.4)</td>
</tr>
<tr>
<td><strong>Net outgoing resources</strong></td>
<td><strong>(37.7)</strong></td>
<td><strong>(14.7)</strong></td>
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</tbody>
</table>

1 Fundraising income includes incoming resources from charitable activities of £0.0 million in 2014 (2013: £0.2 million).
2 Before allocation of support costs.

Managed cash and investments | 264.9 | 265.3 |
Grants liabilities            | 322.6 | 296.9 |
Total deficit                 | (30.6) | (7.5) |
Mending Broken Hearts
Included in the fundraising and retail figures above is our Mending Broken Hearts Appeal, which generated £7.1 million in 2014 (2013: £5.4 million). This came through a combination of individual and corporate donations, events and sale of merchandise.

Trading subsidiaries
We have four wholly owned subsidiary undertakings, one of which (British Heart Foundation Sales Limited) is dormant. The profit from the remaining three trading subsidiaries (British Heart Foundation Ventures Limited, BHF Shops Limited and London to Brighton Bike Ride Limited) was £6.0 million in 2013-14 compared with £6.4 million in 2012-13. Profits of trading subsidiaries are detailed in note 14 to the accounts on page 76.

Charitable expenditure
For the purposes of this analysis of charitable expenditure all values are reported before allocation of support costs, as shown in the table on page 46, whereas within the financial statements and notes to the accounts values are stated including allocated support costs.

During 2013-14 we spent a total of £115.2 million on research, compared with £90.4 million in 2012-13, awarding a total of 207 new grants. The main reason for the increased spend in 2013-14 was the award of £24 million to six Centres of Research Excellence (see objective 1 on page 9 above for more details on the locations and work of these centres). This was in addition to £91.2 million of spend on our main research grant programme covering a range of areas including support for the best scientists, high quality projects and clinical trials.

Our total spend on Prevention and Care activities in 2013-14 was £26.1 million (compared with £27.7 million in 2012-13). This included £5.8 million providing resources and support to heart patients and others through our patient resources, heart information leaflets and workplace health projects, £3.7 million running the Helpline and Heart Matters and £2.8 million on Healthcare and Innovation, including grant funding for FH projects in England and for initiatives to tackle obesity in young people in Scotland and funding for education and professional development for BHF-supported healthcare practitioners.

We spent £7.3 million on policy and communications as part of our charitable activities, including getting our message across through the Fight for Every Heartbeat, Bag-athon and Ramp up the Red campaigns, our policy and advocacy work and our digital and media presence.

Total expenditure in Prevention and Care was lower in 2013-14 than in 2012-13 due to a higher than usual cancellation of existing grants (which amounted to £1.3 million in 2013-14 compared to £0.4 million the previous year), cost savings and the delay of some activities to 2014-15 as a result of the BHF organisation-wide strategy review.

Balance sheet
As at 31 March 2014, total cash, deposits and investments were £264.9 million, a decrease of £6.4 million compared to 31 March 2013. These assets are held to support the future cash settlement of grant liabilities which total £322.6 million.

At the end of the financial year the BHF Group is reporting a total net deficit of £30.6 million compared to a £7.5 million deficit last year. Further information is provided on the next page.

Charitable activity in Scotland
As a charity registered in England, Wales, Northern Ireland and also in Scotland, we detail our activity in all these areas. The BHF has charity shops in Scotland and receives income from other fundraising activities undertaken in Scotland. Three institutions in Scotland are within the BHF’s top 20 grant recipients. Grants awarded to Scottish institutions during the year included eight awards totalling in excess of £11 million awarded to the University of Glasgow, the University of Edinburgh and the University of Dundee.

Further information on our activities in Scotland, Wales, Northern Ireland and England is available at bhf.org.uk
TRUSTEES’ REPORT: STRATEGIC REPORT (CONTINUED)

Year end reserves position and going concern
The deficit on reserves shown by the General Reserve under the caption Total Unrestricted Funds in the Group balance sheet of £43.4 million (2013: deficit of £16.5 million) is a planned position that has been reached after careful consideration by the Trustees, who are confident that there are no material risks to the organisation’s ability to operate as a going concern. As a result, the accounts have been prepared on a going concern basis.

The Trustees have confirmed that, after careful review of the reserves policy, the most appropriate measure of reserves for the BHF is by reference to the BHF’s liquidity position. As described in more detail below, as at 31 March 2014, the BHF was towards the upper end of its chosen range of liquidity cover. In considering the adequacy of the reserves, the Trustees have taken into account the relatively long-term nature of the BHF’s grant liabilities. It is the BHF’s policy that all grants should be recognised as creditors (to the extent that they are legal or constructive obligations) as soon as they are agreed and communicated to the grantee – irrespective of the period over which they are payable, giving rise to the technical deficit on reserves. In addition to these recognised grant liabilities, the BHF also has an additional contingent liability of £30.0 million (2013: £34.2 million) for Chairs of Cardiovascular Disease, which are conditional upon the favourable outcome of a progress review and such contingencies are not recognised as a liability in the accounts until such a review has been satisfactorily completed. This accounting treatment complies with the Statement of Recommended Practice (SORP) for charities.

The often substantial elapse of time between the recognition of grant awards recorded today in our accounts and their payment means that grant commitments made today may not be completely satisfied until all the payments have been made five or more years later. Our cash and investment portfolio is held to help the BHF to meet these longer-term obligations as they fall due. Trustees have taken account of this in assessing the BHF’s investment policy, a review of which was held during 2013-14. The Trustees are also cognisant of the considerable diversity of the BHF’s continuing fundraising activities which also provide cash resources to fund its grant liabilities.

Reserves policy
The Trustees consider the key measure of sustainability for the BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. As a consequence, the Trustees have set appropriate reserves policies relating to liquidity based on the relationship between readily realisable assets and future liabilities of grants and the cash requirements associated with sustaining the BHF’s operations for a period.

The Trustees have decided that at all times the BHF should maintain cash and readily realisable assets sufficient to fund between not less than six and not more than 24 months of outstanding grants, plus 12 months of non-retail operating costs. In the event of the BHF facing difficult financial circumstances, this would allow it to both meet its responsibilities to grant holders and for operations to continue during a period of managed adjustment to these new circumstances.

Based on the current grants position, this policy requires the BHF to hold between £150 million and £305 million in liquid and readily realisable assets.

At 31 March 2014, our liquidity of £264.9 million was sufficient to cover the defined operating costs, plus 21 months of total outstanding grant liabilities, both approved and contingent, and is therefore towards the upper end of the limits established by the Trustees.

The Trustees review the BHF reserves policy annually.

Investment performance and policy
The BHF’s investment portfolio was valued at £182.5 million at 31 March 2014 (£169.5 million at 31 March 2013) and consists almost entirely of equities. In addition, to balance short term cash requirements and investment risks, the BHF invests in short-term fixed interest investments managed by Royal London Asset Management (RLAM). These readily realisable investment are reported within Cash at Bank on the balance sheet. In 2014, the average monthly balance invested in fixed interest investments with RLAM was £71 million (2013: £6 million). These investments, together with cash held in bank current accounts, provides assurance that the BHF can meet its substantial future grant commitments when they fall due. Total investment and cash assets were £264.9 million, a decrease of £0.4 million on 2013. The BHF does not, and will not, knowingly hold securities in any company in the tobacco industry.
Risk management and internal control

The Trustees are responsible for ensuring effective risk management, and that internal controls are in place to appropriately manage the risk exposure of the BHF. In March 2014, the Trustees completed their annual review of the BHF’s risk management strategy. In the course of this review, the Board has considered:

• the major risks to which the BHF is exposed;
• the potential impact and probability associated with each risk;
• existing internal controls and accountability for them;
• mitigating actions needed to reduce each risk to a level that the Trustees considers to be acceptable.

This position is recorded in a risk register, which will continue to be formally reviewed by the Trustees every year and is regularly monitored by the Executive Group and Audit Committee.

<table>
<thead>
<tr>
<th>Risk</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to the economic environment or other external factors significantly impacting income generation with impacts to funding of current and future grant commitments.</td>
<td>• Annual budgeting and on-going management reporting and monitoring of financial performance.</td>
</tr>
<tr>
<td>Impact of changes to regulatory environment and changing government policy which could impact research funded by the BHF or income generation.</td>
<td>• BHF Risk Management, Legal and Policy teams monitor public policy and the regulatory environment on an on-going basis to ensure potential risks can be pro-actively managed.</td>
</tr>
<tr>
<td>Credit and market risks associated with bank and investment balances.</td>
<td>• An active programme of senior level engagement to ensure our views are shared.</td>
</tr>
<tr>
<td>• We use expert advice to help form our investment and treasury policies that ensure our investment portfolio is adequately diverse and to manage credit risk for each investment. No investment is made in the tobacco industry.</td>
<td>• Continued programme of advocacy and influencing.</td>
</tr>
<tr>
<td>Credit and market risks associated with bank and investment balances.</td>
<td>• Our Investment Committee regularly reviews investment performance and monitoring to ensure compliance with investment and treasury policies.</td>
</tr>
<tr>
<td>Events which could cause reputational damage to the BHF, for example data loss, serious fraud or a significant health and safety event.</td>
<td>• IT security systems are in place and are subject to regular monitoring and penetration testing to identify vulnerabilities. Physical security controls also help protect IT servers and equipment. IT security is regularly monitored by the IT Security Committee.</td>
</tr>
<tr>
<td>• Our financial control environment is regularly reviewed by internal audit to help prevent fraud. Regular training and education programmes also help ensure staff act to mitigate potential fraud risks.</td>
<td>• Dedicated specialist resource is used to ensure health and safety risks are managed for BHF staff, volunteers and supporters.</td>
</tr>
<tr>
<td>A catastrophic event causing disruption to on-going operations.</td>
<td>• Business continuity and disaster recovery plans are in place to minimise disruption to operations. These plans are also currently being updated to provide an even more robust and effective framework should a catastrophic event occur, and will be reviewed by the Trustees in the coming year.</td>
</tr>
</tbody>
</table>
Looking to the future

Between June 2013 and June 2014, the BHF undertook extensive consultation on the key challenges to the UK’s heart health and how the BHF can act to achieve maximum positive impact. As a result, the BHF will continue as a research driven medical charity, seeking to grow its investment in world-class research further. We will also refocus our other charitable activities in three themes: Prevention, Survival and Support.

Research
We will build on our position as a research-driven charity and the UK’s leading independent funder of cardiovascular research by:

• increasing our investment in world-class research to combat cardiovascular disease
• ensuring that research funded by the BHF, and others, translates into better prevention, diagnosis and treatment outcomes.

Prevention
We will promote cardiovascular health and the prevention of cardiovascular disease by:

• empowering people to make healthy choices avoiding physical inactivity, smoking and obesity, therefore reducing their risk of cardiovascular disease
• reducing the number of people living with undiagnosed high blood pressure or high cholesterol
• focusing work on people and communities at highest risk of cardiovascular disease
• supporting those tackling the wider environmental factors that affect cardiovascular health.

Survival
We will lead the fight to improve the UK’s rates of survival following a heart attack or cardiac arrest by:

• making the UK a Nation of Lifesavers, by giving people the skills and confidence to act when they witness a heart attack or cardiac arrest
• driving national initiatives calling for appropriate availability, visibility and use of all public access defibrillators.

Support
We will make sure patients and their families receive the best possible support, information and care by:

• ensuring that everyone in the UK with cardiovascular disease has access to high-quality, integrated health and social care services
• empowering people living with cardiovascular disease to manage their condition through access to high-quality information, support and guidance
• standing up for the needs and rights of patients with cardiovascular disease and their families

Everything we do will be informed by the needs and views of patients and key stakeholders. We will Listen, Engage and Influence by:

• growing the BHF’s community of patients, volunteers, supporters and partners and build their participation into our work
• campaigning for public policies across the UK and internationally that help reduce premature death and suffering from cardiovascular disease
• working with groups and partners across the UK to promote good practice and establish networks that advocate for cardiovascular health improvement within communities
• building powerful strategic partnerships to support BHF goals and priorities
• establishing an integrated approach to marketing and two-way communications, making every contact count in driving forward our vital charitable objectives and income generation.

All of this incredible work relies on the generosity of our remarkable supporters, and the drive of our extraordinary volunteers and staff who make ‘Team BHF’. Together we will also deliver an ambitious Grow Income programme of activity to raise more money to power our life-saving work.

Alongside this we will ensure that we operate as a World Class Organisation, with every part of the Charity being well-led, effective and promoting the spirit and values of our Fight for Every Heartbeat.

We know that by delivering our strategy together, we can all help save lives and help realise our vision of a world where people do not die prematurely, or suffer from, cardiovascular disease.
It’s our mission to win the fight against cardiovascular disease. The Fight For Every Heartbeat Strategy 2014-2020 describes how we will fight CVD through increasing investment in world-class research, and programmes that help keep the nation’s hearts healthy, help more people survive a heart attack or cardiac arrest, and ensure that patients and their families receive the best possible support, information and care. The Fight For Every Heartbeat Strategy 2014-2020 is available at bhf.org.uk/strategy
LEGAL STRUCTURE AND GOVERNANCE

Legal structure and governance

The BHF is a company limited by guarantee and incorporated in England on 28 July 1961. Our memorandum and articles of association were last amended on 23 January 2014. Our articles of association provide for limitation of member liability to £1. The BHF is a registered charity in England and Wales (charity number 225971) and in Scotland (charity number SC039426).

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

The Trustees meet six times a year and delegate day-to-day responsibility for the running of the BHF to the Executive Group.

The Trustees also delegate specific responsibilities to various sub-committees. The operations of the organisation are covered by the Audit, Investment, Retail, Nominations and Remuneration committees. Our investment in research and in prevention and care is overseen by four medical committees with responsibility for specific areas of research and prevention and care including the review of grant requests and other scientific award proposals. You can see a full list of committees on pages 55-57.

The Council includes up to 32 members, chosen for their abilities in medical and other fields. The Council meets twice a year and its primary role is advisory. By calling on Council members’ expertise, the BHF is able to make better informed decisions, and fulfil its charitable objectives more effectively.

The BHF’s legal and administrative details, including names of principal advisors, can be found on page 80 and forms part of the Trustees’ report.

Recruitment, induction and training of Trustees

The Nominations Committee is responsible for recruiting Trustees and the Council, aiming to ensure a broad mix of skills and backgrounds. The committee meets regularly to review the selection of Trustees and the composition of the Council, and to act on any upcoming vacancies. Trustee and Council vacancies are advertised as necessary. The BHF will also approach individuals thought to have the right skills.

New Trustees and Council members are invited to spend time with members of the Executive Group as part of their induction. This is a chance to learn about the BHF and identify opportunities to get more involved with our work. Trustees are also invited to attend regular research site visits to learn more about BHF research, and additional training and updates are offered on a regular basis.

The Chairman of the Board of Trustees carries out a review of governance every year. The aim is to assess the general effectiveness of the Trustees and Council, and identify any improvements to governance arrangements.
Strategic measures
Strategic measures have been identified to help assess progress in our seven strategic themes to 2020 and the impact we will make. Progress against these strategic measures will be regularly reviewed by our Trustees and reported in our Annual Report.

Operational measures
Operational measures have been identified to monitor performance in the key activities and programmes agreed by the Trustees each year. Performance against these measures is closely monitored by the Executive Group, and a summary is regularly reviewed by the Trustees alongside our strategic measures.

Grant-making policies
We only make grants after a formal, detailed application process and a comprehensive peer review. For in-depth information on research expenditure, grant-making policies and who may apply, visit our website at bhf.org.uk

Our staff and volunteers
None of our life-saving work would be possible without the dedication and hard work of volunteers, supporters and staff. We have a paid workforce of 3,150 staff, spread right across the UK (2,696 of whom are employed in our retail operation). The full time equivalent headcount is detailed within note 6 to the accounts on page 68. Their skills, experience and commitment have enabled the BHF to continue to push the boundaries and fund vital work.

Our volunteers continue to make an extraordinary contribution. Their annual financial contribution is vital, but their impact goes way beyond money. To many people across the UK, volunteers are the public face of the BHF. Our 26,000 retail and fundraising volunteers inform people about our work and services. They also act increasingly as passionate and informed advocates, campaigning on our behalf and helping to recruit more supporters. It is by working together in this way that the BHF will achieve our goal of beating heart disease.

New and retiring Trustees and Council Members
We are pleased to welcome Dr Robert Easton, who joined the Trustees this year, and also to thank John Salmon and Professor Paul Stewart who retired during the year, Professor Stewart to take on the role of Chair of the Chairs and Programme Grants Committee.

As a long serving Trustee of the BHF, John Salmon served variously as Chair of the Audit Committee, member of the Nominations and Remuneration Committees and for a short time took on the role of Chairman pending the appointment of Philip Yea in 2009. John has given a huge amount of his time to the BHF in addition to these formal commitments, the Trustees are deeply indebted to him for all he has done for the BHF. We wish him all the very best for the future.

We are also pleased to welcome two new members of Council, Angela Camber and Bob Seale, who joined Council in the role of Patient Representatives, and to thank our former Patient Representative, Suzannah Power, and former Chairman of the Chairs and Programme Grants Committee, Professor Sir John Tooke, who retired from Council during the year.

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

As highlighted earlier in this report, some of our health promotion, care and communications initiatives are specifically targeted at those population groups most at risk of heart disease, due to ethnic, social or economic factors. However, by their very nature, all our charitable activities are undertaken for the benefit of the public.
The BHF is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, religion, sexual orientation, age, employment status, disability or marital status. The BHF gives full and fair consideration to applications for employment from people with disabilities, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of people with disabilities employed by the BHF. If members of staff become disabled the BHF continues employment, either in the same or an alternative position, with appropriate support being given if necessary. We do not condone or tolerate any form of discrimination in our recruitment or employment practices.

All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All of the BHF’s policies follow these principles. During the year, regular communications have been provided to employees, including updates on the BHF’s progress. Employees have been consulted on decisions directly affecting them.

**Trustees’ indemnity**
As permitted by the Articles of Association, each of the Trustees has the benefit of an indemnity which is a qualifying third-party indemnity as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year, and is currently in force. The Company also purchased and maintained throughout the financial year Trustees’ and Officers’ liability insurance in respect of itself and its Trustees. No indemnity is provided for the Company’s auditor.

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

The Trustees’ report, including the Strategic report, was approved by the Board of Trustees on 3rd July 2014.

**Dr Deborah Prince**
Company Secretary and Head of Legal Affairs
18 July 2014
BOARD OF TRUSTEES AND COMMITTEES

Patron
His Royal Highness The Prince Philip KG KT

Board of Trustees
(under company law members of the Board of Trustees act as the company directors of the BHF, and under charity law they have legal duties and responsibilities as Trustees)

Chairman
Philip Yea MA FCMA

Members
Sir Christopher Edwards FRSE MD FRCP FRCPE FMedSci
Andrew Balfour LLB
Prof. Nishi Chaturvedi MD MSc MFPHM MRCP MBBS
Dr Robert Easton BSc ARCS DPhil appointed 1 August 2013
Dr Jane Flint MD FRCP
Dr Evan Harris BM BCh MA (Oxon)
Richard Hytner MA LLM
Prof. Kay-Tee Khaw CBE FRCP
Prof. Sir Robert Lechler MB ChB PhD FRCP FRCPath FMedSci
Prof. Sir Michael Marmot PhD FFCM
Roger Pilgrim MA (Cantab) FCA
John Salmon FCA to 1 August 2013
Prof. Paul Stewart MD FRCP FMedSci FSB to 26 March 2014
Lance Trevelyan BSc ACA FRSA

The Council

Chairman
Sir Christopher Edwards FRSE MD FRCP FRCPE FMedSci

Members of the Council
Andrew Balfour LLB
Roger Best
Dr Naureen Bhatti MBBS MSc MRCP MFPHM FRCP
Angela Camber appointed 23 January 2014
Prof. Cyrus Cooper MA DM FRCP FPHT FMedSci
Prof. Nishi Chaturvedi MD MSc MFPHM MRCP MBBS
Dr Robert Easton BSc ARCS DPhil appointed 1 August 2013
Stephanie Flanders
Dr Jane Flint MD FRCP
Dr Evan Harris BM BCh MA (Oxon)
Richard Hytner MA LLM
Prof. Richard Hobbs FRCP FRCPath FMedSci
Sir Bruce Keogh KBE MD FRCS
Prof. Kay-Tee Khaw CBE FRCP
Andy Kirby
Prof. Sir Robert Lechler MB ChB PhD FRCP FRCPath FMedSci
Prof. Sir Michael Marmot PhD FFCM
Roger Pilgrim MA (Cantab) FCA
Suzannah Power to 1 August 2013
Jan Procter-King RGN RM MA
Prof. Alice Roberts BSc MB BCh PhD Hon FBAASc
James Robinson BSc FCA
Jaz Saggu BSc (Hons) PhD MBA
John Salmon FCA to 1 August 2013
Bob Seale BA ACA appointed 23 January 2014
Prof. Julian Scott MD FRCS
Prof. Paul Stewart MD FRCP FMedSci FSB
Prof. Sir John Tooke KBE FRCP retired 5 February 2014
Lance Trevelyan BSc ACA FRSA
Prof. Martin Wilkins MD FRCP FBPharmacolS
Philip Yea MA FCMA
BOARD OF TRUSTEES AND COMMITTEES

Retail Committee
Chairman
Roger Best

Members
Robbie Feather MA (Cantab)
Jonathan Lawson appointed 26 November 2013
David Lockyer MSc
Niall O’Keefe appointed 26 November 2013
Julia Reynolds to 10 November 2013
Lance Trevelyan BSc ACA FRSA

Ex officio
Chief Executive
Retail Director
Finance Director
Director of Fundraising
Director of Policy and Communications

Investment Committee
Chairman
James Robinson BSc FCA

Members
Michael Moule
Roger Pilgrim MA (Cantab) FCA
Nicola Ralston
Nick Train BA (Oxon)

Ex officio
Chief Executive
Finance Director

Audit Committee
Chairman
Roger Pilgrim MA (Cantab) FCA

Members
Andrew Balfour LLB
Mark Bryant
David Lockyer MSc
James Robinson BSc FCA

Nominations Committee
Chairman
Philip Yea MA FCMA

Members
Prof. Nishi Chaturvedi MD MSc MFPHM MRCP MBBS appointed 26 November 2013
Sir Christopher Edwards FRSE MD FRCP FRCPCE FMedSci
Richard Hytner MA LLM appointed 23 January 2014
Prof. Kay-Tee Khaw CBE FRCP
Prof. Sir Robert Lechler MB ChB PhD FRCP FRCPPath FMedSci appointed 26 November 2013
Roger Pilgrim MA (Cantab) FCA
John Salmon FCA to 1 August 2013
Prof. Paul Stewart MD FRCP FMEdSci FSB to 26 March 2014

Ex officio
Chief Executive

Remuneration Committee
Chairman
Philip Yea MA FCMA

Members
Roger Best
Sir Christopher Edwards FRSE MD FRCP FRCPCE FMedSci
Roger Pilgrim MA (Cantab) FCA appointed 26 November 2013
John Salmon FCA to 1 August 2013

Ex officio
Chief Executive

MEDICAL COMMITTEES

Chairs and Programme Grants Committee
Chairman
Prof. Paul Stewart MD FRCP FMedSci appointed 6 February 2014
Prof. Sir John Tooke KBE FRCP retired 5 February 2014

Members
Prof. Mark Caulfield MBBS MD FAHA FESC FRCP FMedSci
Prof. Clive Orchard BSc PhD
Prof. Michael Marber FRCP PhD FACC retired 5 February 2014
Prof. Nick Wareham PhD MBBS MSc retired 24 July 2013
Prof. Peter Rothwell MD PhD FRCP FMedSci
Prof. Sian Harding BSc PhD
Prof. Chris Proud BSc PhD
Prof. Jon Frampton BA PhD
Prof. Michael Frenneaux MB BS FRACP MD FACC FRCP FESC FMedSci
Prof. Aroon Hingorani BA MA MBBS MRCP PhD FRCP FESC appointed 25 July 2013
Prof. Keith Fox MBChB FRCP FESC FMEdSci appointed 6 February 2014

Ex officio
Chief Executive
Medical Director
Associate Medical Director (Research)
Head of Research Funds

British Heart Foundation Annual Report and Accounts 2014

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Project Grants Committee

Chairman
Prof. Cyrus Cooper MA DM FRCP FFPH FMedSci

Members
Prof. Helen M Arthur BSc PhD retired 5 March 2014
Dr Alison C Brewer BSc PhD appointed 5 December 2013
Dr Sarah C Calaghan BSc PhD
Prof. Robin P Choudhury MA DM FACC retired 4 December 2013
Prof. Martin R Cowie MD MSc MRCP retiring 4 December 2013
Prof. Paul C Evans BSc MSc PhD
Prof. Martin Farrall BSc MBBS MRCP
Prof. Marcus D Flather MBBS FRCP
Prof. John Greenwood BSc PhD FRCP retired 5 March 2014
Dr Jason L Johnson MSc PhD
Prof. Peter Kohl MD PhD FRHS
Dr Pier D Lambiase PhD FRCP appointed 5 December 2013
Dr James M Leiper BSc PhD
Professor Manuel Mayr MD PhD
Dr Nicholas L Mills BSc MBChB MRCP PhD appointed 5 December 2013
Dr Timothy J Mohun BA PhD
Prof. Keith G Oldroyd MBChB FRCP MD
Dr Susan E Ozanne BSc PhD
Prof. G Ed Rainger BSc PhD appointed 6 March 2014
Dr Nicola Smart BSc PhD appointed 6 March 2014
Prof. Liam Smeeth MBChB FRCP FFFP MSc PhD
Prof. Andrew M Taylor BA, BM BCH, MD, FRCP, FRCP, PG Dip (Medical Leadership) appointed 5 December 2013
Prof. Andrew Tinker BA MB BS FRCP PhD FMedsce
Prof. Andrew W Trafford BVSc CertVA PhD MRCVS appointed 4 December 2013
Pro. Antonio J Vidal-Puig MD PhD retired 4 December 2013
Prof. Timothy D Warner BSc PhD
Dr Stephen B Wheatcroft BSc(Hons) MBChB(Hons) PhD FRCP

Ex officio
Chief Executive
Medical Director
Associate Medical Director (Research)
Research Funds Manager

Fellowships Committee

Chairman
Prof. Martin Wilkins MD FRCP FBPharmacolS

Members
Prof. Martin Bennett PhD FRCP FMedsce retired 4 July 2013
Prof. Keith Channon MD MRCP
Prof. Colin Berry BSc MBChB PhD FRCP
Prof. Timothy Frayling PhD
Prof. Susan Nourshargh PhD FMedsce FBPharmacolS retired 9 January 2014
Prof. Godfrey Smith BSc PhD
Prof. Mark Kearney MBChB MRCP appointed 5 July 2013
Prof. Catherine Shanahan BSc PhD appointed 10 January 2014

Ex officio
Chief Executive
Medical Director
Associate Medical Director (Research)
Head of Research Funds

Prevention and Care Reference Group

Chairman
Prof. Kay-Tee Khaw CBE FRCP

Members
Dr Jane Flint BSc MD FRCP
Prof. Paul Gately PhD
Prof. Huon Grey MD FRCP FESC FACC
Prof. Mike Kelly RCPE FFPH
Alan Keys
Dr Iain Simpson MD FRCP FACC FESC

Ex officio
Chief Executive
Medical Director
Associate Medical Director (Prevention and Care)
Programme Director, Prevention and Care
Director of Policy and Communications
Director of Fundraising

All committees of the Board are supported and attended by senior members of staff as appropriate.

Executive Group
(to whom responsibility for the day-to-day running of the BHF is delegated by the Trustees)

Chief Executive
Simon Gillespie

Medical Director
Prof. Peter Weissberg MD FMedsce

Finance Director
Simon Hopkins MA (Oxon) FCA to 31 August 2013
Paul Wallwork ACA (interim) 2 September 2013 to 11 April 2014
Simon Jones CPA (interim) appointed 14 April 2014

Director of Fundraising
Louise Parkes

Retail Director
Mike Taylor

Director of Policy and Communications
Betty McBride to 12 June 2014

Director of Human Resources
Julie Weston to 15 July 2013

Director of People and Organisational Development
Kerry Smith appointed 21 October 2013

Director of Strategy and Performance
Dr Charmaine Griffiths PhD appointed 7 October 2013

Company Secretary
Simon Hopkins MA (Oxon) FCA to 16 August 2013
Dr Deborah Prince PhD, Head of Legal Affairs
(Company Secretary from 17 August 2013)
STATEMENT OF TRUSTEES’ RESPONSIBILITIES

The Trustees (who are also directors of the British Heart Foundation for the purposes of company law) are responsible for preparing the Trustees’ Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

• select suitable accounting policies and then apply them consistently;
• observe the methods and principles in the Charities SORP;
• make judgements and estimates that are reasonable and prudent;
• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

• there is no relevant audit information of which the charitable company’s auditor is unaware; and
• the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Philip Yea
Chairman
16 July 2014
INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH HEART FOUNDATION

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

• give a true and fair view of the state of the Group’s and of the Charity’s affairs as at 31 March 2014 and of the Group’s incoming resources and application of resources, including its income and expenditure and the Group’s cash flows for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

• have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and the Charity’s financial statements (the ‘financial statements’), which are prepared by the British Heart Foundation, comprise:

• the Group and the Charity balance sheets as at 31 March 2014;

• the Group statement of financial activities incorporating the Group summary income and expenditure account for the year now ended; and

• the Group cash flow statements for the year then ended; and

• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (‘ISAs (UK & Ireland)’). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

• whether the accounting policies are appropriate to the Group’s and the Charity’s circumstances and have been consistently applied and adequately disclosed;

• the reasonableness of significant accounting estimates made by the Trustees; and

• the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts 2014 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees’ Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

• we have not received all the information and explanations we require for our audit; or

• adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or

• the charity financial statements are not in agreement with the accounting records and returns.
INDEPENDENT AUDITORS’ REPORT
TO THE TRUSTEES AND MEMBERS
OF THE BRITISH HEART FOUNDATION (CONTINUED)

We have no exceptions to report arising from this responsibility.

Trustees’ remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees’ remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Trustees
As explained more fully in the Statement of Trustees’ Responsibilities set out on page 58, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity’s members and Trustees as a body in accordance with section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Liz Hazell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 July 2014
GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2014
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)
Company Reg. Number: 699547

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted funds £m</th>
<th>Restricted funds £m (see note 7)</th>
<th>Endowment funds £m (see note 7)</th>
<th>2014 Total funds £m</th>
<th>2013 Total funds £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>92.9</td>
<td>9.4</td>
<td>102.3</td>
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<tr>
<td>3</td>
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<td>167.9</td>
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<td>4</td>
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<tr>
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<td>–</td>
<td>–</td>
<td>–</td>
<td>0.2</td>
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<tr>
<td></td>
<td>Total incoming resources</td>
<td>265.1</td>
<td>10.0</td>
<td>275.1</td>
<td>263.7</td>
</tr>
</tbody>
</table>

Resources expended
Cost of generating funds
Cost of generating voluntary income and publicity 6 26.2 1.4 – 27.6 26.2
Fundraising trading: cost of goods sold and other costs 3,6 139.6 – – 139.6 130.3
Investment management costs 6 1.4 – – 1.4 0.8
Total cost of generating funds 167.2 1.4 – 168.6 157.3
Net incoming resources available for charitable application 97.9 8.6 – 106.5 106.4

Charitable activities
Research 6 112.2 3.3 – 115.5 90.7
Prevention and care 6 26.3 1.5 – 27.8 29.5
Total charitable activities 138.5 4.8 – 143.3 120.2

Governance costs 6 0.9 – – 0.9 0.9

Total resources expended 6 306.6 6.2 – 312.8 278.4

Net (outgoing)/incoming resources before other recognised gains and losses (41.5) 3.8 – (37.7) (14.7)

Other recognised gains and losses
Realised investment gain 7,9 6.5 – – 6.5 43.1

Net (expenditure)/income for the year (35.0) 3.8 – (31.2) 28.4

Unrealised investment gain/(loss) 7,9 7.2 – – 7.2 (19.6)
Actuarial gain/(loss) on defined benefit pension scheme 15 0.9 – – 0.9 (0.8)

Net movement in funds (26.9) 3.8 – (23.1) 8.0

Funds brought forward at 1 April 7 (16.5) 1.5 7.5 (7.5) (15.5)

Funds balances carried forward 7 (43.4) 5.3 7.5 (30.6) (7.5)

There are no recognised gains or losses other than those disclosed above. All results derive from continuing operations.

Gross income for the year for the parent charity is £259.9 million (2013: £251.5 million) and gross expenditure is £297.6 million (2013: £266.3 million).

The notes on pages 64 to 79 form an integral part of these financial statements.
## BALANCE SHEETS AS AT 31 MARCH 2014

**Company Reg. Number: 699547**

<table>
<thead>
<tr>
<th></th>
<th>Group 2014 £m</th>
<th>Group 2013 £m</th>
<th>Charity 2014 £m</th>
<th>Charity 2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8</td>
<td>1.1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>8</td>
<td>24.8</td>
<td>25.2</td>
<td>24.8</td>
</tr>
<tr>
<td>Investments</td>
<td>9</td>
<td>182.5</td>
<td>169.5</td>
<td>182.5</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>208.4</td>
<td>195.8</td>
<td>207.3</td>
<td>194.7</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks and work in progress</td>
<td>10</td>
<td>3.7</td>
<td>3.7</td>
<td>–</td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>24.7</td>
<td>20.4</td>
<td>30.4</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>72</td>
<td>82.4</td>
<td>95.8</td>
<td>79.9</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>110.8</td>
<td>110.3</td>
<td>110.3</td>
<td>120.7</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and other awards</td>
<td>11</td>
<td>(175.5)</td>
<td>(172.8)</td>
<td>(175.5)</td>
</tr>
<tr>
<td>Other creditors</td>
<td>11</td>
<td>(22.2)</td>
<td>(19.3)</td>
<td>(21.7)</td>
</tr>
<tr>
<td><strong>Total creditors due within one year</strong></td>
<td>(197.7)</td>
<td>(192.1)</td>
<td>(197.2)</td>
<td>(192.9)</td>
</tr>
<tr>
<td><strong>Net current liabilities</strong></td>
<td>(86.9)</td>
<td>(72.2)</td>
<td>(86.9)</td>
<td>(72.2)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>121.5</td>
<td>123.6</td>
<td>120.4</td>
<td>122.5</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due after more than one year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and other awards</td>
<td>11</td>
<td>(147.1)</td>
<td>(124.1)</td>
<td>(147.1)</td>
</tr>
<tr>
<td><strong>Net liabilities excluding pension liability</strong></td>
<td>(25.6)</td>
<td>(0.5)</td>
<td>(26.7)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Defined benefit pension liability</td>
<td>15</td>
<td>(5.0)</td>
<td>(7.0)</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Net liabilities including pension liability</strong></td>
<td>(30.6)</td>
<td>(7.5)</td>
<td>(31.7)</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td>7</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Restricted income funds</strong></td>
<td>7</td>
<td>5.3</td>
<td>1.5</td>
<td>5.3</td>
</tr>
<tr>
<td><strong>Unrestricted income funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General reserve (includes revaluation reserve of £29 million (2013: £22 million))</td>
<td>7</td>
<td>(38.4)</td>
<td>(9.5)</td>
<td>(39.5)</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>15</td>
<td>(5.0)</td>
<td>(7.0)</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Total unrestricted income funds</strong></td>
<td>(43.4)</td>
<td>(16.5)</td>
<td>(44.5)</td>
<td>(17.6)</td>
</tr>
<tr>
<td><strong>Total funds in deficit</strong></td>
<td>(30.6)</td>
<td>(7.5)</td>
<td>(31.7)</td>
<td>(8.6)</td>
</tr>
</tbody>
</table>

The financial statements on pages 61 to 79 were approved by the Board of Trustees on 16 July 2014 and signed on its behalf by:

Philip Yea, Chairman

Roger Pilgrim, Chairman of the Audit Committee

Members of the Board of Trustees
## GROUP CASH FLOW STATEMENT
### FOR THE YEAR ENDED 31 MARCH 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net outgoing resources before other recognised gains and losses</td>
<td>(37.7)</td>
<td>(14.7)</td>
</tr>
<tr>
<td>Adjustments to exclude investment income and non-cash items (see note A below)</td>
<td>25.9</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Net cash outflow from operating activities</strong></td>
<td>(11.8)</td>
<td>(9.0)</td>
</tr>
</tbody>
</table>

### Return on investment and servicing of finance
- **Investment income**
  - 2014: 4.3
  - 2013: 6.7

### Capital expenditure and financial investments
- **Purchase of tangible fixed assets**
  - 2014: (6.7)
  - 2013: (7.3)
- **Proceeds from sale of tangible fixed assets**
  - 2014: 0.1
  - 2013: 0.1
- **Purchase of investments**
  - 2014: (73.4)
  - 2013: (122.6)
- **Proceeds from sale of investments**
  - 2014: 74.1
  - 2013: 184.2

| **Net cash (outflow)/inflow from investing activities** | (5.9) | 54.4 |

### Decrease/(increase) in cash (see note B below)
- 2014: (13.4)
- 2013: 52.1

### Note A
Adjustments to exclude investment income and non-cash items
- **Depreciation**
  - 2014: 7.3
  - 2013: 7.1
- **Loss on sale of fixed assets**
  - 2014: 0.3
  - 2013: 0.2
- **(Increase) in stock**
  - 2014: (0.2)
  - 2013: (0.2)
- **(Increase) in debtors**
  - 2014: (4.3)
  - 2013: (5.0)
- **Increase in creditors**
  - 2014: 2.3
  - 2013: –
- **Programme-related loan written off as grant expenditure**
  - 2014: –
  - 2013: 1.9
- **Increase in research grant and other award liabilities**
  - 2014: 25.7
  - 2013: 9.5
- **Defined benefit scheme pension costs recognised in SOFA**
  - 2014: 0.2
  - 2013: 0.3
- **Employer contributions to defined benefit pension scheme**
  - 2014: (1.3)
  - 2013: (1.4)
- **Investment income**
  - 2014: (4.3)
  - 2013: (6.7)

| **Total** | 25.9  | 5.7   |

### Note B
Movement in cash at bank and in hand
- **Cash at bank and in hand at 1 April**
  - 2014: 95.8
  - 2013: 43.7
- **Decrease/(increase) in cash**
  - 2014: (13.4)
  - 2013: 52.1

| **Cash at bank and in hand at 31 March** | 82.4  | 95.8 |

The notes on pages 64 to 79 form an integral part of these financial statements.
NOTES TO THE ACCOUNTS

1. Accounting policies

Accounting convention
The financial statements have been prepared on a going concern basis and under the historical cost convention as modified by the revaluation of listed investments. They comply with the reporting requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Charities (Accounts and Reports) Regulations 2008, the Charities Act 2011 and comply with generally accepted accounting principles in the United Kingdom (UK GAAP). They also abide by the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005, as updated in 2008. The BHF has adapted the Companies Act formats to reflect the Charities SORP and the special nature of its activities.

The Charity has taken advantage of the exemption from preparing a cash flow statement under financial reporting standard 1 (revised 1996). The cash flows of the Charity are included in the consolidated financial statements.

Going concern
While the general reserve is in deficit, the Group currently has sufficient cash and investments to fund 21 months of grant expenditure plus 12 months of operating costs. Under the Group’s reserves policy, these place the Group towards the upper end of the chosen liquidity range.

In addition, comprehensive modelling of forthcoming cash-flows has been done which indicates, in the opinion of Trustees, a low level of going concern risk associated with a position of a technical accounting deficit.

The following are the principle accounting policies adopted by the Group and the BHF which have been applied consistently:

Basis of consolidation
The financial statements of the BHF and its four subsidiary companies are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as ‘the Group’. No separate Statement of Financial Activities has been presented for the BHF as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Incoming resources
All incoming resources, including investment income, are accrued and included in the Statement of Financial Activities when the Group is legally entitled to (or has physically received) the income and the amount can be quantified with reasonable accuracy. Income received relating to future accounting periods is deferred and recognised as a creditor within the balance sheet.

- For Legacy income, entitlement in the case of residuary and pecuniary legacies is counted from the earlier of estate accounts being finalised and communicated to the BHF and cash received. Legacies where the BHF’s receipt of income is subject to a life tenancy have not been included in the financial statements.
- For Event income, entitlement is counted at the date of the event. Where income is received in advance, recognition is deferred and included in creditors and where entitlement arises before income is received, the income is accrued.
- Donations (including those raised through volunteer fundraising) are recognised when received and banked and retail income is recognised at point of sale. Gifts donated for sale are included as income at the point of sale.
- No amounts are included in the financial statements for services donated by volunteers.
- Goods donated to the BHF’s shops are valued at a nil cost and included as income at the point of sale.
- Gift aid receivable is included in income when there is a valid declaration from the donor.

Resources expended
Expenditure is accounted for on an accruals basis. Irrecoverable VAT is included within the expense items to which it relates.

Grant expenditure is recognised in the year of award in line with the SORP (see ‘awards’ for more detail on individual grant types).

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

Costs are allocated, where appropriate, to charitable expenditure and to cost of generating funds. It has been estimated that ten per cent of the content of our fundraising material provides educational information that furthers the BHF’s objectives. Ten per cent of fundraising costs have therefore been allocated to charitable expenditure.

Support costs, including head office overheads have been allocated to charitable expenditure, fundraising, publicity and retail expenses on the basis of time spent.

Governance costs relate to the management of the BHF’s assets, organisational administration and compliance with constitutional and statutory requirements.

Awards
In accordance with the SORP, the total sum awarded (and communicated) to the recipient during the year is expensed. Where grants are for multi-year commitments, a high proportion of the cash commitment will be settled in future accounting periods. Cancellations of grants are recognised in the statement of financial activities in the year in which cancellation occurs. Impacts of underspent grant awards are recognised in the statement of financial activities six months after the grant end date.

Chairs of Cardiovascular Disease – awards are subject to a quinquennial site visit and review. The full award is disclosed as a contingent liability and recognised as a liability in the financial statements only on satisfactory completion of that review.

Programme Grants – awards run initially for five years with a two and a half year review and can be extended for a further period of five years subject to Committee approval. Management anticipate that the overwhelming majority of applicants will be successful at the mid-term review so provision for the first five years is made in the financial statements for the BHF’s liability for programme grants.

Other Research Grants – full provision is made in the financial statements for the BHF’s liability for all other types of research grants.

BHF Nurses (and other medical practitioners) – in cases where the BHF is committed to fund nurses (and other medical practitioners) for three (or more) years from the date of appointment, full provision for this liability is made in the financial statements.

Prevention and Care Grants – the majority of these awards are for one year projects and are funded out of current incoming resources. Where an award is for more than one year the BHF’s liability is recognised in full in the financial statements at the point of formal award.

All grant liabilities in excess of one year are discounted to net present value to reflect the time value of money impacts of liabilities to be settled in future periods.
NOTES TO THE ACCOUNTS

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

Fixed assets
Tangible
These are stated at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight line basis. The costs of fixed assets are written off over their estimated useful lives at the following rates:
- Freehold property over 50 years
- Short leasehold property over the life of the lease
- Shop fittings over 7 years
- Vehicles over 4 years
- Furniture and equipment over 3–4 years
- Computer equipment over 3–4 years

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

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

Intangible
The intangible fixed asset (£1.15 million) represents the right (in perpetuity) to run the London to Brighton Bike Ride. This asset is held at cost and is subject to an impairment review on an annual basis.

Investments
Listed investments are shown at mid market value. Investments are revalued monthly 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 includes realised gains and losses on disposal of investments.

Cash at bank and in hand
Cash includes cash held with UK banks, together with readily realisable short term fixed interest investments managed on behalf of the BHF by Royal London Asset Management.

Stock
Stocks purchased for sale are valued on a weighted average cost basis and carried at the lower of cost and net realisable value. Provision is made to reduce carrying values to net realisable value for slow moving, obsolete and defective stock. Goods donated for sale are not included as stock.

Pension costs
The current service cost of the BHF’s defined benefit pension scheme is charged to employee costs over the anticipated period of employment. Net pension finance income or costs are recognised immediately as employee costs. Actuarial gains and losses are recognised immediately on the face of the Statement of Financial Activities. The pension scheme net deficit is shown separately on the face of the balance sheet and separately within reserves. The detailed assumptions relating to the liability recognised on the defined benefit scheme are to be found in note 15.

For defined contribution schemes, the amount charged to the Statement of Financial Activities for pension costs is the total 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.

Leases
Rents payable under operating leases are charged on a straight-line basis over the lease term. Benefits received as a lease incentive are spread on a straight-line basis over the shorter of the lease term and the period to the first rent review date (on which the rent is first expected to be adjusted to the prevailing market rate).

Taxation
The BHF is exempt from income tax and corporation tax on income and gains derived from its charitable activities as these activities fall within various exemptions available to registered charities. Subsidiary trading companies pay any taxable profits to the BHF each year as Gift Aid and thus do not incur corporation tax.

Costs are recorded net of recoverable VAT as the Group is able to reclaim a proportion of VAT paid, because of its trading activities, using the partial exemption method.
NOTES TO THE ACCOUNTS

2. Voluntary income

<table>
<thead>
<tr>
<th></th>
<th>General funds</th>
<th>Restricted funds</th>
<th>2014 Total funds</th>
<th>2013 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Legacies</td>
<td>54.7</td>
<td>0.8</td>
<td>55.5</td>
<td>54.0</td>
</tr>
<tr>
<td>Donations</td>
<td>17.3</td>
<td>6.5</td>
<td>23.8</td>
<td>22.7</td>
</tr>
<tr>
<td>Donations received</td>
<td>2.1</td>
<td>–</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
<td>Volunteer fundraising</td>
<td>9.6</td>
<td>1.5</td>
<td>11.1</td>
<td>8.0</td>
</tr>
<tr>
<td>Events</td>
<td>9.2</td>
<td>0.5</td>
<td>9.7</td>
<td>8.5</td>
</tr>
<tr>
<td>Restricted appeals</td>
<td>–</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>92.9</td>
<td>9.4</td>
<td>102.3</td>
<td>95.4</td>
</tr>
</tbody>
</table>

The BHF has received notification of 1,041 legacies (2013: 1,052) for which no income has been recognised at 31 March 2014. The actual timing of receipt and amounts to be received are unknown. These will be included in future years. Based on the average value of legacies received during the year, the value of these has been conservatively estimated at £27.4 million (2013: £27.0 million) although this ignores any weighting towards residuary legacies (which make up the greater proportion of these numbers and which are generally of higher value than pecuniary legacies).

3. Activities for generating funds

<table>
<thead>
<tr>
<th></th>
<th>Charity shops donated goods</th>
<th>Restricted funds</th>
<th>BHF Shops Ltd</th>
<th>Total before support costs</th>
<th>Support cost allocation</th>
<th>2014 Total funds</th>
<th>2013 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Retail income*</td>
<td>148.6</td>
<td>0.6</td>
<td>19.3</td>
<td>168.5</td>
<td>–</td>
<td>168.5</td>
<td>161.4</td>
</tr>
<tr>
<td>Retail costs</td>
<td>(124.3)</td>
<td>–</td>
<td>(13.9)</td>
<td>(138.2)</td>
<td>(1.4)</td>
<td>(139.6)</td>
<td>(130.3)</td>
</tr>
<tr>
<td>Net incoming resources available from retail activities</td>
<td>24.3</td>
<td>0.6</td>
<td>5.4</td>
<td>30.3</td>
<td>(1.4)</td>
<td>28.9</td>
<td>31.1</td>
</tr>
</tbody>
</table>

The results of the Group’s retail trading through charity shops (selling donated goods) and BHF Shops Ltd (selling bought-in goods) are detailed above. The results of each subsidiary are detailed in note 14.

*2014 includes income of £41 million (2013: £35.7 million) representing donations from supporters on which Gift Aid has been claimed from sale of their goods through the Retail Gift Aid Programme.

4. Investment income

<table>
<thead>
<tr>
<th></th>
<th>General funds</th>
<th>Restricted funds</th>
<th>2014 Total funds</th>
<th>2013 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Listed investments</td>
<td>4.3</td>
<td>–</td>
<td>4.3</td>
<td>6.5</td>
</tr>
<tr>
<td>Bank interest</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.2</td>
</tr>
<tr>
<td>Total</td>
<td>4.3</td>
<td>–</td>
<td>4.3</td>
<td>6.7</td>
</tr>
</tbody>
</table>

5. Incoming resources from charitable activities

<table>
<thead>
<tr>
<th></th>
<th>General funds</th>
<th>Restricted funds</th>
<th>2014 Total funds</th>
<th>2013 Total funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Public funding – Ministry of Defence</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Public funding – Scottish Government</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.2</td>
</tr>
</tbody>
</table>
### 6. Gross expenditure

<table>
<thead>
<tr>
<th>Cost of generating funds</th>
<th>Awards (note 1) £m</th>
<th>Other direct costs £m</th>
<th>Support costs allocated £m</th>
<th>Total £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of generating voluntary income</td>
<td>–</td>
<td>23.2</td>
<td>1.6</td>
<td><strong>24.8</strong></td>
<td>24.3</td>
</tr>
<tr>
<td>Publicity</td>
<td>–</td>
<td>2.4</td>
<td>0.4</td>
<td><strong>2.8</strong></td>
<td>1.9</td>
</tr>
<tr>
<td>Fundraising trading: cost of goods sold and other costs</td>
<td>–</td>
<td>138.2</td>
<td>1.4</td>
<td><strong>139.6</strong></td>
<td>130.3</td>
</tr>
<tr>
<td>Investment management costs</td>
<td>–</td>
<td>1.4</td>
<td>–</td>
<td><strong>1.4</strong></td>
<td>0.8</td>
</tr>
<tr>
<td>Total cost of generating funds</td>
<td>–</td>
<td>165.2</td>
<td>3.4</td>
<td><strong>168.6</strong></td>
<td>157.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Charitable expenditure</th>
<th>Charitable expenditure</th>
<th></th>
<th>Charitable expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>114.5</td>
<td>0.7</td>
<td>0.3</td>
</tr>
<tr>
<td>Prevention and care</td>
<td>3.3</td>
<td>22.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Total charitable expenditure</td>
<td><strong>117.8</strong></td>
<td><strong>23.5</strong></td>
<td><strong>2.0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance costs</th>
<th>Governance costs</th>
<th>Governance costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>–</td>
<td>0.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Total resources expended</td>
<td><strong>117.8</strong></td>
<td><strong>189.0</strong></td>
</tr>
</tbody>
</table>

### Support costs included in gross expenditure

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

The costs of the Directorate and the Finance Division, 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 head count or in proportion to resources used.

#### Analysis of support costs

<table>
<thead>
<tr>
<th>Analysis of support costs</th>
<th>Costs of generating funds</th>
<th>Charitable expenditure</th>
<th>Governance</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fundraising £m</td>
<td>Publicity £m</td>
<td>Retail costs £m</td>
<td>Research £m</td>
<td>Prevention and Care £m</td>
</tr>
<tr>
<td>Directorate</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Information technology</td>
<td>0.5</td>
<td>0.1</td>
<td>0.8</td>
<td>0.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Legal</td>
<td>–</td>
<td>–</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Company secretary and procurement</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Finance</td>
<td>0.5</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Human resources</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>Facilities management</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Knowledge and evaluation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Legacy administration *</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td><strong>1.6</strong></td>
<td><strong>0.4</strong></td>
<td><strong>1.4</strong></td>
<td><strong>0.3</strong></td>
<td><strong>1.7</strong></td>
</tr>
</tbody>
</table>

* Following a change in internal accounting treatment, legacy administration costs have been included within other direct voluntary income costs in the current year.
NOTES TO THE ACCOUNTS

6. Gross expenditure (cont)

Analysis of governance costs

<table>
<thead>
<tr>
<th></th>
<th>2014 £m</th>
<th>2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal audit</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Company secretarial</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Audit fees</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Support costs allocated</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.9</strong></td>
<td><strong>0.9</strong></td>
</tr>
</tbody>
</table>

Gross expenditure for the year is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2014 £m</th>
<th>2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease rentals</td>
<td>25.5</td>
<td>24.8</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>7.3</td>
<td>7.1</td>
</tr>
<tr>
<td><strong>Auditors’ remuneration (</strong>)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit fee</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>

* Auditors’ remuneration comprises £59,720 for the audit of the Charity, £16,260 audit fees of subsidiary companies and £27,257 for other services (all numbers exclude VAT).

Staff and Trustee information

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>2014 £m</th>
<th>2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>55.5</td>
<td>52.0</td>
</tr>
<tr>
<td>Social security costs</td>
<td>4.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Other pension costs (see note 15)</td>
<td>2.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Other staff costs (temporary, agency, fixed term contract and seconded staff)</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>64.0</strong></td>
<td><strong>60.1</strong></td>
</tr>
</tbody>
</table>

The average number of staff, on a full-time equivalent basis, employed in the year, was:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head office</td>
<td>373</td>
<td>362</td>
</tr>
<tr>
<td>Regions</td>
<td>58</td>
<td>80</td>
</tr>
<tr>
<td>Shops</td>
<td>2,186</td>
<td>2,095</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,617</strong></td>
<td><strong>2,537</strong></td>
</tr>
</tbody>
</table>

All staff are employed by the BHF.
6. Gross expenditure (cont)

The following numbers of staff have emoluments above £60,000:

<table>
<thead>
<tr>
<th>Emolument Range</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between £60,000-£70,000</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Between £70,001-£80,000</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Between £80,001-£90,000</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Between £90,001-£100,000</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Between £100,001-£110,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Between £110,001-£120,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Between £120,001-£130,000</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Between £140,001-£150,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Between £160,001-£170,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Between £170,001-£180,000</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Between £180,001-£190,000</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>

Number of staff included above for whom retirement benefits are accruing under:

<table>
<thead>
<tr>
<th>Scheme Type</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined contribution schemes</td>
<td>38</td>
<td>35</td>
</tr>
<tr>
<td>Defined benefit schemes</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Contributions in the year for the provision of defined contribution schemes for staff included above.

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

The Remuneration Committee determines the salaries and benefits of the Executive Group (page 57). The amount for the highest paid employee for the year was £182,490 (2013: £173,300).

Trustee costs

No Trustees received any remuneration for services as members of the Board of Trustees, but a total of £1,176 (2013: £2,299) was reimbursed to four (2013: three) members for travelling expenses to and from meetings.

As permitted in the Articles of Association, Trustee indemnity insurance was purchased at a total cost of £5,035 (2013: £5,035).
7. Statement of funds

<table>
<thead>
<tr>
<th>Notes</th>
<th>Balance 1 April 2013 £m</th>
<th>Incoming resources £m</th>
<th>Total resources expended £m</th>
<th>Net investment gains £m</th>
<th>Actuarial gain pension fund £m</th>
<th>Balance 31 March 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment funds (Group and Charity):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chair endowment trusts</td>
<td>a</td>
<td>7.1</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>7.1</td>
</tr>
<tr>
<td>G M Yule bequest</td>
<td>b</td>
<td>0.1</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>P Gordon bequest</td>
<td>c</td>
<td>0.3</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.3</td>
</tr>
<tr>
<td>Total endowment funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.5</td>
</tr>
<tr>
<td><strong>Restricted funds (Group and Charity):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy donations</td>
<td>d</td>
<td>3.4</td>
<td>0.8</td>
<td>(1.4)</td>
<td>–</td>
<td>2.8</td>
</tr>
<tr>
<td>Research</td>
<td>e</td>
<td>–</td>
<td>0.6</td>
<td>(0.6)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Prevention and care</td>
<td>f</td>
<td>–</td>
<td>1.5</td>
<td>(1.5)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mending Broken Hearts Appeal</td>
<td>g</td>
<td>(1.9)</td>
<td>7.1</td>
<td>(2.7)</td>
<td>–</td>
<td>2.5</td>
</tr>
<tr>
<td>Total restricted funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.3</td>
</tr>
<tr>
<td><strong>General fund (Group):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(16.5)</td>
<td>265.1</td>
<td>(306.6)</td>
<td>13.7</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>General fund (Charity):</strong></td>
<td></td>
<td>(17.6)</td>
<td>249.9</td>
<td>(291.4)</td>
<td>13.7</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total Group funds (in deficit)</strong></td>
<td></td>
<td>(7.5)</td>
<td>275.1</td>
<td>(312.8)</td>
<td>13.7</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total Charity funds (in deficit)</strong></td>
<td></td>
<td>(8.6)</td>
<td>259.9</td>
<td>(297.6)</td>
<td>13.7</td>
<td>0.9</td>
</tr>
</tbody>
</table>

**Notes**

a. The Chair endowment trusts represent permanent endowments returned to the BHF by certain universities (see below). The interest earned on the money held is restricted and expended on the BHF’s Chairs of Cardiovascular Medicine.

b. Income from the G M Yule bequest is available for the general activities of the BHF.

c. Income from the P Gordon bequest is restricted to expenditure on Prevention and Care activities.

d. Restricted legacy donations are received for both Research and Prevention and Care. In some cases we are unable to distribute funds fully according to the specific terms of the bequest in the year of receipt and expenditure takes place in future years.

e. Income where the Donor has specified that the donation should be expended on the BHF’s research activities.

f. Income where the Donor has specified that the donation should be expended on the BHF’s Prevention and Care activities.

g. Income from Mending Broken Hearts (MBH) 50th anniversary appeal expended on the BHF’s charitable activities.

**Endowment of Chairs of Cardiovascular Medicine**

Originally 13 of the BHF’s Chairs of Cardiovascular Medicine were supported by endowments (the last of which was created in 1987); the remainder are personal chairs, of which there are currently 31.

The income generated by endowments was considered insufficient to fund the salaries of the professor, a secretary and a technician (as was originally intended) and the BHF has offered the universities personal Chairs for their professors in exchange for the return of the endowments.

Four of the endowments returned were capable of straightforward transfer back to the BHF and the funds were returned to reserves. For six of the endowments returned, following advice from the Charity Commission, the BHF has recognised the trusts as endowment funds and they are held on the Charity balance sheet as such (the income from them used to part fund the ongoing costs of the Chairs).

Three universities still hold endowments, which they may be invited to return to the BHF.

**General Funds**

The deficit of general funds is a planned position that has been reached after careful consideration by the Trustees. The Trustees have concluded that, after a careful review of the reserves policy, the most appropriate measure of reserves for the BHF is by reference to the BHF’s liquidity position. As at 31 March 2014, our liquidity of £264.9 million was sufficient to cover 12 months of non-retail operating costs plus 21 months of total outstanding grant liabilities, both approved and contingent, and our liquidity is therefore towards the upper end of the limits established by the Trustees.
NOTES TO THE ACCOUNTS

7. Statement of funds

Analysis of Group net assets between funds

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>General £m</th>
<th>Restricted £m</th>
<th>Endowment £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible fixed asset</td>
<td>1.1</td>
<td>0</td>
<td>0</td>
<td>1.1</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>24.8</td>
<td>0</td>
<td>0</td>
<td>24.8</td>
</tr>
<tr>
<td>Investments</td>
<td>182.5</td>
<td>0</td>
<td>0</td>
<td>182.5</td>
</tr>
<tr>
<td>Current assets</td>
<td>98.0</td>
<td>5.3</td>
<td>7.5</td>
<td>110.8</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(197.7)</td>
<td>0</td>
<td>0</td>
<td>(197.7)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(147.1)</td>
<td>0</td>
<td>0</td>
<td>(147.1)</td>
</tr>
<tr>
<td>Pension fund deficit</td>
<td>(5.0)</td>
<td>0</td>
<td>0</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Total net assets as at 31 March 2014</strong></td>
<td><strong>(43.4)</strong></td>
<td><strong>5.3</strong></td>
<td><strong>7.5</strong></td>
<td><strong>(30.6)</strong></td>
</tr>
</tbody>
</table>

at 31 March 2013

Analysis of Charity net assets between funds

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>General £m</th>
<th>Restricted £m</th>
<th>Endowment £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible fixed assets</td>
<td>24.8</td>
<td>0</td>
<td>0</td>
<td>24.8</td>
</tr>
<tr>
<td>Investments</td>
<td>182.5</td>
<td>0</td>
<td>0</td>
<td>182.5</td>
</tr>
<tr>
<td>Current assets</td>
<td>97.5</td>
<td>5.3</td>
<td>7.5</td>
<td>110.3</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(197.2)</td>
<td>0</td>
<td>0</td>
<td>(197.2)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(147.1)</td>
<td>0</td>
<td>0</td>
<td>(147.1)</td>
</tr>
<tr>
<td>Pension fund deficit</td>
<td>(5.0)</td>
<td>0</td>
<td>0</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Total net assets as at 31 March 2014</strong></td>
<td><strong>(44.5)</strong></td>
<td><strong>5.3</strong></td>
<td><strong>7.5</strong></td>
<td><strong>(31.7)</strong></td>
</tr>
</tbody>
</table>

at 31 March 2013

8. Tangible and intangible fixed assets

Group and Charity

<table>
<thead>
<tr>
<th>Category</th>
<th>Land and buildings</th>
<th>Short leasehold property</th>
<th>Shop fixtures and fittings</th>
<th>Vehicles</th>
<th>Furniture and equipment</th>
<th>Computers</th>
<th>Assets under construction</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>2.4</td>
<td>20.1</td>
<td>20.9</td>
<td>2.2</td>
<td>8.8</td>
<td>11.5</td>
<td>1.3</td>
<td>67.2</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>1.9</td>
<td>0.5</td>
<td>0.7</td>
<td>1.6</td>
<td>1.4</td>
<td>1.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(1.3)</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(0.4)</td>
<td>(1.0)</td>
<td>(3.9)</td>
<td>(17.6)</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td>2.4</td>
<td>20.7</td>
<td>20.7</td>
<td>2.4</td>
<td>10.0</td>
<td>11.9</td>
<td>2.5</td>
<td>70.6</td>
</tr>
</tbody>
</table>

Accumulated depreciation

<table>
<thead>
<tr>
<th>Category</th>
<th>Land and buildings</th>
<th>Short leasehold property</th>
<th>Shop fixtures and fittings</th>
<th>Vehicles</th>
<th>Furniture and equipment</th>
<th>Computers</th>
<th>Assets under construction</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2013</td>
<td>0.3</td>
<td>12.6</td>
<td>14.3</td>
<td>1.0</td>
<td>6.2</td>
<td>7.6</td>
<td>–</td>
<td>42.0</td>
</tr>
<tr>
<td>Charge for year</td>
<td>–</td>
<td>1.8</td>
<td>1.7</td>
<td>0.5</td>
<td>1.4</td>
<td>1.9</td>
<td>–</td>
<td>7.3</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(1.1)</td>
<td>(0.7)</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>(0.9)</td>
<td>–</td>
<td>(3.5)</td>
</tr>
<tr>
<td>At 31 March 2014</td>
<td>0.3</td>
<td>13.3</td>
<td>15.3</td>
<td>1.1</td>
<td>7.2</td>
<td>8.6</td>
<td>–</td>
<td>45.8</td>
</tr>
</tbody>
</table>

Net book values at 31 March 2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Land and buildings</th>
<th>Short leasehold property</th>
<th>Shop fixtures and fittings</th>
<th>Vehicles</th>
<th>Furniture and equipment</th>
<th>Computers</th>
<th>Assets under construction</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.1</td>
<td>7.4</td>
<td>5.4</td>
<td>1.3</td>
<td>2.8</td>
<td>3.3</td>
<td>2.5</td>
<td>24.8</td>
</tr>
<tr>
<td>2013</td>
<td>2.1</td>
<td>7.5</td>
<td>6.6</td>
<td>1.2</td>
<td>2.6</td>
<td>3.9</td>
<td>1.3</td>
<td>25.2</td>
</tr>
</tbody>
</table>

Assets under construction

These are software systems which are being developed and are not yet in use. Expenditure on these assets is capitalised as incurred but no depreciation is charged until the asset is brought into use. Once in use, a rate appropriate to the useful economic life of the asset will be applied.

Intangible fixed asset

Included in the Group Balance Sheet is an intangible fixed asset (£1.1 million) – this represents the right (in perpetuity) to run the London to Brighton Bike Ride. This asset is held at cost and no amortisation is charged. However it is subject to an annual review for impairment in value by the Directors of London to Brighton Bike Ride Limited. There were no indications of impairment in the year.

Future capital expenditure on specific projects for the Group of £0.7 million (2013: £0.2 million) has been contracted but no provision has been made.
9. Investments

**Group and Charity**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>169.5</td>
<td>207.6</td>
</tr>
<tr>
<td>Purchase of investments at cost</td>
<td>73.4</td>
<td>122.6</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td>(74.1)</td>
<td>(184.2)</td>
</tr>
<tr>
<td></td>
<td>168.8</td>
<td>146.0</td>
</tr>
<tr>
<td><strong>Net investment gains: realised</strong></td>
<td>6.5</td>
<td>43.1</td>
</tr>
<tr>
<td><strong>Net investment gains/ (losses) : unrealised</strong></td>
<td>7.2</td>
<td>(19.6)</td>
</tr>
<tr>
<td><strong>At 31 March</strong></td>
<td>182.5</td>
<td>169.5</td>
</tr>
</tbody>
</table>

**Represented by**

- Listed investments: Equities: 178.5 £m, 166.4 £m
- Cash held for investment purposes: 4.0 £m, 3.1 £m
- **Total**: 182.5 £m, 169.5 £m

Listed investments include overseas investments of £97 million (2013: £90 million).

No material shareholdings were held by the BHF in any one company.

The Trustees consider the value of the investments to be supported by their underlying assets, as appropriate.

**Historical cost at 31 March**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>153.3</td>
<td>147.5</td>
</tr>
</tbody>
</table>

**Revaluation gains at 31 March**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29.2</td>
<td>22.0</td>
</tr>
</tbody>
</table>

The Charity holds 100 per cent shareholdings in the four Subsidiary Companies within the Group, these are valued at cost of £8 after impairment of the investment in London to Brighton Bike Ride Limited of £1.1 million (2013: £1.1 million), (see note 14).

10. Debtors and stocks

<table>
<thead>
<tr>
<th></th>
<th>Group 2014</th>
<th>Group 2013</th>
<th>Charity 2014</th>
<th>Charity 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Debtors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed by subsidiary undertakings</td>
<td>–</td>
<td>–</td>
<td>6.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>3.2</td>
<td>2.5</td>
<td>2.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Income tax recoverable</td>
<td>8.0</td>
<td>1.7</td>
<td>8.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Prepayments</td>
<td>8.7</td>
<td>8.0</td>
<td>8.7</td>
<td>8.0</td>
</tr>
<tr>
<td>Accrued income</td>
<td>3.1</td>
<td>6.2</td>
<td>3.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Accrued legacies</td>
<td>1.7</td>
<td>2.0</td>
<td>1.7</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total debtors</strong></td>
<td>24.7</td>
<td>20.4</td>
<td>30.4</td>
<td>26.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(b) Stocks and work in progress</th>
<th>Group 2014</th>
<th>Group 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHF Shops Ltd</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Total stock</strong></td>
<td>3.7</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Stock in the Group Balance Sheet represents the value of purchased goods held for resale in BHF Shops Ltd.
11. Creditors: Research and other awards

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding liabilities at 1 April</td>
<td>296.9</td>
<td>287.3</td>
</tr>
<tr>
<td>Awarded during the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research grant awards</td>
<td>113.5</td>
<td>89.8</td>
</tr>
<tr>
<td>Discounting of research awards (increase)</td>
<td>1.0</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Net research grant awards</td>
<td>114.5</td>
<td>89.7</td>
</tr>
<tr>
<td>Prevention and care grant awards</td>
<td>3.2</td>
<td>1.1</td>
</tr>
<tr>
<td>Discounting of prevention and care awards decrease</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Net prevention and care grant awards</td>
<td>3.3</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total grants awarded during the year</strong></td>
<td><strong>117.8</strong></td>
<td><strong>90.9</strong></td>
</tr>
<tr>
<td>Paid during the year</td>
<td>(92.1)</td>
<td>(81.3)</td>
</tr>
<tr>
<td><strong>Outstanding liabilities at 31 March</strong></td>
<td><strong>322.6</strong></td>
<td><strong>296.9</strong></td>
</tr>
<tr>
<td>Awards falling due within one year</td>
<td>175.5</td>
<td>172.8</td>
</tr>
<tr>
<td>Awards falling due after more than one year</td>
<td>147.1</td>
<td>124.1</td>
</tr>
<tr>
<td><strong>Outstanding liabilities at 31 March</strong></td>
<td><strong>322.6</strong></td>
<td><strong>296.9</strong></td>
</tr>
</tbody>
</table>

Liabilities for research and other awards represent the unpaid balances on grants awarded as at the balance sheet date. They relate to current research being funded by the BHF and to which the BHF is committed. In the case of awards for Chairs of Cardiovascular Disease (awarded in previous years) there remains a commitment to continue funding Chair-holders for the remainder of their career in that post (subject to the successful outcome of each five-yearly review). For Chairs awarded in this year and for the future, a commitment is recognised in the financial statements for five years and the BHF may become liable for a further five years (in total up to ten years) depending on the outcome of the site visit.

The BHF has discounted its long-term liabilities, both for research and prevention and care grants. A discount rate of 1.8 per cent (2013: 2.7 per cent) has been applied to both amounts recognised in the financial statements as grant creditors and to grant commitments which are not recognised in the financial statements. The discount rate applied has been estimated as the cost of capital (calculated with reference to forecast dividend yields and interest income for investments) as a time-weighted average over the course of the year. The gross discount value applied to total liabilities for research grant awards is £5.6 million (2013: £6.7 million) and for prevention and care grants £0.2 million (2013: £0.3 million).

The BHF occasionally receives applications for grants from, and makes awards to, universities and hospitals which employ members of the Board of Trustees or Council in senior research capacities. All grants are made to institutions, and a list of awards made during the year is available in the BHF’s website at bhf.org.uk/about_us/our_annual_reports.aspx (this is unaudited). The top 50 grants made in 2014 are listed on the next page.
### NOTES TO THE ACCOUNTS

#### 11. Creditors: Research and other awards (cont)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Activity</th>
<th>Number of grants</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Oxford</td>
<td>Research</td>
<td>8</td>
<td>12.3</td>
</tr>
<tr>
<td>University of Oxford</td>
<td>Prevention and Care</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td>King's College London</td>
<td>Research</td>
<td>4</td>
<td>10.1</td>
</tr>
<tr>
<td>University of Cambridge</td>
<td>Research</td>
<td>6</td>
<td>9.3</td>
</tr>
<tr>
<td>Imperial College London</td>
<td>Research</td>
<td>4</td>
<td>6.7</td>
</tr>
<tr>
<td>University of Glasgow</td>
<td>Research</td>
<td>4</td>
<td>5.7</td>
</tr>
<tr>
<td>University of Edinburgh</td>
<td>Research</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>Queen Mary, University of London</td>
<td>Research</td>
<td>4</td>
<td>3.0</td>
</tr>
<tr>
<td>University of Birmingham</td>
<td>Research</td>
<td>2</td>
<td>2.6</td>
</tr>
<tr>
<td>University of Leeds</td>
<td>Research</td>
<td>2</td>
<td>2.6</td>
</tr>
<tr>
<td>University College London</td>
<td>Research</td>
<td>3</td>
<td>2.4</td>
</tr>
<tr>
<td>Medical Research Council</td>
<td>Research</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>University of Bristol</td>
<td>Research</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>Research</td>
<td>1</td>
<td>1.2</td>
</tr>
<tr>
<td>University of Dundee</td>
<td>Research</td>
<td>1</td>
<td>1.1</td>
</tr>
<tr>
<td>University of Sheffield</td>
<td>Research</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>ASH England</td>
<td>Prevention and Care</td>
<td>1</td>
<td>0.7</td>
</tr>
<tr>
<td>University of Hull</td>
<td>Research</td>
<td>1</td>
<td>0.7</td>
</tr>
</tbody>
</table>

| Total | 50 | 67.5 |

| Other grants paid to institutions          | Research                  | 47.7 |
|                                          | Prevention and Care       | 1.5  |

| Total grants and awards                   |                           | 116.7 |
11. Creditors: Research and other awards (cont)

The table below shows the total outstanding balances on grant awards. Firstly, grant awards that represent existing commitments and are recognised in the financial statements as grant creditors and secondly those grant commitments for which the BHF may become liable in the future if certain conditions are met by the grant recipients (not included in the financial statements).

<table>
<thead>
<tr>
<th>Grant creditors – recognised in the accounts</th>
<th>Total 2014</th>
<th>Amounts due for payment in the year to 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April 2013</td>
<td>296.9</td>
<td>£m</td>
</tr>
<tr>
<td>Movement in the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards recognised in the SOFA</td>
<td>117.8</td>
<td>£m</td>
</tr>
<tr>
<td>Grant payments</td>
<td>(92.1)</td>
<td></td>
</tr>
<tr>
<td>Timing differences on payments</td>
<td>(81.1)</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2014*</td>
<td>322.6</td>
<td>£m</td>
</tr>
<tr>
<td>Grant commitments (not included in the accounts)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 April 2013</td>
<td>34.2</td>
<td>£m</td>
</tr>
<tr>
<td>Movement in the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards recognised (transferred to creditors)</td>
<td>(4.2)</td>
<td>£m</td>
</tr>
<tr>
<td>Balance at 31 March 2014*</td>
<td>30.0</td>
<td>£m</td>
</tr>
<tr>
<td>Total grant commitments and creditors</td>
<td>352.6</td>
<td>£m</td>
</tr>
<tr>
<td>Balance at 31 March 2014</td>
<td>331.1</td>
<td>£m</td>
</tr>
<tr>
<td>Balance at 1 April 2013</td>
<td></td>
<td>£m</td>
</tr>
</tbody>
</table>

* The BHF has a contingent liability of £30.0 million (2013: £34.3 million) for Chairs of Cardiovascular Disease, which is conditional upon the favourable outcome of a scientific progress review which takes place every five years. Such contingencies are recognised as liabilities in the accounts only on satisfactory completion of that review.

The write back of under-used grants in 2014 was £6.8 million (2013: £7.0 million).

12. Other creditors

<table>
<thead>
<tr>
<th>Group</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed to subsidiary undertakings</td>
<td></td>
</tr>
<tr>
<td>Sundry creditors</td>
<td></td>
</tr>
<tr>
<td>Taxes and social security</td>
<td></td>
</tr>
<tr>
<td>Accruals</td>
<td></td>
</tr>
<tr>
<td>Deferred income</td>
<td></td>
</tr>
<tr>
<td>Other creditors total</td>
<td></td>
</tr>
</tbody>
</table>

Deferred income at 1 April                  |         |
Released during the year                    |         |
Income received during the year to be deferred |         |
Deferred income at 31 March                 |         |
NOTES TO THE ACCOUNTS

13. Operating leases
At 31 March 2014 the Group had annual commitments under non-cancellable operating leases, all for land and buildings, as follows:

<table>
<thead>
<tr>
<th>For leases expiring:</th>
<th>2014 £m</th>
<th>2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>8.8</td>
<td>8.5</td>
</tr>
<tr>
<td>After five years</td>
<td>14.1</td>
<td>14.8</td>
</tr>
<tr>
<td>Total</td>
<td>24.2</td>
<td>24.6</td>
</tr>
</tbody>
</table>

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 at 31 March.
These are:
- British Heart Foundation Ventures Limited, making commission arrangements and sponsorship agreements.
- BHF Shops Limited, retailing new (non-donated) goods in BHF 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 share capital of each subsidiary is as follows - British Heart Foundation Ventures Limited (3 ordinary shares of £1), BHF Shops Limited (2 ordinary shares of £1), London to Brighton Bike Ride Limited (1,150,000 ordinary shares of £1) and British Heart Foundation Sales Limited (2 ordinary shares of £1).

The net taxable profits of these undertakings were transferred to the BHF (parent) under Gift Aid.
Retail activities are shown in note 3 and fundraising activities are shown gross in note 2.

<table>
<thead>
<tr>
<th></th>
<th>British Heart Foundation Ventures Ltd £m</th>
<th>BHF Shops Ltd £m</th>
<th>London to Brighton Bike Ride Ltd £m</th>
<th>Total 2014 £m</th>
<th>Total 2013 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>0.4</td>
<td>19.3</td>
<td>1.3</td>
<td>21.0</td>
<td>20.2</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-</td>
<td>(11.4)</td>
<td>(0.1)</td>
<td>(11.5)</td>
<td>(10.7)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>0.4</td>
<td>7.9</td>
<td>1.2</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>Other costs</td>
<td>-</td>
<td>(2.5)</td>
<td>(1.0)</td>
<td>(3.5)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Net profit</td>
<td>0.4</td>
<td>5.4</td>
<td>0.2</td>
<td>6.0</td>
<td>6.4</td>
</tr>
<tr>
<td>Gift Aid payment</td>
<td>(0.4)</td>
<td>(5.4)</td>
<td>(0.2)</td>
<td>(6.0)</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Assets</td>
<td>0.5</td>
<td>5.8</td>
<td>2.5</td>
<td>8.8</td>
<td>9.0</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(0.5)</td>
<td>(5.8)</td>
<td>(1.4)</td>
<td>(7.7)</td>
<td>(7.9)</td>
</tr>
<tr>
<td>Net assets</td>
<td>-</td>
<td>-</td>
<td>1.1</td>
<td>1.1</td>
<td>1.1</td>
</tr>
</tbody>
</table>
15. Pensions

The BHF operates a defined benefit pension 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 2011. The market value of the scheme’s assets at that date was £29.8 million. The next valuation will be carried out during the year to March 2015.

The contribution rate for 2014 was 36.9 per cent of pensionable salaries (2013: 36.9 per cent) plus the cost of insurance premiums to provide death in service benefits. The estimated regular contributions by the BHF on behalf of the employees in the scheme in 2014/15 is £0.4 million.

The Trustees have assured members of its continued support for, and desire to retain, the scheme, while not giving any absolute guarantees. In recent years, additional payments of £2,500,000 in April 2006, plus three annual payments each of £630,000 in April 2007, 2008 and 2009 and four annual payments of £986,000 in April 2010, April 2011, April 2012 and April 2013 have been made into the scheme. The Trustees review the timing and amount of future additional contributions on a periodic basis.

The BHF also operates defined contribution schemes for certain eligible employees. From 1 August 2013, all employees are automatically enrolled into the defined contribution scheme and the BHF contributes between 2 per cent and 25 per cent of pensionable salaries.

### Pension schemes – charge to the SOFA

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit scheme</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Defined contribution scheme</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2.9</strong></td>
<td><strong>2.8</strong></td>
</tr>
</tbody>
</table>

### FRS 17 ‘Retirement Benefits’

In accordance with the requirements of Financial Reporting Standard 17 (‘FRS 17’), the full actuarial valuation dated 1 July 2011 has been updated at 31 March 2014 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The defined benefit 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:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary growth</td>
<td>4.6</td>
<td>4.6</td>
<td>4.1</td>
<td>4.6</td>
<td>4.8</td>
</tr>
<tr>
<td>Pension increases in payment – Limited Price Indexation</td>
<td>2.6</td>
<td>3.4</td>
<td>3.1</td>
<td>3.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Pension increases in payment – guaranteed</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Discount rate</td>
<td>4.5</td>
<td>4.4</td>
<td>4.6</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.6</td>
<td>3.6</td>
<td>3.1</td>
<td>3.6</td>
<td>3.8</td>
</tr>
</tbody>
</table>

### Mortality

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>87.9</td>
<td>88.1</td>
</tr>
<tr>
<td>Female</td>
<td>89.8</td>
<td>90.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>89.3</td>
<td>89.5</td>
</tr>
<tr>
<td>Female</td>
<td>91.3</td>
<td>91.6</td>
</tr>
</tbody>
</table>
15. Pensions (cont)

Major categories of plan assets as a percentage of total assets and expected rates of return

<table>
<thead>
<tr>
<th>Asset categories as a percentage of plan assets</th>
<th>2014</th>
<th>2013</th>
<th>Expected rate of return at the balance sheet date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>60</td>
<td>63</td>
<td>8.2</td>
</tr>
<tr>
<td>Fixed interest gilts</td>
<td>31</td>
<td>30</td>
<td>3.4</td>
</tr>
<tr>
<td>Cash/other</td>
<td>6</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>2</td>
<td>4</td>
<td>4.3</td>
</tr>
<tr>
<td>Index-linked gilts</td>
<td>1</td>
<td>2</td>
<td>3.4</td>
</tr>
</tbody>
</table>

To develop the expected long-term rate of return on assets assumptions, the BHF considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns on each asset class.

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current service cost</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Past service cost</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0.2</td>
</tr>
<tr>
<td>Total operating charge</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Expected return on pension scheme assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on pension scheme liabilities</td>
<td>1.9</td>
<td>1.7</td>
<td>1.8</td>
<td>1.8</td>
<td>1.5</td>
</tr>
<tr>
<td>Other finance (income)/costs</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.6</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme (liabilities) / assets at the end of the year</td>
<td>(42.3)</td>
<td>(37.9)</td>
<td>35.3</td>
<td>30.6</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Current service cost</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>–</td>
<td>–</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(1.9)</td>
<td>(1.7)</td>
<td>–</td>
<td>–</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Expected return</td>
<td>–</td>
<td>–</td>
<td>2.1</td>
<td>1.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>–</td>
<td>–</td>
<td>1.3</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Members contributions</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>0.1</td>
<td>0.1</td>
<td>–</td>
</tr>
<tr>
<td>Actuarial gain/(loss)</td>
<td>1.5</td>
<td>(3.2)</td>
<td>(0.6)</td>
<td>2.4</td>
<td>0.9</td>
</tr>
<tr>
<td>Benefits received/(paid)</td>
<td>1.1</td>
<td>1.0</td>
<td>(1.1)</td>
<td>(1.0)</td>
<td>–</td>
</tr>
<tr>
<td>Scheme (liabilities) / assets at the end of the year</td>
<td>(42.1)</td>
<td>(42.3)</td>
<td>37.1</td>
<td>35.3</td>
<td>(5.0)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit obligation (DBO)</td>
<td>(42.1)</td>
<td>(42.3)</td>
<td>(38.0)</td>
<td>(33.7)</td>
<td>(33.1)</td>
</tr>
<tr>
<td>Fair value of pension scheme assets</td>
<td>37.1</td>
<td>35.3</td>
<td>30.6</td>
<td>28.9</td>
<td>26.5</td>
</tr>
<tr>
<td>Pension deficit/shortfall</td>
<td>(5.0)</td>
<td>(7.0)</td>
<td>(7.4)</td>
<td>(4.8)</td>
<td>(6.6)</td>
</tr>
</tbody>
</table>

Experience gain on DBO

|                                   | 0%   | 0%   | 0%   | 0%   | 0%   |
| Adjustments as a percentage of DBO | 0%   | 0%   | 0%   | 0%   | 0%   |
| Experience gain/(loss) on pension scheme assets | (0.6)| 2.4  | (0.6)| 0.2  | 4.5  |
| Adjustments as a percentage of pension scheme assets | (2%) | 6%   | (2%)| 1%   | 17%  |
16. Related party transactions

The BHF has taken advantage of the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with its wholly owned subsidiaries that are eliminated on consolidation.

During the year, CCA Galleries Ltd, a company controlled by a Trustee, Lance Trevelyan, continued to progress an art-related project as part of the 50th anniversary appeal. The objective is to raise £1 million towards the appeal and the project is in two parts: (i) activity where the BHF will raise funds directly from the sale of original artwork and branded merchandise; (ii) the sale of limited edition prints of the artwork, which is being managed by CCA. CCA will not make any publisher’s profit, as any surplus will be donated to the BHF’s appeal.

The BHF has given permission for CCA to use its logo and brand to help with this project.

The Charity awarded £3.4 million (2013: £2.7 million) for grants where members of Trustees and Council were direct applicants acting on behalf of research institutions (Professor N. Chaturvedi from Imperial College London and Professor Sir R. Lechler from Kings College London).
LEGAL AND ADMINISTRATIVE DETAILS

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

Tel: 020 7554 0000
Fax: 020 7554 0100
bhf.org.uk

Company registration number 699547
Registered charity number 225971
Scottish registered charity number SCO39426

Bankers and principal advisors

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1 Churchill Place
London E14 5HP

Bank of Scotland PLC
The Mound
Edinburgh EH1 1YZ

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Smith and Williamson Investment Management Ltd
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Cash Managers
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London EC3V OUF

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Independent Auditors
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Chartered Accountants and Statutory Auditors
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London SE1 2RT
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For over 50 years we’ve pioneered research that’s transformed the lives of millions of people living with cardiovascular disease. Our work has been central to the discoveries of vital treatments that are changing the fight against heart disease.

But cardiovascular disease still kills around one in four people in the UK, stealing them away from their families and loved ones.

From babies born with life-threatening heart problems, to the many mums, dads and grandparents who survive a heart attack and endure the daily battles of heart failure.

Join our fight for every heartbeat in the UK. Every pound raised, minute of your time and donation to our shops will help make a difference to people’s lives.

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