EVERYDAY
EXTRAORDINARY

FIGHT FOR EVERY HEARTBEAT
bhf.org.uk
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Since 1961 the British Heart Foundation (BHF) has been dedicated to improving the heart health of the nation. This Annual Report and Accounts tells the extraordinary story of our achievements over the past year and the everyday heroes who are helping us fight for every heartbeat.
WE FIGHT FOR EVERY HEARTBEAT
Our Strategy to 2020

PREVENTION
We will promote cardiovascular health and the prevention of cardiovascular disease

LISTEN, ENGAGE, INFLUENCE
Everything we do will be informed by the needs and views of patients and key stakeholders

CPR SURVIVAL
We will lead the fight to ensure more people survive a heart attack or cardiac arrest

WORLD-CLASS ORGANISATION
We will ensure that every part of the Charity is well led, effective, and promotes the spirit and values of fight for every heartbeat

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

GROW INCOME
We will deliver an ambitious programme of activity to raise more money to power our life saving work

RESEARCH
We will build on our position as a research-driven charity, the UK’s leading independent funder of cardiovascular research

OUR AMBITION
Our mission is to win the fight against heart and circulatory disease. Our vision is a world in which people do not die prematurely or suffer from heart and circulatory disease.

bhf.org.uk/strategy

OUR VALUES
We will be brave, compassionate, driven and informed in our fight for every heartbeat.
MESSAGE FROM THE CHIEF EXECUTIVE

An extraordinary year, made possible by extraordinary people.

With the launch of our strategy ‘We Fight for Every Heartbeat’, 2014-15 has been a crucial year for the British Heart Foundation. Our strategy is the blueprint to achieve our vision of a world where people do not die prematurely or suffer from heart disease.

We have made huge strides towards realising that vision in the past year and have laid the foundations for further progress to 2020. Our strategy itself was recognised with a Strategic Transformation Award at the Innovation Enterprise’s Innovation and Strategy Awards. More importantly it has been well received by the extraordinary people who support and work at the BHF, including the community of staff, researchers, fundraisers, volunteers, healthcare professionals and patients who are helping us achieve our ambitions.

We have continued to build on our position as a research-driven charity and to consolidate our position as the UK’s leading independent funder of cardiovascular research. Just one of the remarkable examples of the difference that BHF-funded researchers have made this year is a discovery that will impact the way women are diagnosed with a heart attack. The researchers showed that current methods of diagnosing, involving a blood test for the protein troponin which appears after a heart attack, wasn’t sensitive enough to capture up to half of women affected. By making the test more sensitive, thousands more women will get the reassurance of a proper diagnosis and earlier access to treatment.

In October 2014 we launched Nation of Lifesavers, a UK-wide campaign to give people the skills they need to carry out CPR when they witness a cardiac arrest. At the moment, fewer than one in ten people survive a cardiac arrest out of hospital in the UK, and shocking statistics revealed that there are more than 30,000 opportunities to save lives following cardiac arrests that are missed. On the first day alone of the campaign more than 12,000 students in Yorkshire went from bystander to lifesaver. Since then more than 1,100 schools have received our kits across the UK.

Of course we couldn’t achieve landmark moments like these without our fundraisers. This has been a record-breaking year for legacies which have passed £60 million for the first time ever. We are grateful to everyone who chose to remember the BHF in their will this year, as legacies continue to be our largest single source of income.

Every day, extraordinary people have gone to extraordinary lengths to help us improve the lives of those affected by heart disease. Every pound that is raised for us deserves to be put to the best possible use and we take that responsibility very seriously. That’s why, as we strive to be a world-class organisation, we are assessing not just the activities we undertake, but how they are carried out. For example, we are creating a culture of zero waste in our shops, so while we continue to make a powerful contribution to the community, we can be confident we’re having a positive impact on our environment as well.

It’s a pleasure to present to you some of the stories and highlights from the past year for the British Heart Foundation, but inevitably there will be extraordinary contributions we can’t include. All our supporters make contributions that go beyond monetary value – they give us the inspiration to ensure our fight for every heartbeat goes from strength to strength.

Thank you for your support.

Simon Gillespie, Chief Executive
@simonmgillespie
I. RESEARCH
More than one in four people still die from heart and circulatory disease in the UK – that’s around 160,000 each year
Jenni Stevens, 41, was rushed to hospital after collapsing with chest pains. As part of a BHF-funded research study she was given a new high-sensitive test for heart damage. As a result the mum-of-three was diagnosed with a heart attack, and treated with a stent to open a blocked artery in her heart.

I'd been having chest pains for about a month. I'm a working mum. I'm constantly on the go. So I put it down to stress. But one day as I was walking into work, the pain got much worse, and when I got there I collapsed.

I was frightened, I felt very out of control. My colleagues called an ambulance and they rushed me to hospital. I can’t tell you how grateful I am that the new test was there for me. Who knows what might have happened if I hadn’t had that test. It’s actually quite frightening to think about it. Because I’m not an obvious candidate for heart disease. You look at me, a 41-year-old woman and relatively healthy, and there are no big warning signs that you should look for problems with my heart. I'm just so glad that it was caught as early as it was.

I feel very grateful that I am sitting here healthy because of research funded by the BHF.
BHF-funded researchers this year made a remarkable discovery that’s set to help many more women get urgent treatment that could save their lives.

When people go to hospital with chest pain, doctors carry out tests to check if it’s caused by a heart attack. Blood levels of a protein called troponin are an indicator of heart attack, because troponin leaks into the bloodstream when heart cells are damaged. It seems that less troponin is released in women than men, and researchers in Edinburgh found that the conventional blood test fails to detect these low levels. This could mean that some women who’ve had a heart attack are slipping through the net and missing out on vital treatments.

Using a more sensitive troponin test, the team diagnosed heart attacks in twice as many of their female patients. We’re now funding a bigger study to determine if acting on the results of the new test translates into better health for patients. If it does, the test is likely to be adopted by emergency departments across the globe, and more women will receive the urgent treatment they need.

Our aims

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

– continuing our investment in world-class research to combat heart and circulatory disease
– ensuring that research funded by the BHF, and others, translates into better methods of prevention, diagnosis and treatments for patients.

Next steps

We must invest even more in the BHF’s life saving research, and we will award the first BHF funding from our new research translation scheme.

We’re the largest independent funder of cardiovascular research in the UK and this year we embarked on a comprehensive review to guide our future research spending.

You trust us to spend every penny of our research budget on high quality science to solve the most pressing questions and deliver the greatest benefits for the nation’s hearts. To ensure we stay focused, and make the most of opportunities to make an even greater impact, we invited international experts, BHF-funded scientists, industry representatives, heart patients and carers to help us look to the future.
Our new strategy builds on our strong tradition of funding the best research into childhood and adult heart and circulatory diseases, whether common or rare, and their risk factors. This will not change, but we will also encourage research grant applications from under-resourced areas such as cardiac and vascular surgery.

Four years on from the launch of our Mending Broken Hearts campaign, we’ll continue to strive for a cure for heart failure by investing in the best people working in regenerative medicine. Our focus in this area is already making a difference, with recent studies bringing the promise of a cure closer than ever.

Identifying and nurturing top research talent is crucial to driving discovery. We’ll do more to encourage talented female researchers to return to the workforce after a career break, and we will foster productive collaborations between teams in the UK and worldwide.

Finally, we received the first grant applications in a new funding stream that aims to turn laboratory discoveries into life saving treatments more quickly. Turning discoveries into new ways to diagnose and treat heart patients is a difficult process that needs investment. BHF Translational Awards will support research with a great deal of promise and in need of further development before transitioning to commercial development and benefit to patients.

As we seek to grow our income to fund even more vital research, this review will help us ensure it’s channelled to drive progress as fast as possible.

We’re a leading force in global cardiovascular research, and the world’s biggest conference of heart researchers and medics was this year dominated by BHF-funded science.

At the European Society of Cardiology (ESC) Congress in Barcelona, the results of three influential BHF-funded clinical trials were presented in the highest profile sessions of the meeting. They have the potential to improve treatments for patients in the UK and abroad.

The coveted ESC Young Investigator Award for Clinical Science was won by BHF Clinical Research Fellow, Dr Kaleab Asress. In addition an ESC Gold Medal was awarded to BHF Professor Sir Rory Collins, who described it as ‘the ultimate recognition’. Your donations have helped us to fund some of Professor Collins’ game-changing studies on the treatment and prevention of heart attacks, which have resulted in thousands of lives being saved across the world.

Your donations help to fund a multi-million-pound research centre that opened in the heart of England in June 2014.

The state-of-the-art University of Leicester British Heart Foundation Cardiovascular Research Centre brings together over 200 heart scientists with doctors and patients. The 2,200 square metre facility has more than doubled the amount of
research space and is in close proximity to the University Hospitals of Leicester NHS Trust. It will build on Leicester's reputation as a high quality research university and push the boundaries of cardiovascular science, driving for further advances in the diagnosis and treatment of heart disease.

One of the senior scientists at the Centre is BHF Professor Sir Nilesh Samani, who we proudly congratulated this year on his knighthood for services to medical research. Professor Samani’s work in Leicester is setting the stage for new ways of treating and preventing the disease, by deciphering the complex genetics underlying heart disease risk.

In November, an international team led by BHF Professor Mathias Gautel at King’s College London solved an important puzzle they’ve been battling with for more than a decade. 

Their tireless efforts have given new insight into life-threatening cardiomyopathies.

Cardiomyopathies are a group of diseases that usually affect families who carry a faulty gene. There is no cure, and in severe cases patients may need a heart transplant. Tragically, cardiomyopathies can also cause sudden death, sometimes in young people.

Healthy heart tissue is made up of thousands of layers of muscle cells, which create the heart’s pumping action through synchronised contraction. In cardiomyopathy, this regular structure and synchronisation can be disrupted, but we weren’t sure how. The research team investigated what happens to heart cells that have a faulty gene for alpha-actinin, a known ‘culprit’ for cardiomyopathy.

They discovered that heart muscle cells containing faulty alpha-actinin cannot form regular layers when grown in the lab, disrupting the structure that’s crucial for healthy heart function. This important discovery takes us one step closer to a cure to fix heart deterioration in cardiomyopathy.

A transatlantic collaboration of scientists, partly BHF-funded, this year discovered a potential way to protect vital organs from long-term damage following heart attack treatment.

When the heart or brain is starved of blood and oxygen, during a heart attack or stroke, irreversible damage is caused. Perhaps surprisingly, even more damage can be caused when blood flow is restored after treatment, and the net effect can lead to heart failure or brain injury.

Your donations helped scientists in the UK and USA to collaborate and discover that levels of a chemical called succinate skyrocket inside the heart or brain when blood flow is limited. When the blood flow returns, the succinate reacts with oxygen and causes the release of destructive molecules which damage cells.

Crucially, they found that natural chemicals called malonate esters stop succinate building up, preventing long-term organ damage in rodents. The hope is that malonate esters, or similar compounds, could be developed into drugs to protect patient’s organs during heart attack or stroke treatment, and research is now underway to investigate this potential.
We have more than 1,000 current research projects and programmes bringing hope to millions of people
2. PREVENTION

100,
Smoking causes at least 100,000 premature deaths each year in the UK, including an estimated 22,000 from cardiovascular disease attributed to smoking.
Feebs Cox
Fighter
Warwickshire
For more information on our partnership with Tesco and Diabetes UK please see page 16

I KNOW THAT I AM AT GREATER RISK OF HEART PROBLEMS

Feebs was in her early 40s when doctors diagnosed her with Type 2 diabetes. People with diabetes are at a higher risk of coronary heart disease and heart attack. That's why our partnership with Tesco and Diabetes UK is so important for people like Feebs. She decided to take control of her health, improving her diet and taking up regular exercise, in order to reduce her risk.

A couple of years ago I was always feeling tired. My father has diabetes but I didn’t believe it would ever happen to me. So when I went to the doctor and I found out I had Type 2 diabetes it was such a shock. I honestly went through life thinking: ‘It’s not going to happen to me.’ I soon had to start taking medication to manage my condition. Making lifestyle changes can be hard, but I know I’m at greater risk of developing coronary heart disease. I had to change what I was eating and do more exercise. Now I take my lunch to work, so I know exactly what I am eating. I have vegetables with every meal and buy more fresh food. I am also trying to be more active by regularly going to the gym and walking, which I wasn’t doing before. I now know that making small changes, like exercising more, can help me to manage my diabetes and can make a big difference to my heart health. It’s a real boost when my friends compliment me on my weight loss and I am much more confident.
For many people, coronary heart disease and stroke are preventable. We’re dedicated to keeping the nation’s hearts healthy, driving towards the challenge to reduce premature CVD deaths by 25% by 2025.

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

- empowering people to make healthy choices while avoiding physical inactivity, smoking and obesity, and lowering their risk of heart and circulatory 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 heart and circulatory disease
- supporting those tackling wider environmental factors that affect heart and circulatory disease
- campaigning for public policies across the UK and internationally that help reduce premature death and suffering from heart and circulatory disease.

Next steps
We will support thousands of people to have important ‘Know Your Numbers’ risk assessments.

We will save lives by testing hundreds more people who are living with the danger of undiagnosed and untreated familial hypercholesterolaemia (FH).

In March we celebrated a landmark victory for heart health, when parliament voted to ban branded packaging of tobacco products.

The historic decision came after years of tireless campaigning by us, our supporters, and other health bodies.

Smoking causes around 100,000 premature deaths every year in the UK, and tighter tobacco control measures are desperately needed. Results from Australia, where standardised packs have been mandatory since 2012, prove that it’s an effective step.

From May 2016 the new rules will better protect young people from taking up a habit that kills, and encourage more UK smokers to protect their hearts by giving up. Thank you to all our campaigners for urging MPs to vote to give future generations a healthier future.

We forged a powerful partnership with Tesco and Diabetes UK this year to inspire, motivate and support people across the UK to make healthier choices, every day.

Our three-year collaboration will focus on helping people at risk of developing Type 2 diabetes and CVD, which share many of the same risk factors. We’re poised to raise over £30 million together to invest in increasing awareness of CVD and diabetes, and helping young families better understand how to lead a healthy lifestyle.

For the launch in January 2015, Tesco pharmacies provided customers with thousands of free health checks, including cholesterol and blood pressure measurement, in stores across the UK. As we raise vital funds through a wide-range of activities, from in-store collections to cash point donations, we’ll work together to deliver fun healthy lifestyle activities and support for people living in areas of high deprivation and greater risk.
Familial hypercholesterolaemia (FH) is a dangerous condition caused by mutations in genes leading to very high levels of cholesterol from an early age.

Treatments are very effective, but if undiagnosed and untreated FH can cause a person to have a heart attack in their 30s or 40s. Estimates suggest that as many as 68,000 UK children could carry the faulty gene, but fewer than 400 have been identified.

We’re committed to improving that picture. Your donations have helped us to fund vital world-leading research into FH and, this year, to get five new FH testing services up and running across England and Scotland. With your support we’ve now launched more than a dozen FH units, which trace the relatives of known patients and offer genetic testing, and we’re aiming to identify and help 500 more undiagnosed patients by April 2016.

One month after its launch in February, more than 430,000 people had used our Heart Age calculator.

The online tool encourages over-30s to understand their risk of heart attack and stroke, including by finding out their blood pressure and cholesterol levels. It was developed in partnership with NHS Choices, Public Health England and Joint British Societies recommendations on the prevention of Heart and Circulatory Disease (JBS3). We’ll use the data from the calculator to form a unique picture of the nation’s heart health in the coming months.

Proof drives prevention

Our policy and health promotion work is informed by scientific evidence. Research helps us to focus on interventions that will have the greatest impact in the fight to beat CVD.

In December 2014, BHF Professor David Newby led a group of international experts in publishing a consensus about the proven link between air pollution and heart and circulatory disease, on behalf of the European Society of Cardiology. The paper cited many BHF-funded studies, and in March 2015, research we funded at the University of Edinburgh showed that exposure to air pollution increases the risk of hospitalisation or death from stroke.

In response to this evidence, we launched a programme of action to limit the cardiovascular effects of air pollution in the UK.
More than 430,000 people used our Heart Age calculator in its first month
I started smoking at 14 because my dad smoked. By the time I was 16 I needed a cigarette to function properly. But when my wife and I started a family, I finally decided to quit. I didn’t want to put myself in that position as a father. I wanted to be an example. I also wanted to enjoy time with my kids and go out and about with them. I felt the best way for me to quit was to go ‘cold turkey’. It meant I had to break a lot of routines. I cut down on cups of tea in the morning to stop me craving a cigarette. Since quitting I have noticed lots of changes. My fitness has improved and I am also being picked for the local football and cricket team more. I even get picked over the 16-18 year-olds. It has been seven years since I quit smoking. Honestly it was difficult. It is one of the hardest things I have ever done, but I am so proud that I did it.

Hamad was a 30-a-day smoker but he decided to quit when he and his wife began planning a family. His key motivation was to be a good example to his children, and to make sure they didn’t take up smoking as he had done when he was a teenager.
A CARDIAC ARREST CAN HAPPEN WHEN YOU LEAST EXPECT IT
3. SURVIVAL

less than 1 in

1
Less than one in ten people survive a cardiac arrest out of hospital in the UK
Best friends Huw and Giorgio describe themselves as ordinary teenagers. But they have an extraordinary, life saving skill, because they learnt how to do CPR while still at school. One night they found they needed to use that skill to help save a life.

Giorgio – It was Valentine’s night and we were hanging out with our friends. Huw went to get money from the cash machine near a pub in Merthyr where we live. That’s when we saw a man collapsed on the ground. We went up and we said to the security guards: ‘We know CPR’. We’d learnt it in air cadets. You never think you’re going to have to use it, but when you’re in that situation it all comes back to you.

Huw – A few days later the man sent us a message on Facebook thanking us. We also found out he had a child. It was an amazing feeling that what we did that night actually paid off. We jumped into action and saved a life. I don’t think we are heroes. We’re just people with the right skills, in the right place at the right time.

We think it’s hugely important that young people learn these skills. It would be a revolutionary idea if a generation could come out of school with the skills and knowledge to save a life.
Too many people lose their lives to cardiac arrest because too few people know how to help. By 2020 we’re determined that more lives will be saved each year because bystanders are trained and ready to take action.

Our aims
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 (PADs).

Next steps
Hundreds of thousands of people will learn life saving cardiopulmonary resuscitation (CPR) skills through the BHF’s Nation of Lifesavers campaign – more than ever before in one year.

In October 2014 we launched Nation of Lifesavers, a UK-wide campaign to give people the skills they need to become a lifesaver if they witness a cardiac arrest.

Less than one in ten people survive a cardiac arrest out of hospital in the UK. This is partly because bystanders don’t have the skills or confidence to perform CPR.

Our new quick-and-simple CPR training programme – Call Push Rescue – enables schools, workplaces and community groups to teach the life saving skills needed in the ultimate medical emergency.

To inspire secondary schools to register for their free training kits, we worked with Yorkshire Ambulance Service to train nearly 12,000 children on launch day. Since then over 1,100 schools (and nearly 1,000 community groups) have received free Call Push Rescue kits.

Our campaign was promoted to MPs at an event in Westminster, where we continued to press for support to include mandatory CPR training on the school curriculum. Over 83,500 people signed our petition on this issue, which we delivered to the Department for Education in February 2015.

In the coming year we’re aiming for 500,000 more people to be trained in CPR, partly through targeting promotion of Call Push Rescue to secondary schools in six key areas of the UK. We’ll also put pressure on the new Government to mandate life saving training in schools.

Help us by registering your school, community group, or workplace’s interest in receiving a Call Push Rescue kit by visiting bhf.org.uk/CPR

We’re asking large and small businesses across the UK to join our Nation of Lifesavers by training their workforce.

Asda, with support from us, invested in CPR training for staff this year – as well as completing a roll-out of public access defibrillators (PADs)
began the process of commissioning a feasibility study to check the project’s viability and inform its delivery. Once completed we’ll know how much money we need to raise, and the steps we need to take, to transform the mapping of PADs and help prevent the needless loss of life.

**Scotland’s survival rate for out of hospital cardiac arrest is behind England, with just one in 20 victims surviving to see their families again. This cannot continue.**

With pressure and support from us, the Scottish Government this year developed their first national strategy for improving survival rates from out of hospital cardiac arrest. Launched in March 2015, the strategy recognises the importance of CPR training and defibrillator awareness. The Government has set a target of training half a million more people in Scotland by 2020. We’ll play a major role in reaching that target through promotion and supply of Call Push Rescue kits.

**Research saves lives**

Research is vital in identifying the best forms of care. Careful studies that compare tests and treatments can reveal life saving differences that are hard to spot day-to-day.

In April 2014, a study we funded at the University of Surrey proved the importance of a simple heart attack test done in an ambulance. Results from half a million heart attack patients in England and Wales showed that giving patients an ECG test on their way to hospital led to much better survival rates.

ECG readings help paramedics give patients the most appropriate treatment out of hospital, and means that hospital staff are more prepared when the patient arrives. Despite this, a third of patients were not given the test. Now we have the evidence we need to make sure that all patients have access to the test.
4. SUPPORT

7,000
Seven million people are living with cardiovascular disease in the UK.
Ken Gratton
Recovering Cheshire
Heart failure meant Ken Gratton didn’t have the breath to walk 25 yards. But thanks to a BHF-funded project to treat heart failure patients at home, Ken says he’s got his mobility and his life back.

I turned up to my first hospital appointment in a wheelchair, with my wife Brenda pushing me. Because my heart wasn’t pumping properly I had built up a huge amount of fluid in my lungs and my body. I could hardly walk. Even after 25 yards I was out of breath. I couldn’t help Brenda do any of the normal jobs, and she even had to help me get dressed in the morning. I went to hospital and the consultant referred me to the team with BHF-funded nurses. Brenda had to push me there. I had lived an active life, my jobs were physical and active, so this was hard to accept. They put me onto the programme to get intravenous diuretics at home. The next day the team came and saw me and started pumping diuretics into me. They took a lot of fluid from my body and my lungs. They came every day for 60 days. At the start I weighed 139 kilos and when they finished I weighed 89 kilos. It made a tremendous difference. My breathing is better and I can walk as far as I want. The service was excellent, and now they don’t come I miss them! I still have the damaged heart muscle but I avoided being admitted to hospital and my life is quite different.
Without good care and support, living with heart disease can be a worsening daily struggle. We’re committed to pushing for high-quality care for all, and being the first stop for trusted information for patients and their families.

Our aims

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

– ensuring that everyone of all ages in the UK with heart and circulatory disease has access to high-quality, integrated health and social care services

– empowering people living with heart and circulatory disease to manage their condition through access to high-quality information, support and guidance

– standing up for the needs and rights of patients with heart and circulatory disease and their families.

Next steps

We will urge adoption of proven best practice in care to ensure more patients have access to the treatments and support they need.

We’ve supported the NHS to raise standards of care for thousands of heart patients across the UK.

In recent years we’ve invested over £1.5 million into the redesign of outdated cardiac services, and we’re seeing the incredible difference they’ve made to people with CVD.

At Abertawe Bro Morgannwg University Health Board, near Swansea, we supported the redesign of outpatient heart failure services. Community clinics were created and staffed by specialists who took time to involve people in their treatment decisions. Patients no longer had to travel to the large hospital for their routine appointments, and said the collaborative approach gave them confidence to manage their symptoms at home. It wasn’t just better for patients – by preventing hospital admissions, the new service saved the NHS £300,000 in its first year.

Patients have been overwhelmingly positive about our pilot programme to provide intravenous diuretic (IVD) treatment at home. IVD alleviates debilitating fluid build-up in advanced heart failure, but has traditionally required a hospital stay. Across ten test sites, home treatment has proved to be safe, effective and preferred by all recipients, like Ken Gratton (see previous page). The scheme saved the NHS over £3,000 per treatment and patients avoided a total of more than 1,000 days in hospital. All of the pilot sites have continued to run the service beyond our funding, and we’re urging more areas around the UK to adopt it.

We will continue to invest in, and lobby for, improvements in care. Next year we’ll see results from an ambitious pilot project to integrate fragmented health and social care services. By enabling collaboration between the multiple agencies that deal with people’s medical and social needs, we expect to see significant improvements in the health and quality of life of people living with heart disease.
Too few heart failure patients die in a place of their choosing.

This year we contributed to two influential Westminster reports that agreed with us by recommending major improvements in palliative care. Now we’re pushing for local decision-makers to adopt the reports’ recommendations.

Our fight to raise the number of donor hearts available for transplant was given added urgency this year, when Andrew Duncan, who featured in last year’s report, died while waiting for a new heart.

A BHF campaigner and fundraiser, Andrew had been on the transplant waiting list since 2011. His death threw the inadequacies of the current system into stark relief.

We’re committed to achieving a UK-wide system of ‘soft opt-out’ for organ donation, which means that everyone is on the organ donor register unless they choose not to be included or their family objects after their death. In Northern Ireland, Andrew’s wife Suzanne bravely shared his story and urged people to make clear their wishes around organ donation during the first ever Organ Donation Family Discussion Day.

In Scotland we helped to drive a public consultation about a soft opt-out organ donation system, the feedback from which was overwhelmingly in support of the proposal. In the coming year, as the Bill makes its way through the parliamentary process, we’ll work with our 1,400 e-campaigners in Scotland to convince all MSPs of the urgent need for change.

In honour of Andrew, we’ll continue to fight for a better system right across the UK.

Studying standards of care

By tracking the care given to patients, and their subsequent health, research can identify the best tests and treatments and highlight common lapses in care.

Research funded by your donations this year showed the importance of ensuring all elements of care for heart attack patients are optimally delivered. A team in Leeds revealed that patients who miss at least one of nine standard treatments for a heart attack have a 74% increased risk of death within a year. Shockingly, treatments were missed in around half of the 31,000 cases reviewed.

All across the UK, we’re pushing for best practice in the care of patients with heart disease.

We’ve distributed five million heart health resources in the last year

5 million
heart
health
resources
5. LISTEN, ENGAGE, INFLUENCE
More than 26,000 people volunteer for the BHF, making our life saving research possible.
Leonia Modeste
Heart Failure Nurse
London
I’VE SEEN WHAT ‘COURAGE’ REALLY MEANS

Leonia Modeste is a heart failure nurse and a member of the BHF Alliance, our community for healthcare practitioners. She says the training she’s received helps her give her patients who are suffering the breathlessness and exhaustion of heart failure the best possible care and support.

I’ve seen what ‘courage’ really means. I’ve seen people living with heart failure struggle to do everyday things, struggle to breathe, even. I want to do the best for my patients, and the BHF Alliance has helped me make sure my skills and knowledge are up-to-date. I’ve done an advanced communication course.

There’s an art to communicating with your patients, and the course helps develop these skills. I’ve also done the BHF heart failure course. It gave me new insight, and really supported my practice. We’re trying to prevent hospital admissions so it’s about teaching people to recognise and manage their symptoms so they stay as well as possible, and out of hospital. It’s also teaching their families and carers about the condition so they can understand what’s happening. The Alliance has given me a supported and planned approach to my professional development, and that’s better for my patients.
Our fight against CVD is made even more powerful by working with our connected BHF communities. Our life saving work is shaped and informed by actively engaging with, and listening to, our stakeholders.

**Our aims**

We aim to ensure everything we do will be informed by the needs and views of patients and key stakeholders. We aim to achieve this by:

- growing the BHF’s community of patients, volunteers, supporters and partners and build their participation into our work
- 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.

**Next steps**

We will launch a BHF-wide programme to ensure that everything we do is informed by the needs and views of heart patients and key stakeholders.

1,564 members of our BHF Alliance helping those at risk of or living with heart problems

Thousands more signed up to volunteer their time and skills for the BHF this year and we want to provide the best possible experience for all of them.

Our volunteer survey reported that more than 90% of respondents are proud to volunteer for the BHF and feel they’re making a valuable contribution.

While 92% said they knew about our work, too many were unaware of BHF services that could benefit them. So we responded by promoting Heart Matters and the Heart Helpline to the team. Next year we’ll be holding focus groups to give volunteers the chance to tell us about their BHF experience in more depth.

**Our community of health professionals, the BHF Alliance, will help to drive up standards of care for heart patients.**

We’ve supported specialist roles for many years, but it’s not only specialists who make decisions about the care of people living with heart disease. We recognised a need for training and mentorship in a broader range of professionals.
In the first year after widening our reach, BHF Alliance membership rose by 353 to a total of 1,564. New ‘non-cardiac’ members include physiotherapists, practice nurses and dietitians.

We’ll grow the Alliance by a further 1,000 professionals in the next year. All new members will have access to skills development and training to help them provide the best possible support to heart patients in their care.

We’re committed to ensuring everything we do is informed by the needs and views of people living with heart disease and our supporters.

We consult and seek feedback in a range of ways, including this year by holding a workshop with 30 heart patients and carers to inform our future research strategy (see page 8). In a series of focus groups we talked to members of the public, people living with heart disease, and BHF supporters to help shape the way we speak to those that already know us, and those who might need us in the future.

Joining forces for research

We make sure every pound you donate goes as far as possible, sometimes by teaming up with other funders. This year we collaborated with the Medical Research Council (MRC) in a new initiative.

If you’ve been diagnosed with high blood pressure, you may have had to try different drugs or combinations of drugs before finding one that works for you. This delay is a major problem, and blood pressure remains poorly controlled in many cases.

With £1 million from us, and £2.5 million from the MRC, researchers at King’s College London will use patients’ genetic profiles and blood chemicals to try and predict the type of blood pressure control that would suit them. Ultimately the team aims to develop a single test that would help doctors to choose the right treatment for each person straight away.
6. GROW INCOME

5n,
Over 50,000 people signed up to give a regular donation to the BHF
Terri Gormley, 40, spent 20 years bringing up her nine children. Volunteering in a BHF shop got her back into the workplace, and she grabbed the opportunity to get experience and qualifications. It led to her first job since becoming a mother. She has since been promoted to assistant manager of a large combined BHF clothing and Furniture & Electrical store.

I left school at 16 with no qualifications. I was a stay-at-home mum for 20 years. I first went to a BHF shop on a work placement and I thought, do you know what, I’m going to make the most of it, knuckle down and learn as much as possible. I enjoyed it so much that when my placement ended I carried on as a volunteer. I started finding out how the charity shop worked, I started booking stock in, doing phone bookings and eventually I progressed to the weekly paperwork. I love learning. I enjoyed it because it was something other than being a mum. It was a chance to be me again. While I was volunteering I gained qualifications. I got three NVQs in customer services, retail and team leading. And straight from that I did four weeks of managerial training. It built my confidence a lot on how to run the store. When I came back a sales assistant role came up so I went for that and got it. Ten months later an assistant manager role came up and I got the job. I love my job. I’ve welcomed every challenge as it has come along and it’s changed everything for me.

When I got the job my 17-year-old daughter said she was proud of me. It’s made me feel differently about myself.
Terri Gormley
Assistant Manager
Worcestershire
Our life saving work relies on the generosity of our remarkable supporters, and the drive of our extraordinary volunteers and staff who make team BHF.

This year you donated more than ever before to the fight against heart disease, with our total income up 9% to £147.3 million, and over 50,000 people signed up to give a regular donation to the British Heart Foundation.

These vital funds support the best researchers and make discoveries happen. They help us train people in life saving CPR and improve the quality of care for patients. At the BHF, we’re completely reliant on the goodwill and generosity of our supporters to fund our life saving heart research. We’re committed to being sensitive and respectful when contacting our supporters to make sure they only hear from us in ways they feel comfortable with.

Every day, seven million people in the UK fight the daily battles of heart and circulatory disease. We need to raise more to go further and faster towards our vision of a world in which people do not die prematurely or suffer from heart and circulatory disease. Today we’re one step closer, thanks to you.

More people than ever left a vital legacy to help us win the fight against heart disease.

This year gifts in wills to the BHF exceeded £60 million, our largest ever annual income from legacies and 41% of total income¹ this year.

When you leave a gift in your will to the BHF, you leave a legacy that will help to protect the hearts of your children and grandchildren. Legacy donations play a major role in helping us to sustain our world-leading research programme, and drive progress in areas that need it most – like finding a cure for heart failure, and preventing heart defects in babies.

In September Dan Harris’s defiant story inspired you to donate an astonishing 1.1 million bags of stock to BHF shops during our Bag it. Beat it. campaign.

Dan is one of thousands of UK children living with a heart condition who have benefited from the advances in diagnosis and treatment made possible partly by BHF research.

During Bag it. Beat it. we sent out a rallying call for donations of clothes, shoes, bric-a-brac, books and music that we can sell to raise vital funds for more research. Only through research can we understand what causes heart defects in babies so we can begin to prevent it, and go further in improving diagnosis and treatment for children like Dan.

Fundraising in February was once again a riot of red.

Heart Month this year kicked off with our flagship fundraiser Wear it. Beat it. On 6 February 2015 thousands of people hosted red events.

¹ Total income of £147.3 million includes retail profit of £29.3 million
Wear it. Beat it. contributed £1.2 million to our income in the year to March 2015. We donned red shirts, skirts, ties, hats and nail varnish. We embraced the ‘selfie’ trend and raised £11,000 by inviting you to take your best red lipstick selfie, post it on social media, and text-to-donate £3. Red lipstick pouts were also in the spotlight on the red carpet at our inaugural Roll out the Red Ball, hosted by popstar Mollie King. Famous and fabulous guests paid for exclusive tickets to the event and bid during an auction of donated items, raising over £150,000.

**Over 60,000 tonnes of items were donated to BHF shops this year.**

By giving unwanted items for us to sell, you helped us to raise £29.3 million this year, and you reduced waste. By selling your unwanted clothes, books, furniture and appliances we turned tonnes of ‘waste’ into vital funds to drive our research programme. The expansion of our Pack for Good Campaign, working with 70 universities across the UK to recycle the items left by students at the end of the year, generated more than £0.7 million alone.

Millions of items were sold this year in our high street shops, but we also grew our eBay operation to showcase unusual and precious donations to a worldwide audience, to achieve the best price possible. This year we sold 45,000 items to 116 different countries through the online auction site, generating income of over £1.6 million.

**DECHOX became our new annual nationwide sponsored challenge to give up chocolate for a month and raise money for life saving heart research.**

Any sort of cocoa was a no-no, which meant chocolate sweets, treats, biscuits, ice cream, cake – and even the chocolate sprinkles on your cappuccino – were all off limits during March 2015. Celebrity Ambassador Kym Marsh was the face of the campaign, and the lighthearted approach of DECHOX on social media was popular. Nineteen thousand DECHOXERS signed up, and we are on target to raise £750,000 in sponsorship.

**Over 90,000 people ran, swam or cycled in our fundraising events.**

More mountain-bikers joined our legion of charity cyclists, with our off-road events enjoyed by over 4,000 adventurers. Our London to Brighton off-road event is gaining the kudos of its tarmac big brother, and is now the largest off-road charity ride in the UK, raising over £360,000 this year to help power our research.

**Partnerships with individuals and organisations help us to reach new audiences.**

Our new Fundraising Board of committed and influential philanthropists – chaired by Dr Robert Easton have helped us to raise more than £2 million of pledges towards our £10 million target to build the Institute of Developmental and Regenerative Medicine at Oxford University.
The Institute will be a world-leading centre for stem cell technology – driving towards a cure for heart failure.

And our fight was made stronger by partnerships with a wide range of businesses who raise money for us through product promotions, Charity of the Year schemes and staff fundraising. Thank you to all our corporate partners including Tesco, Santander, Warburtons, Asda, Next, Costain, ISS Facility Services, Flora pro.activ, PANDORA, SSE and the Football Association.

**Once again, our incredible army of volunteers have worked all year to raise millions.**

Thank you to each and every one of our thousands of everyday heroes, whose passion and drive fuels our fight in every corner and community of the British Isles. The BHF has one of the largest volunteer communities in the UK, with more than 26,000 individuals from all walks of life giving their time to help us win the fight against heart disease. Special mention goes to our top-performing fundraising branch in Harrogate, whose tireless efforts included organising a local cricket event that generated over £16,000.

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**Donations to discovery**

One inspirational project funded this year from your donations aims to use cutting-edge tissue engineering to improve the treatment of severe heart defects in children.

Professor Paolo Madeddu and his team at the University of Bristol will grow tissue grafts from human heart cells. They think these will be better for patients than current synthetic grafts, because they will grow as the child grows – avoiding the need for repeated operations during childhood and adolescence. The team will be working hard to refine the grafts in the lab, before they can take the next step of testing their safety and performance.
I’m proud of my scar because it shows what I’ve been through.

Dan Harris needed open heart surgery when he was nine to fix a hole in his heart. He was determined to get back to school quickly, and within three months he was back playing the football he loves. Dan was the star of our September stock donation appeal, Bag it. Beat it., alongside several other inspiring children who are living with congenital heart disease.

I had a hole in my heart and they said my heart was enlarged. The doctor called my mum and told her I needed open heart surgery. Mum and Dad had a shock. But I wasn’t worried about having an operation. I asked the doctors if it could be in December when my football coach was away. That way I wouldn’t be letting my team mates down. My operation went well. Afterwards I was only in intensive care for ten hours. They wanted me to start on half days but I didn’t need to. I wasn’t tired. I went back to school exactly six weeks after my operation. After three months, I got back on the football pitch. I might be little, but I am tough. My team mates call me The Mighty Atom. I’m proud of my scar because it shows what I’ve been through.
Website traffic increased by 14% to over one million visits a month in March 2015
Mark McLean
Survivor
County Armagh
Mark McLean is six and he has already undergone open heart surgery three times. All the staff and pupils in Mark’s small primary school know about his heart condition. On 6 February 2015 the entire school took part in Wear it. Beat it. to raise funds for our research. Mark’s mum Linda tells the story.

We found out when I was pregnant that our baby had a problem with his heart. I was completely devastated. I was a first-time mother and I was full of fear – it was fear of the unknown. Doctors told us it was serious and he would need surgery on his heart within five weeks of being born. You don’t know what to do with yourself during the hours your child is being operated on. You just wander around, crying. Mark did well afterwards. He had two further operations, one when he was nine months and one just recently when he was six. He would get out of breath sometimes but he would push himself and always say: ‘I’m not tired!’ It’s Mark’s second year at his school and they got involved in fundraising for the BHF from the start. This year they took part in Wear it. Beat it. They all dressed up in red, wore red wigs, had healthy food and had a lot of fun. The Principal said it was the first time in 30 years the school had supported a new charity, and it was the most they had ever raised in all that time. We think it’s vital to fundraise to support BHF research because it’s keeping people alive and giving them a better quality of life. If Mark had been born 20 years ago, he might not have been here today.
Every pound you donate is vital in the fight for every heartbeat. To make the maximum impact from your donations, we must run the Charity in the best possible way.

Our aim
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.

Next steps
We will set out and measure the ways in which every role contributes to our strategic goals, and we will invest in the operational infrastructure needed to ready the BHF for the growth ahead.

The launch of our new strategy in August 2014 was a proud moment for the Charity, and heralded a major evolution in the way we work.

By simplifying and clarifying our charitable objectives our staff and supporters can more easily understand the scope of our work, with research at its heart, and the roadmap towards our vision.

Behind the scenes, we’ve put systems and skills in place to regularly collect and report on a set of 18 measures that we’ll use as markers of our progress, from the amount we’ve invested in research, to the number of people who’ve recommended our resources to friends. We’re due to begin annual reporting on the tangible impacts of every area of our work, to show more clearly and more often the difference that your donations have made in the fight against heart disease. We will be publishing impact reports, which we will publish on our website.

The hard work of our staff, and contributions from our wider community, during this time of change was recognised when we received the award for Best Strategic Transformation 2014 at The Innovation Enterprise’s Innovation and Strategy Awards.

To grow our income and achieve the greatest impact we need to do everything we can to make sure we are employing the best people.

As part of our strategic transformation we’ve embarked on a comprehensive review of the make-up of our workforce, and the support and experience we provide for our staff and volunteers.

Our first workforce report revealed that the ages of our 3,500 staff range from 16 through to 79, with 1,043 staff aged 55 or over. We’re committed to being an equality employer and currently at least 9% of BHF employees have black or minority ethnic heritage. 11% of our paid vacancies are filled by a candidate who has been a BHF volunteer.

We’re committed to providing excellent learning and development opportunities for our team, so that everyone can fulfil their potential in the fight against heart disease. We’ll be creating plans across the BHF, and have already increased the number of learning events, such as talks and workshops, in our workplaces, reaching 2,400 staff this year.

We recognise that world-class leadership and project management is essential, to enable people and programmes to succeed.

This year our senior leadership team has grown to reflect our strategic objectives, with the recruitment of four new directors, and we’ve initiated a scheme to identify and encourage talented leaders at all levels. We have strengthened our planning processes to help manage the workflow of project activities across the BHF.
This image shows a blood clot in close detail. The thick grey mesh is the clot, capturing a mixture of different cells – including red blood cells, platelets and an assortment of white blood cells. BHF-funded research in the 1970s first proved that clots can cause heart attacks.

The bold ambitions of our strategy require back-office IT and administration that can support our growth and ambitions.

We’re undergoing a wide-reaching review of our systems and processes to ensure we operate in the most efficient and effective way, and invest appropriately in improvements where we currently fall short.

This year we completed two major upgrades. The first was a challenging launch of our new finance system, the culmination of several years of consolidating multiple accounting programmes used across the organisation. The lessons from this complex project are helping to shape our new approach to planning.

In December 2014, the new BHF website went live. The new platform gives users a world-class online portal into the charity, making every contact count. Website traffic increased by 14% to over one million visits a month in March 2015.

World-leading research

We fund the best scientists to do world-class research that will drive progress in the fight against heart disease. The quality of our research is reflected in the fact that the world’s leading scientific journals this year featured more than 100 papers by researchers funded by us.

For example, in August a BHF-funded team from the University of Leeds published findings in Nature, the pre-eminent interdisciplinary science journal. Professor David Beech led research that deciphered how the cells that line blood vessels can detect changes in blood flow. This is a really important discovery that we hope could lead to treatments to make our coronary arteries more resistant to disease.
Achievements and performance
Our strategy and performance against charitable objectives is discussed in detail on pages 2 to 53 of this Annual Report.

Financial review
Income
Total income\(^1\) of £147.3 million was generated in 2014-15 for our fight against heart disease, an increase of £11.8 million (9%) on last year. This was powered by strong growth in legacies and fundraising income, contributing 41% and 36% of total income respectively. The balance of income came from our retail activities (20%) and investments (3%).

Legacies remain our largest source of income, increasing this year by 10% to £60.8 million. Income from fundraising activities increased by 14% from £46.8 million to £53.2 million. This reflects the enormous level of effort from our fantastic supporters and volunteers, including raising £1.2 million for Wear it. Beat it.

We are the largest charity retailer in the UK. Gross retail income and net retail profit increased marginally in 2014-15 to £170.2 million and £29.3 million, respectively. This reflects a 1.1% decline in like-for-like shop sales, partly offset by growth of online sales through eBay, which reached £1.6 million, up 170% on last year. As at 31 March 2015, the BHF operated 735 shops (2014: 734), including 563 standard charity shops (2014: 565) and 172 specialist furniture & electrical stores (2014: 169). During 2014-15, we opened seven new standard shops and four furniture & electrical stores, closed a total of ten under-performing shops and re-sited nine shops.

The growth in total income\(^1\), particularly in fundraising activities, required investment in the direct costs of generating funds, which increased by 9% to £31.5 million (2014: £29.0 million). After governance costs of £1.2 million (£0.9 million), the BHF generated £114.6 million for charitable purposes in 2014-15 (2014: £105.6 million).

Mending Broken Hearts
Included in the fundraising and retail figures above is our Mending Broken Hearts Appeal which generated £5.3 million in 2014-15 (2014: £7.1 million). This came through a combination of individual and corporate donations, events and merchandise sales.

Charitable expenditure
During 2014-15 expenditure on research totalled £81.8 million, including 218 new grants providing support for some of the best young scientists in the UK, innovative projects and vital clinical trials. This compares to expenditure of £115.5 million in 2013-14, which included quinquennial grants for six BHF Centres of Research Excellence, totalling £24.0 million.

Spend on Prevention, Survival and Support (PSS) activities in 2014-15 increased by 14% to £31.9 million (2014: £27.8 million). The rise largely reflects £4.5 million spent on our Survival programme, launching our aim to create a Nation of Lifesavers through CPR training and defibrillator awareness.

<table>
<thead>
<tr>
<th>Income and expenditure summary</th>
<th>2015</th>
<th>2014</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td>Legacies income</td>
<td>60.8</td>
<td>55.5</td>
<td>10</td>
</tr>
<tr>
<td>Fundraising income</td>
<td>53.2</td>
<td>46.8</td>
<td>14</td>
</tr>
<tr>
<td>Retail net profit</td>
<td>29.3</td>
<td>28.9</td>
<td>–</td>
</tr>
<tr>
<td>Investment income</td>
<td>4.0</td>
<td>4.3</td>
<td>(7)</td>
</tr>
<tr>
<td>Total income (net of retail cost)</td>
<td>147.3</td>
<td>135.5</td>
<td>9</td>
</tr>
<tr>
<td>Direct costs of generated finds</td>
<td>(31.5)</td>
<td>(29.0)</td>
<td>9</td>
</tr>
<tr>
<td>Governance costs</td>
<td>(1.2)</td>
<td>(0.9)</td>
<td>33</td>
</tr>
<tr>
<td>Total net income</td>
<td>114.6</td>
<td>105.6</td>
<td>9</td>
</tr>
<tr>
<td>Research</td>
<td>(81.8)</td>
<td>(115.5)</td>
<td>(28)</td>
</tr>
<tr>
<td>Prevention, survival and support</td>
<td>(31.9)</td>
<td>(27.8)</td>
<td>14</td>
</tr>
<tr>
<td>Total charitable expenditure</td>
<td>(113.7)</td>
<td>(143.3)</td>
<td>(20)</td>
</tr>
<tr>
<td>Net incoming/(outgoing) resources</td>
<td>0.9</td>
<td>(37.7)</td>
<td>–</td>
</tr>
</tbody>
</table>

\(^1\) Total income of £147.3 million includes retail profit of £29.3 million
PSS spend also included £4.0 million spent providing resources and support to heart patients and others through heart information booklets, videos and online tools and workplace health projects, £2.6 million running the Heart Helpline and Heart Matters programme and £2.5 million on Healthcare and Innovation. This included grants for Familial Hypercholesterolaemia (FH) services in England, Scotland and Wales and funding for learning and development of healthcare professionals through the BHF Alliance.

Alongside these activities, we spent £6.3 million on policy and communications as part of our charitable activities, including getting our message across through campaigns such as Fight for Every Heartbeat, Bag It. Beat It. and Wear It. Beat It. We also continued our policy and advocacy work, achieving victories such as a ban on branded packaging of tobacco products.

**Balance sheet**

As at 31 March 2015, total cash, deposits and investments were £291.0 million, an increase of £26.1 million compared to 31 March 2014. This increase principally reflected the benefit of strong capital growth in our equity portfolio, as discussed in investment policy and performance on page 56.

These assets are held to support the future cash settlement of grant liabilities which total £320.0 million as at 31 March 2015 (2014: £322.6 million). It is our 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, resulting in the immediate reduction of our reserves and giving rise to the deficit on reserves. In addition to these recognised grant liabilities, we have a contingent liability of £21.2 million as at 31 March 2015 (2014: £30.0 million) to fund Chairs of cardiovascular research, which are conditional upon a favourable progress review undertaken every five years. These contingencies are not recognised as a liability in the accounts until satisfactory completion of such a review. This accounting treatment complies with the Statement of Recommended Practice (SORP) for charities.

There is a substantial time lapse between recording new grant awards in our accounts, and their subsequent payment. 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.

At the end of the financial year, the BHF Group is reporting a total net deficit of £6.0 million compared to a £30.6 million deficit last year. This includes a deficit on reserves shown by the General Reserve under the caption Total Unrestricted Funds in the Group balance sheet of £21.6 million (2014: deficit of £43.4 million). This deficit on reserves is a planned position that has been reached after careful consideration by the Trustees, having taken into account the relatively long-term nature of the BHF’s grant liabilities, our investment portfolio and the considerable diversity of our fundraising activities which also provide cash resources to fund research grant liabilities.

### Reserves and grant commitments

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>87.2</td>
<td>82.4</td>
</tr>
<tr>
<td>Investments</td>
<td>203.8</td>
<td>182.5</td>
</tr>
<tr>
<td><strong>Total cash and investments</strong></td>
<td><strong>291.0</strong></td>
<td><strong>264.9</strong></td>
</tr>
<tr>
<td>Grants – committed liability</td>
<td>320.0</td>
<td>322.6</td>
</tr>
<tr>
<td>Grants – contingent liability</td>
<td>21.2</td>
<td>30.0</td>
</tr>
<tr>
<td><strong>Total grants – committed and contingent</strong></td>
<td><strong>341.2</strong></td>
<td><strong>342.6</strong></td>
</tr>
<tr>
<td>Unrestricted funds – deficit</td>
<td>(21.6)</td>
<td>(43.4)</td>
</tr>
<tr>
<td><strong>Total funds in deficit</strong></td>
<td><strong>(6.0)</strong></td>
<td><strong>(30.6)</strong></td>
</tr>
</tbody>
</table>
Reserves policy
The Board of Trustees considers the key measure of sustainability for the BHF to be current and future liquidity cover, rather than the surplus or deficit accounting position. As a consequence, Trustees have set appropriate reserves policies relating to liquidity based on the relationship between readily realisable assets, future liabilities of grants and the cash requirements associated with sustaining the BHF’s operations for a period.

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 (excluding direct costs of income generation). In the event of the BHF facing difficult financial circumstances, this would allow us to both meet our responsibilities to grant holders and for operations to continue during a period of managed adjustment to these new circumstances. Based on the current grants position, this policy requires us to hold between £141 million and £299 million in liquid and readily realisable assets.

At 31 March 2015, our liquidity of £291.0 million was sufficient to cover the defined operating costs, plus 23 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 policy and performance
The BHF held total cash, deposits and investments of £291.0 million as at 31 March 2015, an increase of £26.1 million on 2014. The BHF has two portfolios: the growth portfolio and the cash portfolio.

The investment objective of the growth portfolio, which was valued at £203.8 million as at 31 March 2015 (2014: £182.5 million) is to provide real growth over five to ten years and the portfolio consists almost entirely of equities. The growth portfolio is split between a UK equity portfolio managed by Smith & Williamson Investment Management LLP and a global equity portfolio managed by Schroder Investment Management Limited. The growth portfolio generated a total return for the year ended 31 March 2015 of 15.5%, against a benchmark of 13.4%.

In addition, to balance short term cash requirements and investment risks, our cash portfolio invests in short-term fixed interest investments managed by Royal London Asset Management (RLAM), with £63.5 million held as at 31 March 2015 (2014: £75.3 million). These readily realisable investments are reported within the total Cash at Bank on the balance sheet of £87.2 million (2014: £82.4 million).

The investment objective of the cash portfolio is to preserve the absolute capital value of the assets. The benchmark is to earn a return net of fees in excess of the one month inter-bank LIBOR rate. The RLAM cash portfolio generated a total return for the year ended 31 March 2015 of 0.5%, against the benchmark return of 0.5%.

Our investments are governed by investment and treasury policies that are reviewed by the Trustees on an annual basis. The policies are designed to balance the objective of maximising investment returns against the risk and liquidity of the investments.

All investment managers are asked to demonstrate effective systems of internal control. The BHF’s strong preference is that managers comply with the requirements of a recognised assurance framework on internal controls and these are reviewed on an annual basis.

The total return on investments for the year was £29.4 million (2014: £16.6 million). The returns on our portfolio were generally in line with or exceeded benchmarks and peer group charity averages, and reflected strong capital growth in our equity portfolio.

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

Pensions
Our employees participate in both defined contribution and defined benefit plans. Employees may join the BHF UK Retirement Plan, a defined contribution scheme, at any time.

The BHF UK Pension (‘the Scheme’), a defined benefit scheme, was closed to new entrants from 30 June 2001. The Scheme is subject to a formal triennial funding valuation, with the most recently completed being as at 1 July 2011. This showed a funding deficit of £3.1 million, as a result of which a deficit recovery plan was agreed over the period to April 2016. The next funding valuation as at 1 July 2014 will be completed in 2015.
The actuary carries out a separate annual Financial Reporting Standard 17 (FRS 17) valuation of the defined benefit pension scheme, in which different funding assumptions are applied. The FRS 17 valuation as at 31 March 2015 showed a deficit of £5.4 million (2014: £5.0 million), and is further explained in note 14 to the accounts on page 83.

**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. Twenty research grants, totalling £6 million were awarded this year to the Universities of Glasgow, Edinburgh, Dundee, Aberdeen and St Andrews.

Further information on our activities in Scotland, Wales, Northern Ireland and England is available at bhf.org.uk

**Trading subsidiaries**
We have four wholly owned trading subsidiary undertakings, one of which (British Heart Foundation Sales Ltd) is dormant. The profit from the remaining three subsidiaries (British Heart Foundation Ventures Limited, BHF Shops Limited and London to Brighton Bike Ride Limited) was £6.6 million in 2014-15 (2014: £6.0 million). Profits of trading subsidiaries are detailed in note 13 to the accounts on page 82.

**Going concern**
The Trustees have reviewed our financial position and financial forecasts, taking into account the levels of investment reserves and cash, and the systems of financial control and risk management. As a result of this review, the Trustees believe that we are well placed to manage operational and financial risks successfully.

Accordingly, the Trustees consider that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. They continue to support the going concern basis in accounting in preparing the annual accounts.

**Internal control**
The Trustees are responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the strategic and operational risks the Charity has and could be exposed to.

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

- A BHF Risk Management Framework which meets the Charity Commission’s requirements and follows best practice from the Institute of Risk Management (IRM).
- An Internal Audit function supported by our internal audit partner Deloitte, who deliver a risk-based audit programme approved by our Audit and Risk Committee. The Audit and Risk Committee reviews internal audit follow-up by BHF management, as well as more detailed reports from senior management on key areas of risk.
- All major programmes and projects are scrutinised by the BHF Portfolio Operations Board and monitored through the Portfolio Management Office to ensure they are properly planned and implemented.

**Risk management**
The Risk Management Framework consists of the Risk Management Policy and the Risk Management Procedure. The Risk Management Procedure sets out the process that we use to identify and manage risks in all our activities, classified into two categories, Strategic Risk and Operational Risk. This process is supported by Directorate Risk Registers and an overarching BHF Corporate Risk Register (CRR).

In March 2015, the Trustees completed their annual review of the CRR. In the course of this review, the Board considered:

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

In addition to routine updates on key and emergent risks, the CRR is formally reviewed by the Trustees every year, whilst managed and reviewed on a bimonthly basis by the Executive Group and reported to Audit and Risk Committee every quarter.
**TRUSTEES’ REPORT: STRATEGIC REPORT (CONTINUED)**

### Principal risks and uncertainties

<table>
<thead>
<tr>
<th>Risk</th>
<th>Management</th>
</tr>
</thead>
</table>
| Economic pressures, competition and consumer behaviour changes impact negatively on voluntary income. | • Annual budgeting and ongoing management reporting and monitoring of financial performance.  
• The preparation of long-term financial forecasts aligned to the BHF’s strategy that target a diversification of income streams and incorporate an ongoing consideration of market and consumer trends. |
| Incidents that damage reputation and/or negatively impact operations (including cyber security, serious fraud, major incidents). | • Proactive detection, monitoring, reporting, investigation of potential adverse events and incidents.  
• Proactive and reactive media management in place, including ongoing digital and traditional media monitoring.  
• Dedicated specialist resource is applied in key areas such as health and safety, risk and assurance and legal that support organisation-wide events and operations.  
• Continuing programme of Health and Safety improvements and training is being delivered to strengthen our safety management system.  
• Continuing programme to drive IT improvements and strengthening of infrastructure and security to protect BHF assets.  
• Business continuity and disaster recovery plans are in place to minimise disruption to operations from unexpected events. |
| Changes to Government policy, spending reviews, NHS reform and changes in the wider research environment negatively impact on the BHF’s research strategy and activities. | • BHF risk management, legal and policy teams monitor public policy and the regulatory environment on an ongoing basis to ensure potential risks can be proactively managed.  
• Active programmes of advocacy, influencing and senior level engagement to ensure our views are shared.  
• Senior BHF and partner representation at key events and forums to help shape the research agenda. |
| BHF strategy and activities are not properly or sufficiently focused in order for the charity to meet its 2020 objectives. | • BHF’s Executive Group and Trustees routinely scrutinise alignment with, and progress of, the BHF strategy to 2020.  
• Review and development of key charitable strategies (Research, Prevention, Support) by internal and external subject matter experts.  
• Scrutiny and approval of research funding applications by international expert committees. |
| BHF bank and investment portfolio is subject to adverse risk exposure and market movements. | • Expert financial advice informs investment and treasury policies that ensure our portfolio is adequately diversified and managed.  
• Oversight of investment performance by our Investment Committee, who monitor compliance and effectiveness of our investment and treasury policies. |
| Attracting, developing and retaining talented staff in a competitive employment market combined with the reliance on significant levels of volunteer support both in fundraising and in the BHF’s retail operations. | • Employee and volunteer engagement surveys and follow-up plans.  
• An active communication programme to ensure staff and volunteers are always informed on the BHF’s strategy and the progress being achieved.  
• Regular benchmarking of compensation and benefits.  
• Talent management, development and succession planning programmes.  
• Ongoing proactive employee and volunteer recruitment campaigns. |
LEGAL STRUCTURE AND GOVERNANCE

Legal structure and governance
The BHF is a company limited by guarantee, incorporated in England on 28 July 1961. Our articles of association were last amended on 23 January 2014. Our Articles of Association provide for a 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 Board of Trustees is responsible for the governance and strategy of the BHF. The Board is made up of 14 Trustees, comprising a mix of medically-qualified and lay members. Each Trustee is also a member of the Council. The Trustees have full legal responsibility for the actions of the BHF. Members are appointed for a renewable term of three years and are the directors of the company for the purposes of the Companies Act 2006.

The Board meets six times a year and delegates day-to-day responsibility for the running of the BHF to the Executive Group.

The Board also delegates 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 is overseen by three medical committees with responsibility for specific areas of Research including the review of grant requests and other scientific award proposals. You can see a full list of committees on pages 61 to 63.

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.

As part of the new BHF Strategy 2020, a detailed governance review was undertaken during 2014-15 which included an independent review of governance arrangements which began in May 2014 and ended in September 2014. The overall aim of the governance review was to ensure the BHF’s governance arrangements are clear, fit for purpose, and reflect current best practice, in order to assist the delivery of the new strategy and provide oversight of the development and implementation of the strategic aims. Proposals for change are currently being considered by Council, following on from the governance review, and it is anticipated that changes to the governance structure and processes will be initiated over the next financial year.

As part of this change, in November 2014, the Prevention and Care Reference Group was stood down in order to develop the three themes of Prevention, Survival and Support. We wish to thank members of the former Prevention and Care Reference Group for their commitment and contribution to the work of the BHF.

Recruitment, induction and training of Trustees
The Nominations Committee is, amongst other things, responsible for recruiting members to the Board of Trustees and Council. One of its aims is to ensure a broad mix of skills and backgrounds. The committee meets regularly to review the composition of the Board of Trustees and 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.

New and retiring Trustees and Council members
We are pleased to welcome Professor Anna Dominiczak, Professor Simon Ray and Professor Liam Smeeth, who joined the Board of Trustees this year; and also to thank Dr Jane Flint and Professor Sir Michael Marmot who retired during the year.

We also wish to thank Professor Richard Hobbs who retired from Council during the year.

The Board of Trustees is extremely grateful to all Council and committee members, new and retiring, for their tremendous support for the BHF 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.

**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, the grant-award process and application guidelines, visit bhf.org.uk/research/information-for-researchers

**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 3,368 staff, spread right across the UK (2,873 of whom are employed in our retail operation). The full-time equivalent headcount is detailed within note 5 to the accounts on page 74. 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 our Charity. Our 26,311 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 we will achieve our goal of beating heart disease.

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. All reasonable adjustments are made for the continued employment and training, career development and promotion of people with disabilities employed by the BHF. We do not condone or tolerate any form of discrimination in our recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions.

**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. No indemnity is provided for the Company’s auditor.

**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 30 July 2015.

**Dr Deborah Prince**
General Counsel, and Company Secretary
BOARD OF TRUSTEES AND COMMITTEES

Patron
His Royal Highness The Prince Philip KG KT

Board of Trustees
(Under company law, the Board of Trustees act as the company directors of the Foundation, 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
Professor Nishi Chaturvedi MD MSc MFPHM MRCP MBBS
Professor Anna Dominiczak OBE MD FRCP FAHA FRSE FMedSci
from 1 1 September 2014
Dr Robert Easton BSc ARCS DPhil
Dr Jane Flint MD FRCP to 1 1 September 2014
Dr Evan Harris BM BCh MA (Oxon)
Richard Hytner MA LLM
Professor Kay-Tee Khaw CBE FRCP
Professor Sir Robert Lechler MB ChB PhD FRCP FRCPath FMedSci
Professor Sir Michael Marmot PhD FFCM
from 1 1 September 2014
Roger Pilgrim MA (Cantab) FCA
Professor Simon Ray from 1 1 September 2014
Professor Liam Smeeth FRCPG PHD from 1 1 September 2014
Lance Trevellyan BSc FCA FRSA

The Council

Chairman
Sir Christopher Edwards FRSE MD FRCP FRCPE FMedSci

Members of the Council
Andrew Balfour LLB
Dr Naureen Bhatti MBBS MSc MRCP MFPHM FRCGP
Angela Camber
Professor Cyrus Cooper MA DM FRCP FFPH FMedSci
Professor Nishi Chaturvedi MD MSc MFPHM MRCP MBBS
Professor Anna Dominiczak OBE MD FRCP FAHA FRSE FMedSci
from 1 1 September 2014
Dr Robert Easton BSc ARCS DPhil
Baroness Ilora Finlay of Llandaff
Stephanie Flanders
Dr Jane Flint MD FRCP to 1 1 September 2014
Dr Evan Harris BM BCh MA (Oxon)
Richard Hytner MA LLM
Professor Richard Hobbs FRCPG FRCP FESC FMedSci to 1 1 September 2014
Sir Bruce Keogh KBE MD FRCs
Professor Kay-Tee Khaw CBE FRCP
Andy Kirby
Professor Sir Robert Lechler MB ChB PhD FRCP FRCPath FMedSci
Professor Sir Michael Marmot PhD FFCM to 1 1 September 2014
Roger Pilgrim MA (Cantab) FCA
Jan Procter-King RGN RM MA
Professor Simon Ray from 1 1 September 2014
Professor Alice Roberts BSc MB BCh PhD Hon FBAASc
James Robinson BSc FCA
Dr Jaz Saggu BSc (Hons) PhD MBA
Bob Seale BA ACA
Professor Liam Smeeth FRCPG PHD from 1 1 September 2014
Professor Julian Scott MD FRCS
Professor Paul Stewart MD FRCP FMedSci FSB
Lance Trevellyan BSc FCA FRSA
Professor Martin Wilkins MD FRCP FBPharmacols
Philip Yea MA FCMA

Retail

Committee

Committee

Chairs and Programme Grants Committee

Project Grants Committee

Fellowships Committee

Investment Committee

Audit and Risk Committee

Remuneration Committee

Nominations Committee

Prevention and Care Reference Group (to November 2014)
BOARD OF TRUSTEES AND COMMITTEES

**Retail Committee**

**Chairman**
Roger Best

**Members**
Robbie Feather
Jonathan Lawson to 5 August 2014
David Lockyer MSc
Niall O’Keefe
Rob Swyer from 11 December 2014
Lance Trevelyan BSc FCA FRSA

**Ex officio**
Chief Executive
Retail Director
Chief Financial Officer
Director of Fundraising
Director of Marketing & Engagement
Director of Policy

**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
Chief Financial Officer

**Audit and Risk Committee**

**Chairman**
Roger Pilgrim MA (Cantab) FCA

**Members**
Andrew Balfour LLB
Mark Bryant
David Lockyer MSc
Iain MacKay MA CA from 11 December 2014
James Robinson BSc FCA to 4 December 2014

**Ex officio**
Chief Executive

**Nominations Committee**

**Chairman**
Philip Yea MA FCMA

**Members**
Professor Nishi Chaturvedi MD MSc MPhM MRCP MBBS
Denise Collis BA(Hons) FCIPD from 31 March 2015
Sir Christopher Edwards FRSE MD FRCP FRCPSE FMedSci
Richard Hytner MA LLM
Professor Kay-Tee Khaw CBE FRCP
Professor Sir Robert Lechler MB ChB PhD FRCP FRCPath FMedSci
Roger Pilgrim MA (Cantab) FCA

**Ex officio**
Chief Executive

**Remuneration Committee**

**Chairman**
Philip Yea MA FCMA to 31 March 2015
Denise Collis BA(Hons) FCIPD from 31 March 2015

**Members**
Roger Best
Dr Robert Easton BSc ARCS DPhil appointed 31 March 2015
Sir Christopher Edwards FRSE MD FRCP FRCPSE FMedSci
Roger Pilgrim MA (Cantab) FCA

**Ex officio**
Chief Executive
Director of People & Organisational Development

**MEDICAL COMMITTEES**

**Chairs and Programme Grants Committee**

**Chairman**
Professor Paul Stewart MD FRCP FMedSci

**Members**
Prof. Mark Caulfield MBBS MD FAHA FESC FRCP FMedSci retired 4 February 2015
Professor Clive Orchard BSc PhD retired 23 July 2014
Professor Chris Proud BSc PhD retired 23 July 2014
Professor Peter Rothwell MD PhD FRCP FMedSci
Professor Sian Harding BSc PhD
Professor Jon Frampton BA PhD
Professor Michael Frenneaux MB BS FRACP MD FACC FRCP FESC FMedSci
Professor Aroon Hingorani BA MA MBBS MRCP PhD FRCP FESC
Professor Keith Fox MBChB FRCP FESC FMedSci
Professor David Beech BSc PhD FMedSci appointed 24 July 2014
Professor Christopher Buckley MBBS DPhil appointed 6 November 2014
Professor John Connell MD, FRCP, FMedSci, FRSE appointed 5 February 2015

**Ex officio**
Chief Executive
Medical Director
Associate Medical Director (Research)
Head of Research Funds
Project Grants Committee

Chairman
Professor Cyrus Cooper MA DM FRCP FFPH FMedSci

Members
Dr Alison C Brewer BSc PhD
Dr Sarah C Calaghan BSc PhD retired 3 December 2014
Professor Paul C Evans BSc MSc PhD
Professor Martin Farrall BSc MBBS FRCPPath
Professor Marcus D Flather MBBS FRCP
Dr William Fuller BA MA PhD appointed 4 December 2014
Dr Julian L Griffin BA DPhil appointed 4 September 2014
Dr Jason L Johnson MSc PhD retired 3 December 2014
Professor Peter Kohl MD PhD FHRs
Professor F Anthony Lai BSc, ARCS, DIC, PhD
appointed 4 September 2014
Dr Pier D Lambiase PhD FRCP
Professor Deborah A Lawlor MB ChB MRCPG appointed 12 June 2014
Dr James M Leiper BSc PhD
Professor Ziad Mallat PhD MD appointed 4 December 2014
Professor Manuel Mayr MD PhD retired 3 September 2014
Dr Nicholas L Mills BSc MBChB MRCP PhD
Dr Timothy J Mohun BA PhD
Professor Keith G Oldroyd MBChB FRCP MD
Professor Susan E Ozanne BSc PhD retired 4 March 2015
Professor G Ed Rainger BSc PhD appointed 6 March 2014
Professor Christiana Ruhberg BSc MSc PhD appointed 5 March 2015
Dr Nicola Smart BSc PhD appointed 6 March 2014
Professor Liam Smeeth MBChB FRCPG FPFPH MSc PhD
retired 11 June 2014
Professor Andrew M Taylor BA, BM BCh, MD, FRCP, FRCP, PG Dip
(Medical Leadership)
Professor Andrew Tinker BA MB BS FRCP PhD FMedSci
retired 3 September 2014
Professor 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
Professor Martin Wilkins MD FRCP FBPharmacolS

Members
Professor Colin Berry BSc MBChB PhD FRCP retired 8 January 2015
Professor Barbara Casadei MD DPhil FRCP FMedSci
appointed 4 April 2014
Professor Keith Channon MD MRCP retired 3 April 2014
Professor Timothy Frayling PhD
Professor Christopher Huang PhD BMBC DM DSc MD ScD FSB
appointed 4 July 2014
Professor Mark Kearney MBChB FRCP DM
Dr Gerald McCann BSc MB CHB MD appointed 9 January 2015
Professor Catherine Shanahan BSc PhD
Professor Godfrey Smith BSc PhD retired 3 July 2014

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

Prevention and Care Reference Group
(disbanded November 2014)

Chairman
Professor Kay-Tee Khaw CBE FRCP

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

Ex officio
Chief Executive
Medical Director
Associate Medical Director (Prevention, Survival & Support)
Associate Medical Director (Prevention, Survival & Support)
Director of Marketing & Engagement
Director of Fundraising

Executive Group 1
(to whom responsibility for the day-to-day running of the Charity is delegated by the Trustees)

Chief Executive
Simon Gillespie

Medical Director
Professor Peter Weissberg MD FMedSci

Director of Prevention, Survival & Support
Catherine Kelly from September 2014

Chief Financial Officer
Martin Miles ACA from November 2014

Director of Fundraising
Louise Parkes

Retail Director
Mike Taylor

Director of Marketing & Engagement
Carolyn Davidge from October 2014

Director of Policy
Mike Hobday from September 2014

Director of People & Organisational Development
Kerry Smith

Director of Strategy and Performance
Dr Charmaine Griffiths PhD

General Counsel & Company Secretary
Dr Deborah Prince PhD

1 Members of the Executive Group who served during the year were:
Finance Director (interim) Paul Wallwork ACA to 11 April 2014
Finance Director (interim) Simon Jones CPA to 21 November 2014
Director of Policy and Communications Betty McBride to 12 June 2014

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

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STATEMENT OF TRUSTEES’ RESPONSIBILITIES

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

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

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

Philip Yea
Chairman
11th September 2015
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 parent charitable company’s affairs as at 31 March 2015 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 regulations 6 and 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 parent company financial statements (the ‘financial statements’), which are prepared by the British Heart Foundation, comprise:
• the Group and parent charitable company balance sheet as at 31 March 2015
• the Group statement of financial activities and the Group summary income and expenditure account for the year then ended
• the Group cash flow statements for the year then ended
• 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 charitable company’s circumstances and have been consistently applied and adequately disclosed
• the reasonableness of significant accounting estimates made by the Trustees
• the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report 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 matters 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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
• the parent charitable company 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 64, 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 company’s members and trustees
as a body in accordance with section 44(1)(c) of the
Charities and Trustee Investment (Scotland) Act 2005
and the Companies Act 2006 and regulations made
under those Acts (regulation 10 of the Charities
Accounts (Scotland) Regulations 2006 (as amended)
and Chapter 3 of Part 16 of the Companies Act 2006)
and for no other purpose. We do not, in giving these
opinions, accept or assume responsibility for any other
purpose or to any other person to whom this report
is shown or into whose hands it may come save where
expressly agreed by our prior consent in writing.

Nick Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, 11th September 2015
GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR
ENDED 31 MARCH 2015
(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 6)</th>
<th>Endowment funds £m (see note 6)</th>
<th>2015 Total funds £m</th>
<th>2014 Total funds £m</th>
</tr>
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</table>

Incoming resources
Incoming resources from generated funds
Voluntary income 2 104.9 9.1 – 114.0 102.3
Activities for generating funds 3 170.2 – – 170.2 168.5
Investment income 4 4.0 – – 4.0 4.3
Total incoming resources 279.1 9.1 – 288.2 275.1

Resources expended
Cost of generating funds
Cost of generating voluntary income 5 28.2 2.3 – 30.5 27.6
Fundraising trading: cost of goods sold and other costs 3,5 140.9 – – 140.9 139.6
Investment management costs 5 1.0 – – 1.0 1.4
Total cost of generating funds 170.1 2.3 – 172.4 168.6
Net incoming resources available for charitable application 109.0 6.8 – 115.8 106.5

Charitable activities
Research 5 78.5 3.3 – 81.8 115.5
Prevention, survival and support 5 31.2 0.7 – 31.9 27.8
Total charitable activities 109.7 4.0 – 113.7 143.3

Governance costs 5 1.2 – – 1.2 0.9

Total resources expended 5 281.0 6.3 – 287.3 312.8

Net (outgoing)/incoming resources before other recognised gains and losses (1.9) 2.8 – 0.9 (37.7)

Other recognised gains and losses
Realised investment gain 8 5.9 – – 5.9 6.5

Net income/(expenditure) for the year 4.0 2.8 – 6.8 (31.2)

Unrealised investment gain 8 19.0 – – 19.0 7.2
Actuarial (loss)/gain on defined benefit pension scheme 14 (1.2) – – (1.2) 0.9

Net movement in funds 21.8 2.8 – 24.6 (23.1)

Funds brought forward at 1 April 6 (43.4) 5.3 7.5 (30.6) (7.5)
Fund balances carried forward 6 (21.6) 8.1 7.5 (6.0) (30.6)

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 £275.2 million (2014: £259.9 million) and gross expenditure is £274.3 million (2014: £297.6 million).

The notes on pages 70 to 85 form an integral part of these financial statements.
## BALANCE SHEETS AS AT 31 MARCH 2015

Company Reg. Number: 699547

### Fixed assets

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>7 1.1</td>
<td>1.1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>7 23.2</td>
<td>24.8</td>
<td>23.2</td>
<td>24.8</td>
</tr>
<tr>
<td>Investments</td>
<td>8 203.8</td>
<td>182.5</td>
<td>203.8</td>
<td>182.5</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>228.1</td>
<td>208.4</td>
<td>227.0</td>
<td>207.3</td>
</tr>
</tbody>
</table>

### Current assets

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks and work in progress</td>
<td>9 4.1</td>
<td>3.7</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Debtors</td>
<td>9 19.6</td>
<td>24.7</td>
<td>26.8</td>
<td>30.4</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>87.2</td>
<td>82.4</td>
<td>84.6</td>
<td>79.9</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>110.9</td>
<td>110.8</td>
<td>111.4</td>
<td>110.3</td>
</tr>
</tbody>
</table>

### Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and other awards</td>
<td>10 (176.5)</td>
<td>(175.5)</td>
<td>(176.5)</td>
<td>(175.5)</td>
</tr>
<tr>
<td>Other creditors</td>
<td>11 (19.6)</td>
<td>(22.2)</td>
<td>(20.1)</td>
<td>(21.7)</td>
</tr>
<tr>
<td><strong>Total creditors due within one year</strong></td>
<td>(196.1)</td>
<td>(197.7)</td>
<td>(196.6)</td>
<td>(197.2)</td>
</tr>
</tbody>
</table>

### Net current liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(85.2)</td>
<td>(86.9)</td>
<td>(85.2)</td>
<td>(86.9)</td>
</tr>
</tbody>
</table>

### Total assets less current liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>142.9</td>
<td>121.5</td>
<td>141.8</td>
<td>120.4</td>
</tr>
</tbody>
</table>

### Creditors: amounts falling due after more than one year

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and other awards</td>
<td>10 (143.5)</td>
<td>(147.1)</td>
<td>(143.5)</td>
<td>(147.1)</td>
</tr>
<tr>
<td><strong>Net liabilities excluding pension liability</strong></td>
<td>(0.6)</td>
<td>(25.6)</td>
<td>(1.7)</td>
<td>(26.7)</td>
</tr>
<tr>
<td>Defined benefit pension liability</td>
<td>14 (5.4)</td>
<td>(5.0)</td>
<td>(5.4)</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Net liabilities including pension liability</strong></td>
<td>(6.0)</td>
<td>(30.6)</td>
<td>(7.1)</td>
<td>(31.7)</td>
</tr>
</tbody>
</table>

Represented by:

- **Endowment funds**
  - 6 7.5 | 7.5 | 7.5 | 7.5

- **Restricted income funds**
  - 6 8.1 | 5.3 | 8.1 | 5.3

### Unrestricted income funds

<table>
<thead>
<tr>
<th>Note</th>
<th>Group 2015 £m</th>
<th>Group 2014 £m</th>
<th>Charity 2015 £m</th>
<th>Charity 2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>General reserve (includes revaluation reserve of £48 million (2014: £29 million))</td>
<td>6 (16.2)</td>
<td>(38.4)</td>
<td>(17.3)</td>
<td>(39.5)</td>
</tr>
<tr>
<td>Pension reserve</td>
<td>14 (5.4)</td>
<td>(5.0)</td>
<td>(5.4)</td>
<td>(5.0)</td>
</tr>
<tr>
<td><strong>Total unrestricted income funds</strong></td>
<td>(21.6)</td>
<td>(43.4)</td>
<td>(22.7)</td>
<td>(44.5)</td>
</tr>
<tr>
<td><strong>Total funds in deficit</strong></td>
<td>(6.0)</td>
<td>(30.6)</td>
<td>(7.1)</td>
<td>(31.7)</td>
</tr>
</tbody>
</table>

The financial statements on pages 67 to 85 were approved by the Board of Trustees on 30 July 2015 and signed on its behalf by:

Philip Yea, Chairman
Roger Pilgrim, Chairman of the Audit and Risk Committee

The notes on pages 70 to 85 form an integral part of these financial statements.
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

<table>
<thead>
<tr>
<th></th>
<th>2015 £m</th>
<th>2014 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net incoming/(outgoing) resources before other recognised gains and losses</strong></td>
<td>0.9</td>
<td>(37.7)</td>
</tr>
<tr>
<td>Adjustments to exclude investment income and non-cash items (see note A below)</td>
<td>3.1</td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Net cash inflow/(outflow) from operating activities</strong></td>
<td>4.0</td>
<td>(11.8)</td>
</tr>
</tbody>
</table>

**Return on investment and servicing of finance**

Investment income

4.0 4.3

**Capital expenditure and financial investments**

- Purchase of tangible fixed assets 
  (6.9) (6.7)
- Proceeds from sale of tangible fixed assets
  0.1 0.1
- Purchase of investments
  (71.9) (73.4)
- Proceeds from sale of investments
  75.5 74.1

**Net cash outflow from investing activities**

(3.2) (5.9)

**Increase/(decrease) in cash (see note B below)**

4.8 (13.4)

**Note A**

Adjustments to exclude investment income and non-cash items

- Depreciation
  7.2 7.3
- Loss on sale of fixed assets
  0.1 0.3
- (Increase) in stock
  (0.4) –
- Decrease/(increase) in debtors
  5.2 (4.3)
- (Decrease)/increase in creditors
  (1.6) 2.3
- (Decrease)/increase in research grant & other award liabilities
  (2.6) 25.7
- Defined benefit scheme pension costs recognised in SOFA
  – 0.2
- Employer contributions to defined benefit pension scheme
  (0.8) (1.3)
- Investment income
  (4.0) (4.3)

Total

3.1 25.9

**Note B**

Movement in cash at bank and in hand

- Cash at bank and in hand at 1 April
  82.4 95.8
- Increase/(decrease) in cash
  4.8 (13.4)

Cash at bank and in hand at 31 March

87.2 82.4

The notes on pages 70 to 85 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 Charity 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 (FRS) 1 (revised 1996). The cash flows of the Charity are included in the consolidated financial statements.

Reporting period
The financial statements for the year ended 31 March 2015 incorporate the trading results of BHF’s retail operations for the 52 week period ended 28 March 2015 (2014: 52 week period ended 29 March 2014).

Going concern
Whilst the general reserve is in deficit, the Group currently has sufficient cash and investments to fund 23 months of grant expenditure plus 12 months of non-retail operating costs (excluding direct costs of income generation). 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 the Trustees, a low level of going concern risk associated with a position of an accounting deficit. For further explanation of the BHF’s reserves position refer to the Strategic Report on pages 54 to 58.

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 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 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 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 multiyear 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 Heart and circulatory 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, Survival and Support 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.
1. Accounting policies (continued)

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

Intangible
The intangible fixed asset (£1.1 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 unrealised movements in value arising from investment changes or revaluation during the year, together with 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
Stock purchased for sale is 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 14.

For defined contribution schemes, the amount charged to the Statement of Financial Activities for pension costs is the total contributions payable in the year. 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 (CONTINUED)

2. Voluntary income

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General</td>
<td>Restricted</td>
</tr>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Legacies</td>
<td>59.7</td>
<td>1.1</td>
</tr>
<tr>
<td>Donations</td>
<td>20.4</td>
<td>7.1</td>
</tr>
<tr>
<td>Donations received in BHF shops</td>
<td>3.0</td>
<td>–</td>
</tr>
<tr>
<td>Volunteer fundraising</td>
<td>11.9</td>
<td>0.2</td>
</tr>
<tr>
<td>Events</td>
<td>9.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Restricted appeals</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>104.9</td>
<td>9.1</td>
</tr>
</tbody>
</table>

The BHF has received notification of 919 legacies (2014: 1,041) for which no income has been recognised at 31 March 2015. 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 estimated at £28.3 million (2014: £27.4 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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Charity shops</td>
<td>BHF Shops Ltd</td>
</tr>
<tr>
<td></td>
<td>donated goods</td>
<td>Shops Ltd</td>
</tr>
<tr>
<td>Retail income*</td>
<td>149.8</td>
<td>20.4</td>
</tr>
<tr>
<td>Retail costs</td>
<td>(124.2)</td>
<td>(14.6)</td>
</tr>
<tr>
<td>Net incoming resources available from retail activities</td>
<td>25.6</td>
<td>5.8</td>
</tr>
</tbody>
</table>

*2015 includes income of £42 million (2014: £41 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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General funds</td>
<td>Restricted funds</td>
</tr>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Listed investments</td>
<td>4.0</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>4.0</td>
<td>–</td>
</tr>
</tbody>
</table>
### 5. Gross expenditure

<table>
<thead>
<tr>
<th></th>
<th>Awards (note 10)</th>
<th>Other direct costs</th>
<th>Support costs allocated</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td><strong>Cost of generating funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of generating voluntary income</td>
<td>–</td>
<td>27.8</td>
<td>2.7</td>
<td>30.5</td>
<td>27.6</td>
</tr>
<tr>
<td>Fundraising trading: cost of goods sold and other costs</td>
<td>–</td>
<td>138.8</td>
<td>2.1</td>
<td>140.9</td>
<td>139.6</td>
</tr>
<tr>
<td>Investment management costs</td>
<td>–</td>
<td>1.0</td>
<td>–</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total cost of generating funds</strong></td>
<td>–</td>
<td>167.6</td>
<td>4.8</td>
<td>172.4</td>
<td>168.6</td>
</tr>
<tr>
<td><strong>Charitable expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>80.4</td>
<td>1.0</td>
<td>0.4</td>
<td>81.8</td>
<td>115.5</td>
</tr>
<tr>
<td>Prevention, survival and support</td>
<td>4.9</td>
<td>24.5</td>
<td>2.5</td>
<td>31.9</td>
<td>27.8</td>
</tr>
<tr>
<td><strong>Total charitable expenditure</strong></td>
<td>85.3</td>
<td>25.5</td>
<td>2.9</td>
<td>113.7</td>
<td>143.3</td>
</tr>
<tr>
<td><strong>Governance costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>–</td>
<td>0.4</td>
<td>0.8</td>
<td>1.2</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>85.3</td>
<td>193.5</td>
<td>8.5</td>
<td>287.3</td>
<td>312.8</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 CEO, Legal and Finance 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>Costs of generating funds</th>
<th>Charitable expenditure</th>
<th>Governance</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising £m</td>
<td>Publicity £m</td>
<td>Retail costs £m</td>
<td>Research £m</td>
<td>Prevention, survival &amp; support £m</td>
</tr>
<tr>
<td>CEO, strategy and legal</td>
<td>0.2</td>
<td>–</td>
<td>0.2</td>
<td>–</td>
</tr>
<tr>
<td>Information technology</td>
<td>0.5</td>
<td>0.2</td>
<td>1.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Finance</td>
<td>1.0</td>
<td>0.2</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Human resources</td>
<td>0.4</td>
<td>0.1</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Facilities management</td>
<td>0.1</td>
<td>–</td>
<td>0.1</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.2</td>
<td>0.5</td>
<td>2.1</td>
<td>0.4</td>
</tr>
</tbody>
</table>

#### Analysis of governance costs

<table>
<thead>
<tr>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td>Internal audit</td>
<td>0.2</td>
</tr>
<tr>
<td>Company secretarial</td>
<td>0.1</td>
</tr>
<tr>
<td>Audit fees</td>
<td>0.1</td>
</tr>
<tr>
<td>Support costs allocated</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.2</strong></td>
</tr>
</tbody>
</table>
5. Gross expenditure (continued)

Gross expenditure for the year is stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease rentals (land and buildings)</td>
<td>25.6</td>
<td>25.5</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Depreciation charge for the year</td>
<td>7.2</td>
<td>7.3</td>
</tr>
<tr>
<td>Auditors’ remuneration (*):</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 £60,915 for the audit of the Charity and £16,586 for the audit of subsidiary companies.

Staff and Trustee information

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>57.6</td>
<td>55.5</td>
</tr>
<tr>
<td>Social security costs</td>
<td>4.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Other pension costs (see note 14)</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Other staff costs (temporary, agency, fixed term contract and seconded staff)</td>
<td>1.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Total</td>
<td>67.1</td>
<td>64.0</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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head office</td>
<td>383</td>
<td>373</td>
</tr>
<tr>
<td>Regions</td>
<td>48</td>
<td>58</td>
</tr>
<tr>
<td>Shops</td>
<td>2,278</td>
<td>2,186</td>
</tr>
<tr>
<td>Total</td>
<td>2,709</td>
<td>2,617</td>
</tr>
</tbody>
</table>

The average number of staff during 2014-15 was 3,268, made up of Head office: 408, Regions: 56 and Shops: 2,804, reflecting 2,103 full-time staff and 1,165 part-time staff.

All staff are employed by the BHF.
The following numbers of staff have salaries above £60,000:

<table>
<thead>
<tr>
<th>Salary Range</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between £60,000-£70,000</td>
<td>21</td>
<td>18</td>
</tr>
<tr>
<td>Between £70,01-£80,000</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Between £80,001-£90,000</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Between £90,001-£100,000</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Between £100,001-£110,000</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Between £110,001-£120,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Between £120,001-£130,000</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Between £130,001-£140,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Between £140,001-£150,000</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Between £150,001-£160,000</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Between £160,001-£170,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Between £180,001-£190,000</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Scheme Type</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined contribution schemes</td>
<td>43</td>
<td>41</td>
</tr>
<tr>
<td>Defined benefit schemes</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Payments to defined contribution pension schemes during the year for staff included above.

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td>0.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

The Remuneration Committee determines the salaries and benefits of the Executive Group. Further information on the BHF’s executive pay principles can be found at bhf.org.uk/about-us/who-we-are/our-statement-on-senior-salaries. The amount for the highest paid employee for the year was £168,300 (2014: £182,490).

**Trustee costs**

No Trustees received any remuneration for services as members of the Board of Trustees, but a total of £3,453 (2014: £1,176) was reimbursed to three (2014: four) 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 (2014: £5,035).
6. Statement of funds

### Endowment funds (Group and Charity):

<table>
<thead>
<tr>
<th>Notes</th>
<th>Balance 1 April 2014 £m</th>
<th>Incoming resources £m</th>
<th>Total resources expended £m</th>
<th>Net investment gains £m</th>
<th>Actuarial loss pension fund £m</th>
<th>Balance 31 March 2015 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair endowment trusts a</td>
<td>7.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7.1</td>
</tr>
<tr>
<td>G M Yule bequest b</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>P Gordon bequest c</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Total endowment funds</td>
<td>7.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7.5</td>
</tr>
</tbody>
</table>

### Restricted funds (Group and Charity):

<table>
<thead>
<tr>
<th>Notes</th>
<th>Balance 1 April 2014 £m</th>
<th>Incoming resources £m</th>
<th>Total resources expended £m</th>
<th>Net investment gains £m</th>
<th>Actuarial loss pension fund £m</th>
<th>Balance 31 March 2015 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy donations d</td>
<td>2.8</td>
<td>1.1</td>
<td>(2.3)</td>
<td>-</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Research e</td>
<td>-</td>
<td>0.3</td>
<td>(0.3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prevention, survival and support f</td>
<td>-</td>
<td>0.7</td>
<td>(0.7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oxford IDR M g</td>
<td>-</td>
<td>1.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1.7</td>
</tr>
<tr>
<td>Mending Broken Hearts Appeal h</td>
<td>2.5</td>
<td>5.3</td>
<td>(3.0)</td>
<td>-</td>
<td>-</td>
<td>4.8</td>
</tr>
<tr>
<td>Total restricted funds</td>
<td>5.3</td>
<td>9.1</td>
<td>(6.3)</td>
<td>-</td>
<td>-</td>
<td>8.1</td>
</tr>
</tbody>
</table>

### General fund (Group)

- (43.4) - (279.1) - (281.0) - 24.9 - (1.2) - (21.6)

### General fund (Charity)

- (44.5) - (266.1) - (268.0) - 24.9 - (1.2) - (22.7)

### Total Group funds (in deficit)

- (30.6) - (288.2) - (287.3) - 24.9 - (1.2) - (6.0)

### Total Charity funds (in deficit)

- (31.7) - (275.2) - (274.3) - 24.9 - (1.2) - (7.1)

**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, Survival and Support activities.
- d. Restricted legacy donations are received for both Research and Prevention, Survival and Support. 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 will take 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, Survival and Support activities.
- g. Income collected towards a target of £10 million to contribute to the build of a world-leading centre for stem cell technology, the Institute of Developmental and Regenerative Medicine (IDRM), at Oxford University.
- h. Income from Mending Broken Hearts 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 BHF 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 2015, our liquidity of £291.0 million (2014: £264.9 million) was sufficient to cover 12 months of non-retail operating costs (excluding direct costs of income generation) plus 23 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.
6. Statement of funds (continued)

Analysis of Group net assets between funds

<table>
<thead>
<tr>
<th></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>–</td>
<td>–</td>
<td>1.1</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>23.2</td>
<td>–</td>
<td>–</td>
<td>23.2</td>
</tr>
<tr>
<td>Investments</td>
<td>203.8</td>
<td>–</td>
<td>–</td>
<td>203.8</td>
</tr>
<tr>
<td>Current assets</td>
<td>95.3</td>
<td>8.1</td>
<td>7.5</td>
<td>110.9</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(196.1)</td>
<td>–</td>
<td>–</td>
<td>(196.1)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(143.5)</td>
<td>–</td>
<td>–</td>
<td>(143.5)</td>
</tr>
<tr>
<td>Pension fund deficit</td>
<td>(5.4)</td>
<td>–</td>
<td>–</td>
<td>(5.4)</td>
</tr>
<tr>
<td><strong>Total net assets as at 31 March 2015</strong></td>
<td><strong>(21.6)</strong></td>
<td><strong>8.1</strong></td>
<td><strong>7.5</strong></td>
<td><strong>(6.0)</strong></td>
</tr>
<tr>
<td><strong>Total net assets 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>

Analysis of Charity net assets between funds

<table>
<thead>
<tr>
<th></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>23.2</td>
<td>–</td>
<td>–</td>
<td>23.2</td>
</tr>
<tr>
<td>Investments</td>
<td>203.8</td>
<td>–</td>
<td>–</td>
<td>203.8</td>
</tr>
<tr>
<td>Current assets</td>
<td>95.8</td>
<td>8.1</td>
<td>7.5</td>
<td>111.4</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(196.6)</td>
<td>–</td>
<td>–</td>
<td>(196.6)</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>(143.5)</td>
<td>–</td>
<td>–</td>
<td>(143.5)</td>
</tr>
<tr>
<td>Pension fund deficit</td>
<td>(5.4)</td>
<td>–</td>
<td>–</td>
<td>(5.4)</td>
</tr>
<tr>
<td><strong>Total net assets as at 31 March 2015</strong></td>
<td><strong>(22.7)</strong></td>
<td><strong>8.1</strong></td>
<td><strong>7.5</strong></td>
<td><strong>(7.1)</strong></td>
</tr>
<tr>
<td><strong>Total net assets 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>

7. Tangible and intangible fixed assets

Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>Freehold property £m</th>
<th>Short leasehold property £m</th>
<th>Shop fixtures and fittings £m</th>
<th>Vehicles £m</th>
<th>Furniture and equipment £m</th>
<th>Computers £m</th>
<th>Assets under construction £m</th>
<th>Total £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 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>
<tr>
<td>Additions</td>
<td>–</td>
<td>2.6</td>
<td>0.2</td>
<td>0.4</td>
<td>0.6</td>
<td>1.1</td>
<td>0.9</td>
<td>5.8</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>(0.4)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>–</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Transfers</td>
<td>–</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3.4</td>
<td>(3.4)</td>
<td>—</td>
</tr>
<tr>
<td><strong>At 31 March 2015</strong></td>
<td><strong>2.4</strong></td>
<td><strong>22.9</strong></td>
<td><strong>20.5</strong></td>
<td><strong>2.4</strong></td>
<td><strong>10.5</strong></td>
<td><strong>16.3</strong></td>
<td><strong>–</strong></td>
<td><strong>75.0</strong></td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 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>
<tr>
<td>Charge for year</td>
<td>–</td>
<td>1.5</td>
<td>1.4</td>
<td>0.6</td>
<td>1.3</td>
<td>2.4</td>
<td>–</td>
<td>7.2</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>(0.3)</td>
<td>(0.3)</td>
<td>(0.4)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>–</td>
<td>(1.2)</td>
</tr>
<tr>
<td><strong>At 31 March 2015</strong></td>
<td><strong>0.3</strong></td>
<td><strong>14.5</strong></td>
<td><strong>16.4</strong></td>
<td><strong>1.3</strong></td>
<td><strong>8.4</strong></td>
<td><strong>10.9</strong></td>
<td><strong>–</strong></td>
<td><strong>51.8</strong></td>
</tr>
</tbody>
</table>

**Net book values at 31 March 2015**

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net book values at 31 March 2014</strong></td>
<td>2.1</td>
<td>8.4</td>
<td>4.1</td>
<td>1.1</td>
<td>2.1</td>
<td>5.4</td>
</tr>
<tr>
<td><strong>Assets under construction</strong></td>
<td>23.2</td>
<td>22.8</td>
<td>22.3</td>
<td>22.2</td>
<td>22.1</td>
<td>22.0</td>
</tr>
</tbody>
</table>

Assets under construction

These are software systems which were being developed during the year and are now 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 £0.3 million (2014: £0.7 million) has been contracted but no provision has been made.
8. Investments

Group and Charity

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April</td>
<td>£182.5</td>
<td>£169.5</td>
</tr>
<tr>
<td>Purchase of investments at cost</td>
<td>£71.9</td>
<td>£73.4</td>
</tr>
<tr>
<td>Disposal proceeds</td>
<td>(£75.5)</td>
<td>(74.1)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£178.9</td>
<td>£168.8</td>
</tr>
<tr>
<td><strong>Net realised investment gains</strong></td>
<td>£5.9</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Net unrealised investment gains</strong></td>
<td>£19.0</td>
<td>7.2</td>
</tr>
<tr>
<td><strong>At 31 March</strong></td>
<td>£203.8</td>
<td>£182.5</td>
</tr>
</tbody>
</table>

**Represented by**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed investments: Equities</td>
<td>£200.3</td>
<td>178.5</td>
</tr>
<tr>
<td>Cash held for investment purposes</td>
<td>£3.5</td>
<td>4.0</td>
</tr>
<tr>
<td><strong>Total investments at 31 March</strong></td>
<td>£203.8</td>
<td>182.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historical cost at 31 March</td>
<td>£155.6</td>
<td>153.3</td>
</tr>
<tr>
<td>Revaluation gains at 31 March</td>
<td>£48.2</td>
<td>29.2</td>
</tr>
<tr>
<td><strong>Total investments at 31 March</strong></td>
<td>£203.8</td>
<td>182.5</td>
</tr>
</tbody>
</table>

Listed investments include overseas investments of £112 million (2014: £97 million).
No material shareholdings were held by the Charity in any one company.
The Trustees consider the value of the investments to be supported by their underlying assets, as appropriate.

The Charity holds 100% shareholdings in the 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 (2014: £1.1 million), (see note 13).

9. Debtors and stocks

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(a) Debtors</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount owed by subsidiary undertakings</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>£4.6</td>
<td>£3.2</td>
</tr>
<tr>
<td>Income tax recoverable</td>
<td>£3.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Prepayments</td>
<td>£9.0</td>
<td>8.7</td>
</tr>
<tr>
<td>Accrued income</td>
<td>£1.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Accrued legacies</td>
<td>£0.9</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Total debtors</strong></td>
<td>£19.6</td>
<td>24.7</td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(b) Stocks and work in progress</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BHF Shops Ltd</td>
<td>£4.1</td>
<td>£3.7</td>
</tr>
<tr>
<td><strong>Total stock</strong></td>
<td>£4.1</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.
### 10. Creditors: Research and other awards

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding liabilities at 1 April</td>
<td>£322.6</td>
<td>£296.9</td>
</tr>
<tr>
<td>Awarded during the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research grant awards</td>
<td>£79.9</td>
<td>£113.5</td>
</tr>
<tr>
<td>Discounting of research awards – decrease</td>
<td>0.5</td>
<td>1.0</td>
</tr>
<tr>
<td>Net research grant awards</td>
<td>£80.4</td>
<td>£114.5</td>
</tr>
<tr>
<td>Prevention, survival and support grant awards</td>
<td>£4.9</td>
<td>£3.2</td>
</tr>
<tr>
<td>Discounting of prevention, survival and support awards – decrease</td>
<td>–</td>
<td>0.1</td>
</tr>
<tr>
<td>Net prevention, survival and support grant awards</td>
<td>£4.9</td>
<td>£3.3</td>
</tr>
<tr>
<td>Total grants awarded during the year</td>
<td>£85.3</td>
<td>£117.8</td>
</tr>
<tr>
<td>Paid during the year</td>
<td>(£87.9)</td>
<td>(£92.1)</td>
</tr>
<tr>
<td><strong>Outstanding liabilities at 31 March</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards falling due within one year</td>
<td>£176.5</td>
<td>£175.5</td>
</tr>
<tr>
<td>Awards falling due after more than one year</td>
<td>£143.5</td>
<td>£147.1</td>
</tr>
<tr>
<td><strong>Outstanding liabilities at 31 March</strong></td>
<td>£320.0</td>
<td>£322.6</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 Heart and circulatory 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, survival and support grants. A discount rate of 1.8 per cent (2014: 1.8%) has been applied to both amounts recognised in the financial statements as grant creditors and to grant commitments (not applied to 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 £5.2 million (2014: £5.7 million) and for prevention, survival and support grant awards £0.1 million (2014: £0.1 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 (see note 15). All grants are made to institutions, and an unaudited list of awards made during the year is available in the BHF’s website at bhf.org.uk/research/information-for-researchers/previous-awards

The top 50 grants made in 2014-15 are listed on the next page.
## 10. Creditors: Research and other awards (continued)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Activity</th>
<th>Number of grants</th>
<th>2015 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>King’s College London</td>
<td>Research</td>
<td>10</td>
<td>7.1</td>
</tr>
<tr>
<td>University of Oxford</td>
<td>Research</td>
<td>8</td>
<td>5.1</td>
</tr>
<tr>
<td>University of Bristol</td>
<td>Research</td>
<td>5</td>
<td>4.1</td>
</tr>
<tr>
<td>University College London</td>
<td>Research</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>University of Manchester</td>
<td>Research</td>
<td>2</td>
<td>2.1</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>Research</td>
<td>3</td>
<td>2.0</td>
</tr>
<tr>
<td>University of Edinburgh</td>
<td>Research</td>
<td>3</td>
<td>1.9</td>
</tr>
<tr>
<td>University of Cambridge</td>
<td>Research</td>
<td>3</td>
<td>1.8</td>
</tr>
<tr>
<td>University of Portsmouth</td>
<td>Research</td>
<td>1</td>
<td>1.7</td>
</tr>
<tr>
<td>Imperial College London</td>
<td>Research</td>
<td>2</td>
<td>1.6</td>
</tr>
<tr>
<td>University of Leicester</td>
<td>Research</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>University of Reading</td>
<td>Research</td>
<td>1</td>
<td>1.4</td>
</tr>
<tr>
<td>Queen Mary, University of London</td>
<td>Research</td>
<td>2</td>
<td>1.4</td>
</tr>
<tr>
<td>Barts and the London School of Medicine and Dentistry</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>University of Glasgow</td>
<td>Research</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>University of Leeds</td>
<td>Research</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50</td>
<td>38.4</td>
</tr>
<tr>
<td>Other grants paid to institutions</td>
<td>Research</td>
<td></td>
<td>41.5</td>
</tr>
<tr>
<td></td>
<td>Prevention, survival and support</td>
<td></td>
<td>4.9</td>
</tr>
<tr>
<td>Total grants and awards</td>
<td></td>
<td></td>
<td>84.8</td>
</tr>
</tbody>
</table>
10. Research and other awards (continued)

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 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>Period End</th>
<th>Total Amounts due for payment in the year to 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
</tr>
<tr>
<td>Grant creditors – recognised in the accounts</td>
<td></td>
</tr>
<tr>
<td>Balance at 1 April 2014</td>
<td>322.6</td>
</tr>
<tr>
<td>Movement in the year:</td>
<td></td>
</tr>
<tr>
<td>Awards recognised in the SOFA</td>
<td>85.3</td>
</tr>
<tr>
<td>Grant payments</td>
<td>(87.9)</td>
</tr>
<tr>
<td>Timing differences on payments</td>
<td>–</td>
</tr>
<tr>
<td>Balance at 31 March 2015*</td>
<td>320.0</td>
</tr>
<tr>
<td>Grant commitments – not included in the accounts</td>
<td></td>
</tr>
<tr>
<td>Balance at 1 April 2014</td>
<td>30.0</td>
</tr>
<tr>
<td>Movement in the year:</td>
<td></td>
</tr>
<tr>
<td>Awards recognised (transferred to creditors)</td>
<td>(8.8)</td>
</tr>
<tr>
<td>Balance at 31 March 2015*</td>
<td>21.2</td>
</tr>
<tr>
<td>Total grant commitments and creditors</td>
<td></td>
</tr>
<tr>
<td>Balance at 31 March 2015</td>
<td>341.2</td>
</tr>
<tr>
<td>Balance at 31 March 2014</td>
<td>352.6</td>
</tr>
</tbody>
</table>

* The BHF has a contingent liability of £21.2 million (2014: £30.0 million) for Chairs of Heart and circulatory 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 2015 was £7.2 million (2014: £6.8 million).

11. Other creditors

<table>
<thead>
<tr>
<th>Period End</th>
<th>Group</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014*</td>
</tr>
<tr>
<td>Amount owed to subsidiary undertakings</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>4.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Taxes and social security</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Accruals</td>
<td>12.5</td>
<td>11.9</td>
</tr>
<tr>
<td>Deferred income</td>
<td>2.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Other creditors total</td>
<td>19.6</td>
<td>22.2</td>
</tr>
</tbody>
</table>

* A reclassification has been made between the balances previously reported as Sundry creditors and Accruals as at 31 March 2014.
NOTES TO THE ACCOUNTS (CONTINUED)

12. Operating leases
At 31 March 2015 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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1.2</td>
<td>1.3</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>9.5</td>
<td>8.8</td>
</tr>
<tr>
<td>After five years</td>
<td>13.8</td>
<td>14.1</td>
</tr>
<tr>
<td>Total</td>
<td>24.5</td>
<td>24.2</td>
</tr>
</tbody>
</table>

13. Subsidiary undertakings
The BHF has four wholly owned non-charitable subsidiary undertakings registered in England and Wales, all of which are consolidated. These are:
- British Heart Foundation Ventures Ltd, making commission arrangements and sponsorship agreements.
- BHF Shops Ltd, retailing new (non-donated) goods in BHF shops.
- London to Brighton Bike Ride Ltd, owning rights to, and operating, the BHF ‘London to Brighton Bike Ride’.
- British Heart Foundation Sales Ltd – dormant.

The share capital of each subsidiary is as follows – British Heart Foundation Ventures Ltd (3 ordinary shares of £1), BHF Shops Ltd (2 ordinary shares of £1), London to Brighton Bike Ride Ltd (1,150,000 ordinary shares of £1) and British Heart Foundation Sales Ltd (2 ordinary shares of £1).

The BHF’s investment in London to Brighton Bike Ride Ltd was written-off over three years from 1993 to 1995.

The net taxable profits of these undertakings is paid to the Charity (parent) each year as 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</th>
<th>BHF Shops Ltd</th>
<th>London to Brighton Bike Ride Ltd</th>
<th>Total 2015</th>
<th>Total 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>0.6</td>
<td>20.4</td>
<td>1.3</td>
<td>22.3</td>
<td>21.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(11.8)</td>
<td>(0.1)</td>
<td>(11.9)</td>
<td>(11.5)</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>0.6</td>
<td>8.6</td>
<td>1.2</td>
<td>10.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Other costs</td>
<td>(2.8)</td>
<td>(1.0)</td>
<td>(3.8)</td>
<td>(3.5)</td>
<td></td>
</tr>
<tr>
<td>Net profit</td>
<td>0.6</td>
<td>5.8</td>
<td>0.2</td>
<td>6.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Payment to parent under gift aid</td>
<td>(0.6)</td>
<td>(5.8)</td>
<td>(0.2)</td>
<td>(6.6)</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Assets</td>
<td>0.7</td>
<td>6.5</td>
<td>3.0</td>
<td>10.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Liabilities</td>
<td>(0.7)</td>
<td>(6.5)</td>
<td>(1.9)</td>
<td>(9.1)</td>
<td>(7.7)</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>
14. Pensions
The BHF operates a defined benefit scheme which was closed to new entrants from 30 June 2001.
The assets of the scheme are held in a separate Trustee-administered fund. Contributions are made according to funding rates advised by the scheme actuary and are invested on a discretionary basis by Newton Investment Management Limited.
The last valuation of the scheme was carried out as at 1 July 2011. The market value of the scheme’s assets at that date was £29,777,546.
The next valuation as at 1 July 2014 is due to be reported by 31 October 2015.
The contribution rate for 2015 was 36.9% of pensionable salaries (2014: 36.9%) plus the cost of insurance premiums to provide death in service benefits. The estimated regular contributions by the Charity on behalf of the employees in the year to 31 March 2016 is £0.3 million.
In recent years additional pension funding contributions have been made into the scheme including four annual payments of £986,000 in April 2010, 2011, 2012 and annual payments of £532,000 in April 2014 and 2015, with a final annual payment of £532,000 scheduled for April 2016. The trustees review the timing and amount of future additional contributions on a periodic basis.
The BHF also operates a defined contribution scheme for certain eligible employees. From 1 August 2013, all employees are automatically enrolled into the defined contribution scheme and the BHF contributes between 2% and 25% of pensionable salaries.

<table>
<thead>
<tr>
<th>Pension costs</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined benefit scheme</td>
<td>–</td>
<td>0.2</td>
</tr>
<tr>
<td>Defined contribution scheme</td>
<td>3.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Total</td>
<td>3.0</td>
<td>2.7</td>
</tr>
</tbody>
</table>

FRS 17 ‘Retirement Benefits’
In accordance with the requirements of FRS 17, the full actuarial valuation dated 1 July 2011 has been updated at 31 March 2015 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></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary growth</td>
<td>4.3</td>
<td>4.6</td>
<td>4.6</td>
<td>4.1</td>
<td>4.6</td>
</tr>
<tr>
<td>Pension increases in payment – Limited Price Indexation</td>
<td>2.3</td>
<td>2.6</td>
<td>3.4</td>
<td>3.1</td>
<td>3.4</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>3.5</td>
<td>4.5</td>
<td>4.4</td>
<td>4.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Inflation</td>
<td>3.3</td>
<td>3.6</td>
<td>3.6</td>
<td>3.1</td>
<td>3.6</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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>87.1</td>
<td>87.9</td>
</tr>
<tr>
<td>Female</td>
<td>89.1</td>
<td>89.8</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>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>88.4</td>
<td>89.3</td>
</tr>
<tr>
<td>Female</td>
<td>90.6</td>
<td>91.3</td>
</tr>
</tbody>
</table>
14. Pensions (continued)

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>Equities</th>
<th>Fixed interest gilts</th>
<th>Cash/other</th>
<th>Index-linked gilts</th>
<th>Corporate bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 %</td>
<td>60</td>
<td>34</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2014 %</td>
<td>60</td>
<td>31</td>
<td>6</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Expected rate of return at the balance sheet date</td>
<td>7.8</td>
<td>2.2</td>
<td>0.5</td>
<td>2.2</td>
<td>3.1</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Current service cost</th>
<th>£m</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past service cost</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total operating charge</td>
<td>£m</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

| Expected return on pension scheme assets | (2.2) | (2.1) | (1.8) | (1.9) | (1.8) |
| Interest on pension scheme liabilities | 1.9   | 1.9   | 1.7   | 1.8   | 1.8   |
| Other finance income | (0.3) | (0.2) | (0.1) | (0.1) | –     |
| Total                 | –    | 0.2  | 0.3  | 0.3  | 0.4  |

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

<table>
<thead>
<tr>
<th>Present value of defined benefit obligation</th>
<th>2015 £m</th>
<th>2014 £m</th>
<th>Fair value of scheme assets</th>
<th>2015 £m</th>
<th>2014 £m</th>
<th>Net liability recognised in the balance sheet</th>
<th>2015 £m</th>
<th>2014 £m</th>
</tr>
</thead>
<tbody>
<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>
<td>(7.0)</td>
<td>(48.7)</td>
<td>(42.1)</td>
</tr>
<tr>
<td>Current service cost</td>
<td>(0.3)</td>
<td>(0.4)</td>
<td>–</td>
<td>–</td>
<td>(0.3)</td>
<td>(0.4)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(1.9)</td>
<td>(1.9)</td>
<td>–</td>
<td>–</td>
<td>(1.9)</td>
<td>(1.9)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Expected return</td>
<td>–</td>
<td>–</td>
<td>2.2</td>
<td>2.1</td>
<td>2.2</td>
<td>2.1</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>–</td>
<td>–</td>
<td>0.8</td>
<td>1.3</td>
<td>0.8</td>
<td>1.3</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Member contributions</td>
<td>–</td>
<td>–</td>
<td>(0.1)</td>
<td>0.1</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Actuarial (loss)/gain</td>
<td>(5.5)</td>
<td>1.5</td>
<td>4.3</td>
<td>(0.6)</td>
<td>(1.2)</td>
<td>(0.9)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Benefits received/(paid)</td>
<td>1.1</td>
<td>1.1</td>
<td>(1.1)</td>
<td>(1.1)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Scheme (liabilities)/assets at the end of the year</td>
<td>(48.7)</td>
<td>(42.1)</td>
<td>43.3</td>
<td>37.1</td>
<td>(5.4)</td>
<td>(5.0)</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Defined benefit obligation (DBO)</th>
<th>2015 £m</th>
<th>2014 £m</th>
<th>2013 £m</th>
<th>2012 £m</th>
<th>2011 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of pension scheme assets</td>
<td>43.3</td>
<td>37.1</td>
<td>35.3</td>
<td>30.6</td>
<td>28.9</td>
</tr>
<tr>
<td>Pension deficit</td>
<td>(5.4)</td>
<td>(5.0)</td>
<td>(7.0)</td>
<td>(7.4)</td>
<td>(4.8)</td>
</tr>
</tbody>
</table>

| Experience gain on DBO            | 1.0     | –       | –       | 0.5     | –       |
| Adjustments as a percentage of DBO | 2%      | 0%      | 0%      | 1%      | 0%      |
| Experience gain/(loss) on pension scheme assets | 4.3      | (0.6)   | 2.4     | (0.6)   | 0.2     |
| Adjustments as a percentage of pension scheme assets | 10%     | (2%)    | 6%      | (2%)    | 1%      |
15. Related party transactions

The Charity has taken advantage of the exemption given by FRS 8, Related Party Disclosures, from disclosing transactions with its wholly owned subsidiaries.

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.

Any deficit on that part of the project managed directly by CCA will be met by CCA. The trustees are very grateful to CCA and to Mr Trevelyan for their support for the appeal and for the above work and other support they give to the BHF.

The Charity awarded £3 million (2014: £3.4 million) for grants where members of Trustees and Council were direct applicants acting on behalf of research institutions (Professor S. Ray from University of Manchester and Professor M. Wilkins from Imperial College London).
LEGAL AND ADMINISTRATIVE DETAILS

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Fax: 020 7554 0100
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Registered charity number for England and Wales 225971
Registered charity number for Scotland SC039426

Bankers and principal advisors

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Independent Auditors
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BHF thanks you for joining our fight for every heartbeat and for powering our life saving research. Every pound raised, minute of your time and contribution to our shops will help make a difference to people’s lives.

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For over 50 years we’ve pioneered research that’s transformed the lives of millions of people living with heart and circulatory disease. Our work has been central to the discoveries of vital treatments that are changing the fight against heart disease.

But heart and circulatory 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.

For more information, visit bhf.org.uk/extraordinary

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