

Dementia

WHAT WE'RE FIGHTING FOR

Annual report 2010/11

WE'RE
FIGHTING FOR

A better world
for people with
dementia, their
families and carers

We are the UK's leading dementia support and research charity. We provide quality services, fund research and advise health and social care professionals. Working nationally and locally, we campaign for improved care and greater public awareness and understanding of dementia.

There will be over 1 million people with dementia in the UK by 2021.

Our vision is of a radically improved world for people with dementia. A world where they have their rights recognised, where they can fully contribute to family and community life and where they can live with dignity, free from discrimination. A world where they, and those who care for them, have their needs fully met. A world, ultimately, where dementia can be defeated.

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Chair and Chief Executive's introduction

Welcome to our Annual report 2010/11

Over the following pages we outline the difference our work has made to people affected by dementia. We report on each of the aims, or outcomes, from our business plan. All reflect the needs and aspirations of people affected by dementia, who are at the heart of our work.

As you will see, this year was a particularly important one for us in influencing the health and social care systems, seeking to redress the often inadequate care and support people affected by dementia receive. Commitments in the manifestos of all three main political parties at the general election were followed up by the Coalition Government. Not only did they commit to implementing the National Dementia Strategy for England but also to increase support for research. We worked hard throughout the year to carry forward these commitments both nationally and locally in England. We also secured a dementia strategy for Wales and a similar plan reached its final stages in Northern Ireland.

Uncertainty over the future funding and structure of health and social care has meant our influencing has never been more important, and we continue to ensure dementia is kept in the spotlight. More media coverage, often led by us, is increasing awareness and reducing stigma. However, our recent survey which revealed low diagnosis rates across the country shows how far we still need to go.

We have been pleased to lead on developing new support for people affected by dementia, such as delivering many of the first Dementia Adviser services committed to in the National Dementia Strategy for England. We have also embarked on a major programme of quality assurance across our organisation.

Research into Alzheimer's disease and other dementias has long lagged far behind other conditions such as cancer and heart disease. This year was the first of our increased commitment to investing in research, funding pioneering new work as well as sponsoring fellowships to increase capacity.

Throughout the year our work has been guided by the needs and aspirations of people affected by dementia. We have ensured that people with dementia, their families and the communities they are part of can comment on our plans and contribute to the implementation.



Alastair Balls CB DL, **Chair**



Jeremy Hughes, **Chief Executive**

This year we completed a major period of change for our organisation, introducing a new structure for our services. Change is never easy. It is to the credit of all our staff and volunteers that we maintained vital support to people affected by dementia throughout England, Wales and Northern Ireland whilst also reorganising the way we work to be fit for the future.

Indeed, this year saw an increase in the services we provide. We ended the year with more volunteers and an increase in our voluntary income from £31.9 million to £32.1 million. Our supporters' generosity is remarkable, even in tougher economic times. We would like to thank them for their faith in Alzheimer's Society and our determination to make a difference today and, through our research, to future generations as well.

The passion of staff and volunteers alike was well charted in opinion surveys completed towards the end of the year. These surveys have also helped us to plan how to better support all our staff and volunteers.

Guiding us through an important year of development and change has been a dedicated and hardworking Board of Trustees. Thanks are due to all of them, not least to those leaving the Board this year: Richard Crace, Carys Howell and Dr Carolyn Popham. Particular thanks are due to Ruth Sutherland who was Acting Chief Executive until Jeremy Hughes took up post at the end of November. At the end of the year, we were sorry to lose our Fundraising Director, Jo Swinhoe. Jo ensured the growth of our voluntary income and recruited and nurtured a fundraising team the envy of many in the voluntary sector.

Thanks to the dedication of our staff and volunteers and the generosity of our members and donors, we look forward to further increasing our impact in the year ahead and supporting even more people with dementia, their families and carers.

Alastair Balls CB DL
Chair

Jeremy Hughes
Chief Executive

WE'RE
FIGHTING FOR

Informed decisions,
improved lives

Outcome 1 Better understanding: I and others understand my condition enabling me to make informed decisions and live the best life I can.

When you are living with dementia, ongoing support to understand your illness and the services available to you can make a huge difference to your life.

In addition to our other front line staff, our **Dementia Advisers** are there for people throughout their journey with dementia helping them access the information and services they want and need. In the year ending March 2011, 3,858 people with dementia and 3,717 carers accessed Dementia Adviser services – we have 78 Dementia Advisers in 33 locations across England. Our early evaluation found that nearly nine out of 10 people felt listened to and respected by their Dementia Adviser, and three-quarters agreed that the information provided was relevant to them.

For many people our **National Dementia Helpline** is the first step to getting the information and support they need. In the year ending March 2011, the service responded to an average of 76 enquiries per working day by phone and by email – 19,058 in total. We gave much-needed advice on dementia, support services (ours and other local services), treatments and legal and financial matters. Nine out of 10 people who responded to our 2011 user survey said the service they received from the Helpline was 'good' or 'excellent'.

The National Dementia Helpline proved its high standards by achieving quality accreditation with The Helplines Association.

Alzheimer's Society **information materials** are a key source of advice for people with dementia, their families and carers, as well as health professionals.

In 2010/11, we increased our range of factsheets to 87, adding two new titles: Hallucinations and Visuo-perceptual difficulties. We responded to 550,000 requests for printed materials, including over 3,000 for our two new Living with dementia booklets: Employment and Living alone (launched in January 2011).

We're passionate about making information accessible. An evaluation of **our website** showed that visitors were not always able to find what they were looking for quickly and easily, so in 2010/11 we restructured the information on the site and improved navigation, meaning more people with dementia, their families and carers, and health professionals are finding the information they need. Overall, visits to our website increased 27 per cent during 2010/11, from 2.2 million to 2.8 million.

We also produced nine short **films** to explain dementia scientifically which were viewed 10,868 times on YouTube.

Our **media** work plays an essential part in increasing understanding of dementia and how it affects people. In 2010/11 we achieved 3,436 pieces of coverage about our work and the lives of people affected by dementia, in magazines and newspapers, online, and on TV and radio.

Some nurses, healthcare assistants and other hospital →

→ staff receive very little **training on dementia**. Yet simple changes in the way they work can have a big impact on the treatment people with dementia receive. This is why we developed a two-and-a-half day course for nurses and other healthcare staff. Piloted in July 2010, we delivered 10 courses in 2010/11, which means just under 200 hospital staff are now better equipped to support people living with dementia.

In the future

We are working hard to secure local funding to continue to provide Dementia Adviser services in England that were set up under an 18 month Department of Health pilot. We are also pressing local commissioners to fund new Dementia Advisers in areas that would benefit from this service. We are working on new promotion and information materials in Urdu and Punjabi, which will help us reach and support more people from minority ethnic communities – we aimed to do this last year, but it has taken longer than expected.

We want to increase the capacity of our National Dementia Helpline to respond to more enquiries and help more people, so we're introducing volunteer helpline assistants and starting a pilot project to network with our local Alzheimer's Society helpline services. Next year, we'll expand our portfolio of information even further. We'll add information on nutrition, specialist information for people with learning difficulties, and a booklet for people with dementia on choosing a care home.

'We can ask Eliza anything and we tell her everything. She understands.'

Abdullah and Samirah

Abdullah Hassan, 76, was diagnosed with vascular dementia two years ago. He and his wife Samirah are supported by one of our dementia support workers.

'When we first found out Abdullah had dementia, we couldn't believe it. We didn't know what dementia was really. We were feeling down and panicking a lot, but our support worker Eliza was there for us both.

If we have a problem now, we can talk to Eliza. She's very important to us; she helps me and my family a lot. I'm always saying to my daughter how nice she is and how she supports us. If I have trouble getting through to someone, at the council or the hospital or somewhere, she'll phone for me. And she helps us deal with letters or fill in forms. She helps me get information or whatever we need.

She comes round once a month or so, and whenever I need her she pops in or we speak on the phone.

She organised for Abdullah to go to a day centre and a dementia support group – and we went on an outing with them to a museum recently.

We can ask Eliza anything and we tell her everything. She understands.'

Watch Abdullah and Samirah tell their story at alzheimers.org.uk/impact1011



WE'RE
FIGHTING FOR

**Faster diagnosis,
better treatment**

Outcome 2

Care and treatment:

I have ready access to a timely diagnosis and am confident that I can choose the appropriate care services to help me live a fulfilled life.

Only 40 per cent of people with dementia have a formal diagnosis. This must change. Everyone with dementia needs a diagnosis, as early as possible, so they can get the support and treatment they need to live well with their condition.

One reason that people aren't diagnosed quickly is that they delay seeking help when they notice something is wrong. Our **Worried about your memory?** campaign has been running since 2008, encouraging people concerned about their memory and symptoms of dementia to get advice.

This year we have targeted **more than 10,000 GP surgeries across England, Wales and Northern Ireland** and distributed newly designed Worried about your memory? materials, sponsored by Eli Lilly, through libraries and community centres, at awareness events and through partnerships with primary care trusts and local authorities. Since August 2010, we've distributed 1.65 million leaflets, 60,000 booklets and 17,000 posters. We've had 10,000 requests for more information.

The poor diagnosis rate of dementia was the focus of our successful bid to become **Tesco charity of the year 2011**. The partnership fundraising activity launched on 1 March 2011 and part of the £5 million we're aiming to raise will allow us to launch Dementia Community Roadshows, a new awareness service taking dementia information and advice into the heart of communities and encouraging more people to seek an early diagnosis.

Once people are accurately diagnosed, they need to start receiving the most appropriate treatment and care as quickly as possible. People with Alzheimer's disease have been denied full **access to licensed drug treatments** for many years. In March 2011, our campaigning to change this paid off when the National Institute for Health and Clinical Excellence (NICE) issued new guidance. Aricept, Reminyl and Exelon – drugs previously only available to people in moderate stages of Alzheimer's disease – will now also be available to people in the early stages. And, for the first time, a fourth drug, Ebixa, will be available for people in the moderate and late stages – previously it was only given to people in clinical trials. This decision could improve the lives of hundreds of thousands of people with Alzheimer's disease, and many more families and carers.

In the future

Our Worried about your memory? campaign will continue through 2011/12. We'll also work with other key audiences, particularly GPs and commissioners, to make sure people are referred to diagnosis services when they show signs of dementia.

We'll continue to build on the success of our campaign for access to drugs for people with Alzheimer's disease, raising awareness of the legal duties of primary care trusts following the new NICE guidance and making sure it is implemented.

WE'RE
FIGHTING FOR

Help, whenever
it is needed

Outcome 3

Support:

when I need support I am confident it is there for me.

For people with dementia and their carers, being able to talk to others going through the same thing and share advice and support can be hugely helpful. That's why one of our key aims this year was to extend the reach of our peer support services.

In 2010/11, we grew our **support services**. We now have 85 Singing for the Brain groups (an increase of 40 from April 2010), where people in the early to mid stages of dementia and their carers meet to sing together, and 236 Dementia Cafés for people with dementia and their carers (an increase of 76 from April 2010). We also run 1,235 other support services, including 248 support worker services which provide personalised information and advice.

Our evaluation found that more than eight out of 10 people attending a peer support service said their service was important to them, citing reasons such as 'enjoying the togetherness' and finding it 'their main source of social contact'.

Dementia is not a nine-to-five condition. People with dementia and their carers can need support at any time of the day or night, when support services often aren't available.

Talking Point is our online discussion forum, for anyone affected by dementia. The service is available 24 hours a day, seven days a week, and can be particularly valuable for people who may not be able to access physical support services in their local area. Talking Point is managed by our staff, with essential support from a team

of volunteer moderators who work from their own homes around the UK and in North America. We could not operate Talking Point without their support.

On its eighth birthday, at the end of March 2011, Talking Point had just under 14,000 members – an increase of 34 per cent in the last year. Our recent user satisfaction survey showed that more than nine out of 10 of the 695 people who responded 'agreed' or 'strongly agreed' that Talking Point was a good source of information about dementia – an increase of 13 per cent on the previous year's survey.

Our services are supported by almost 5,300 **volunteers**, who give their time to help people with dementia and their carers. Their support is valued at an estimated £9 million a year.

In the future

We'll continue to develop peer support opportunities for people who don't currently have access to them. This includes looking at new ways of providing support services for younger people with dementia and people from black and minority ethnic communities.

Following feedback from Talking Point forum members, we will redesign the site, making it easier to register as a member and use. We hope that these changes will help people who aren't used to online forums to get involved.

‘I love singing and have happy memories of singing with my mother. I always sing when I’m happy.’

Peter and Sheila

Peter Johnson, 82, was diagnosed with vascular dementia and Alzheimer’s disease in January 2009. He and his wife Sheila, 63, go to their local Memory Café and Singing for the Brain group.

Sheila

‘We’re very lucky to have the Memory Café to go to for two hours every week. I take a lot from it because I get to meet other carers and, most importantly, I can relax while I’m there. It can be tiring to motivate Peter every day, so it’s great to sit back and let someone else take over in a very caring atmosphere. We also started going to Singing for the Brain last autumn. This has improved Peter’s confidence no end.

He’s very good at singing and remembers all the words from musicals and songs from the war. He can often help Sarah, who runs the group, if she’s forgotten a tune or something. All the family are amazed at the confidence it’s given him. When they’re over visiting him and he’s not sure what we’re doing, he can be worried and anxious. But he changes completely when he starts singing.

When we spend time with other people with Alzheimer’s disease and see their symptoms, it somehow makes it not seem so bad. Because, in a way, we’re all going through the same journey.’

Peter

‘Sarah and the volunteers at Singing for the Brain are really good fun. I love singing and have happy memories of singing with my mother. I always sing when I’m happy. Chris who runs the Memory Café and the volunteers put their whole hearts into it and are very friendly. It’s nice to socialise with people who have dementia. I can have a few laughs with them, without worrying about my memory.’

Watch Peter and Sheila tell their story at alzheimers.org.uk/impact1011



WE'RE
FIGHTING FOR

Fair and
equal treatment

Outcome 4

Rights:

I have equal rights to other members of society.

People with dementia are being discriminated against by the UK's system of charging for care. They are forced to pay for vital care, because most dementia care comes from social services so it is means-tested, while people with other conditions get more of their care free from the NHS. We call this the **Dementia Tax** – and we've been campaigning tirelessly against it.

We've raised awareness of this injustice through the media, and provided evidence to the **Dilnot Commission**.

We mobilised our **campaigners and supporters** to take action on this issue and others that adversely affect people with dementia, and hundreds have written to MPs, councillors and primary care trusts over the year to demand changes that will improve lives.

Our 2011 report **Support. Stay. Save.** highlighted the lack of quality care and support available for people with dementia who live at home and their carers. Part of our ongoing Putting Care Right campaign, the report received over 160 pieces of local and national media coverage, and was sent to local authorities across England, Wales and Northern Ireland.

A mailing to our supporters based on the report's key messages also raised £120,000 for the Society and awareness of the issues involved.

In 2010, we helped form the **Dementia Action Alliance**, a group of 50 organisations who share our commitment to transforming the quality of life for people with dementia and their carers. Each has signed up to the National Dementia Declaration, which explains the huge challenges presented to society by dementia and some of the results we are fighting for – these range from making sure people with dementia have choice and control over decisions about their lives, to them feeling a valued part of family and community life. Each Dementia Action Alliance member has published their own Action Plan, setting out what they will do to improve the quality of life of people with dementia by 2014.

In the future

We'll continue to campaign against the Dementia Tax and push for better services for people with dementia and their carers. We'll respond to the recommendations of the Dilnot Report on the funding of care and campaign for people with dementia to get a better deal.

We will help the Dementia Action Alliance's membership to grow and work with the organisations involved to improve life for people affected by dementia.

WE'RE
FIGHTING FOR

Vital, far-reaching
research

Outcome 5

Scientific breakthroughs: a national, well-resourced research strategy.

We desperately need to develop better treatments for dementia, understand how to prevent the condition and provide better care. Ultimately we want to find a cure. To do this, we must carry out more research. In 2010/11 we **funded £2.2 million of new research**, including nine project grants (joint funded with the Bupa Foundation), two new fellowships and five PhD studentships.

Our **first-ever PhD studentships** were completed in 2010/11, which provided valuable information about how dementia develops and could be treated. We co-ordinated the first ever **online clinical trial** into the benefits of brain training, which found that it did not improve people's overall mental fitness.

We prepared the ground for an innovative **Drug Discovery programme** which has the potential to help hundreds of thousands of people with dementia to live at home and be independent for longer. In 2010/11, we worked with leading scientists to identify drugs already used to treat other conditions that may also be effective in treating Alzheimer's disease. These drugs have already been tested for safety, so it will be quicker and cheaper to take them to clinical trial. Other research we funded produced an exciting new antibody treatment that has been taken forward for drug development, and another trial showed how treatment following a stroke can reduce the risk of dementia.

Despite the desperate need for more dementia research, we have to turn down seven out of 10 funding applications we receive due to lack of funds.

To **increase research investment** we worked closely with the Government's Ministerial Advisory Group for Dementia Research (MAGDR). We were represented on all of the five subgroups, making sure the concerns of people with dementia and their carers were heard and their priorities incorporated into the group's report. In March 2011, based on MAGDR's recommendations, the National Institute of Health Research announced a dementia-themed call for research proposals. This exciting development could lead to a five-fold increase in clinical dementia research.

Our **Christmas fundraising appeal** raised just under £300,000 for our research programme, smashing its £181,000 target and making it our most successful appeal to date. Our continued **partnership with the Henry Smith charity** also led to donations of over £223,400 for our medical research projects.

In the future

We'll find ways to fund more essential research. Our research grant budget for 2011/12 is £2.7 million – an increase of £500,000 on 2010/11. By 2014 we will be investing at least £5 million in new research.

This increased budget will allow us to fund more research than ever before, building the community of dementia →

→ researchers of the future. It will help us form more partnerships to strengthen our research, and develop our own projects to fill gaps in the field. We will continue to work with our Research Network on this.

In May 2011 we'll launch the top six drugs identified in our Drug Discovery programme, and get them ready for clinical trials. We'll launch a fundraising campaign to raise money to pay for the programme – which we estimate will cost £15 million over the next five to 10 years.

‘...we can make life better for people with dementia. It's the right thing to do morally, but also financially.’

Barbara

Barbara Woodward-Carlton was a carer for her mother, who had dementia. She is now an Alzheimer's Society Research Network volunteer.

‘People with cancer or heart disease have a voice; they can put into words how they feel. But people with dementia can lose their ability after a while to say “This is what it's like, this is what we need”. I feel that people like me have to be a voice for people with dementia. I cared for my mother when she had Alzheimer's disease. When she was in hospital at the end of her life, it was a horrific experience. People didn't understand her condition or how to care for her.

There were some positives. The Alzheimer's Society day centre was such a good resource – they were lovely people and she was very active there. They made my mother's, and my life better, so I wanted to give something back.

My work with the Research Network involves many things, including commenting on funding applications from academics and clinicians who want to do dementia research. I also speak at conferences and I've sat on the Government's Advisory Group on Dementia Research.

We must do research so we can make life better for people with dementia. It's the right thing to do morally, but also financially. Dementia is an economic burden on society and it's going to get worse. We need to find a cure, or at least some better treatment.

Good quality research is expensive. The Coalition Government has already made a real commitment to research by increasing available funding. Will it be enough? No, but it is a very good start.’



WE'RE
FIGHTING FOR

A more supportive
environment

Outcome 6 Strengthened communities: increased capacity of communities for care and support, and increased understanding of the needs and contributions of people with dementia.

Two-thirds of people with dementia live in their own homes. A survey carried out by the Society found more than half are not receiving the care and support they need to live well, and neither are their carers.

Our **Support. Stay. Save.** report found that as many as 50,000 people currently living with dementia in the UK may end up going into care homes early because of insufficient support in the community. For each month these people can be supported at home, rather than in care, the State could save £70 million in care home bills.

The report gathered essential evidence to influence health and social care commissioners. We sent it to 176 senior staff in local authorities to help improve their understanding of the issues and highlight the potential savings from supporting people with dementia in their own homes.

More than 2,000 people signed a charter pledging their support for Support. Stay. Save. and 300 people signed up to support us as e-campaigners helping us fight for justice for people with dementia living at home and their carers.

Health and social care professionals play a vital role in supporting people with dementia, their family, friends and carers to live well with the condition. In early 2010, we developed a one day training course for a partnership between the strategic health authority and local authorities across five counties in the East Midlands. Based on needs identified by front line staff and with a preliminary online element, the course looked at helping people working in communities to better support people with dementia. We delivered 30 sessions and more than 520 people took part, including speech and language therapists, occupational therapists, care managers and community care staff.

In 2010/11, we **shared our expertise** about dementia with around 45,000 conference delegates, including 800 at the UK Dementia Congress, at which we hosted a series of talks and sessions. Presenting and exhibiting at conferences helps us influence and inform a wide range of health and social care professionals about dementia and the needs of people affected by the condition.

By December 2010, we had established 49 **Community Dementia Forums** around the country. These groups aim to engage internal and external stakeholders, including staff, volunteers, members and commissioners, in a wide range of dementia issues in their community.

In the future

We'll carry on influencing policy and fighting for better services to support people with dementia in their homes, using the findings from Support. Stay. Save. The report's recommendations will also inform new information and training we produce for care workers.

We'll continue to develop our Community Dementia Forums and training for health and social care professionals, in order to ensure people with dementia receive the support and care they need in their community.



‘I believe there’s a real need for a broader understanding of dementia in the health community, and society at large.’

Margaret

Margaret Metcalfe is a speech and language therapist working with people with dementia who have communication and swallowing difficulties. She took part in our dementia training for health and social care staff.

‘There have been improvements in the awareness of dementia because it has had a higher profile in news and media recently, but I believe there’s a continuing need for a broader understanding of dementia in the health community, and society at large. Alzheimer’s Society has much to offer in working with healthcare staff – especially those who haven’t got a clinical background but meet people with dementia in their work. Support in learning about dementia is essential. I do encounter a lack of understanding in some areas of healthcare, where assumptions are made or staff don’t make the necessary referrals for people with dementia and their families.

The Alzheimer’s Society training I did was a useful opportunity for me to reflect in a different way on my role as a speech and language therapist. It has prompted me to consider the ways I can work with couples, when one partner has communication difficulties as well as memory problems. I have developed my options for working with couples as a result of the training and I have discussed it with my colleagues.

Enabling health and social care staff to get training is a very powerful way to help the broader community understand dementia and how to positively engage people in this situation.’

WE'RE
FIGHTING FOR

Support,
not stigma

Outcome 7

Embedded societal change: high level public awareness, inclusion and diversity, and an end to discrimination and stigma.

With the right support, people with dementia can carry on living fulfilled lives. However, fear of dementia – of getting it and of how to talk to someone who has it – can cause people to avoid others with the condition.

Dementia Awareness Week™ 2010 tackled that fear head on. Our Remember the person campaign introduced three people living with dementia. In our campaign awareness booklet, we described their lives and interests, encouraging people to look beyond the diagnosis, and we also gave 10 easy ways to support a family living with dementia.

We distributed over 45,000 booklets and 25,000 flyers at awareness-raising and fundraising events. Films of the three people with dementia talking about their lives were available online. We ran a Remember the person themed photography competition, which had over 200 entries. The first ever Dementia Awareness Week™ advertising campaign displayed our key messages on 270 billboards in seven cities around the UK.

We worked with the Department of Health on an **advertising campaign** aimed at people who might be worried about a parent or relative's memory. Piloted in two areas in the north of England, the adverts encouraged people to seek help from their doctor and featured the signs and symptoms of dementia. Four in five people in the areas said they were aware of the advertising and people who had seen the advertising were more likely to see the value of early treatment for dementia.

Other campaigns that have raised public awareness include **Mapping the Dementia Gap** which demonstrated how diagnosis rates vary around the country. This generated 39 stories in the national media, 220 in the regional media and 43 articles in trade titles, such as GP magazine and Community Care. Our **media volunteers, patrons, vice-presidents and ambassadors** have also played a crucial role in helping us secure media coverage to raise awareness and understanding.

Our **23 local campaign groups** lobby decision-makers in their local communities pushing for better dementia care. This year, for example, they have worked with their local hospitals to implement recommendations of our Counting the Cost report to improve care for people with dementia in hospitals.

Our **e-campaigners** receive regular emails asking them to take action, such as contacting MPs and key decision makers about issues affecting people with dementia. The number of e-campaigners increased from →

→ 800 to over 2,000 between April 2010 and March 2011, which will help us have a greater impact on policy.

In the future

We'll continue to fight stigma and discrimination and improve public understanding of dementia, through Dementia Awareness Week™, our Worried about your memory? campaign and our campaign to reduce the inappropriate use of antipsychotics to treat dementia.

Due to the positive response to the Department of Health awareness campaign, there are plans to run it throughout England in autumn 2011.

We'll work with partners such as the Royal College of General Practitioners to improve GPs' understanding of dementia.

'Be with me, and try and understand.'

Ann

Ann Johnson, 56, is a media volunteer. She was diagnosed with Alzheimer's disease five years ago.

'People don't understand dementia, they're scared of it. It still carries a stigma and that is wrong.

I want to get rid of that fear, so when I give talks and interviews, I say, "Never be scared of the word dementia: this is what dementia is, this is what people with dementia can and can't do". It helps that people can see me looking normal. They can't see my problems; it's not like a broken leg.

It's wonderful doing talks for Alzheimer's Society. I've spoken about living with dementia at conferences and various radio broadcasts – I've even been on BBC Breakfast and Sky News.

Three things keep me going: my friends, my faith and doing the talks. When the press office rings, I'm delighted. It makes me feel wanted and valued, and that's wonderful.

I'm a trained nurse and I know what the future holds for me. My father had dementia and he lost all his mental and physical abilities. I live in terror every day, but I deal with each as it comes and hope for the best.

I think my biggest achievement is helping to educate the public that they must not be scared of dementia, that it just happens to some people and they should try to understand what we're living with. I'm not saying, "Feel sorry for me", I'm not saying that at all. I'm saying, "Be with me, and try and understand."

Watch Ann tell her story at
alzheimers.org.uk/impact1011



WE'RE
FIGHTING FOR

More services,
improved availability

Outcome 8

Improved service access, choice and control: choice of appropriate services for everyone who needs them whenever they need them.

There are 750,000 people living with dementia in the UK. Last year we committed to reach more people in more places.

We restructured our 237 local branches into **49 localities** across the UK, which mirror the regions covered by major commissioning bodies. Each area has its own management team which oversees and co-ordinates dementia services. This new structure means we can now provide more consistent support around the country and offer services to people with dementia, their families and carers in areas where there weren't any previously. Since our restructure in April 2010, we estimate our face-to-face services are reaching 11 per cent more people. The number of contacts handled by our National Dementia Helpline and other helplines and our information services has also increased, by 13 per cent – from 195,668 to 220,857 contacts.

We have also developed new services. As part of our **Carers' Information Programme**, we developed and piloted our first four information sessions for people supporting a family member or friend who has received a recent diagnosis of dementia. We also trained 11 facilitators to deliver these sessions. Our evaluation of the pilot sites showed that every one of the 56 carers who took part would recommend the programme to other carers. Equally encouraging, more than nine out of 10 people felt more confident about supporting the person they care for and planning for the future after attending the programme.

So far, we have raised over £167,000 towards the development of the Carers' Information Programme, with donations from The Rowan Charitable Trust, the Department of Health and The Kirby Laing Foundation.

In the future

We'll relaunch our service user involvement group to ensure people with dementia and carers are involved in all aspects of our work, across England, Wales and Northern Ireland.

We'll continue to develop and extend the reach of our Carers' Information Programme. The first four information sessions, providing vital support for carers, will be offered more widely from October 2011. We aim to deliver it to around 240 carers in 2011/12. We also plan to add additional information sessions to the programme, covering issues that arise for carers as dementia progresses. We'll pilot these additional sessions in five places across the UK and it will be ready for launch in April 2012.

We currently offer services in some areas for self-funders (people who pay for their own services where commissioners don't provide them for free) and people on personalised budgets (people who are allocated a budget to pay for their own care). Under the Coalition Government, personalised budgets are becoming a greater priority and we will be responding to this by being fully ready to provide our services this way by autumn 2011.

Society money

In another challenging year for the UK economy, we are pleased to report that income continued to grow, achieving an increase of 5 per cent. This enabled the Society to increase its charitable expenditure by 7 per cent. Overall, this resulted in a planned deficit for the year of £0.3 million (2010: surplus of £1.6 million), before unrealised losses on investments. After taking these into account, the net reduction in reserves was £0.4 million.

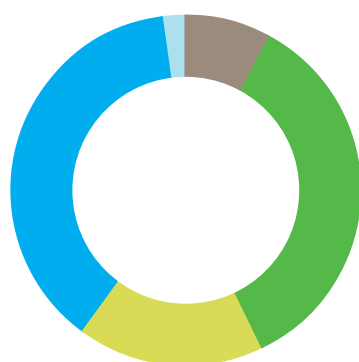
Income

Total income increased in the year to £61.6 million (2010: £58.7 million). Of this income, £23.6 million was in grants and contracts, which now represents 38 per cent of total income.

Voluntary income, consisting of donations and legacies, amounted to £32.1 million (2010: £31.9 million).

Income given specifically for research increased to £2.5 million (2010: £1.7 million).

Income by type



■ 35% £21.7m Donations
 ■ 17% £10.4m Legacies
 ■ 38% £23.6m Contracts
 ■ 2% £0.9m Investment
 ■ 8% £5.0m Trading and other

Expenditure

During 2011, 87 pence in every £1 of total expenditure was spent on direct costs towards improving the lives of people with dementia (2010: 87 pence in the pound).

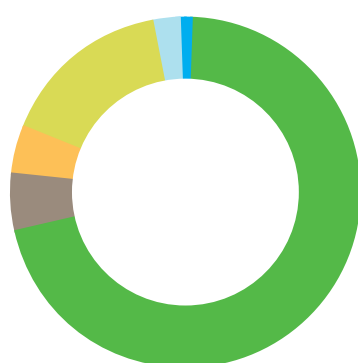
The remaining 13 pence in every £1 was spent to support our front line activity, including IT and premises around the country.

Charitable expenditure increased during the year by £3.5 million to £51.0 million (2010: £47.5 million) and of this 88 per cent was spent on care services (2010: 89 per cent).

The investment in fundraising and publicity has increased to £10.0 million (2010: £7.9 million), to ensure funds are generated to continue the Society's work.

£2.8 million was allocated to research during 2011 (2010: £2.3 million).

Expenditure by activity



■ £44.7m Care services ■ £3.2m Campaigning
 ■ £2.8m Research ■ £10.0m Fundraising
 ■ £1.5m Trading costs of subsidiaries ■ £0.4m Governance

Funds

Total funds as at 31 March 2011 were £28.0 million (2010: £28.4 million), of which £24.0 million (2010: £24.1 million) were unrestricted.

It is the Society's policy to hold free reserves equivalent to at least three months of charitable expenditure. As at 31 March 2011 the Society held free reserves equivalent to 4.8 months (2010: 5.1 months) of charitable expenditure.

In the light of the economic uncertainty and the pressures on public spending at the present time, the Board of Trustees feels that the above reserves cover is prudent and also allows for future growth in our service provision.

Structure and management

How we are structured

Alzheimer's Society is a charitable company limited by guarantee, registered as a charity in November 1979 and incorporated as the Alzheimer's Disease Society on 26 March 1987. On 1 October 1999 the charity changed its name to Alzheimer's Society. The Society is governed by its Memorandum and Articles of Association.

Revisions to the Memorandum and new Articles of Association were adopted by special resolution at an Extraordinary General Meeting on 19 March 2005, with further revisions on 17 September 2010.

The Society's objects contained in the company's Memorandum of Association are:

- To relieve and treat and promote the relief and treatment of people with Alzheimer's disease and other dementias and to provide support for such persons, their families and carers.
- To promote, support and carry out research, and to disseminate the results of such research for the public benefit into the cause and possible cures, whether partial or complete, and the possible prevention of the said disease and other dementias.

The Society's direction is guided by our strategic framework which provides a roadmap based on the objectives contained in the company's Memorandum of Association and sets out our vision for the future. The framework explains how the Society is going to turn our vision into a reality.

The strategic framework sets out eight outcomes (aims) to meet our vision.

| Outcomes | Charitable activity |
|--|-------------------------------|
| 1. Better understanding | Care services and campaigning |
| 2. Care and treatment | Campaigning |
| 3. Support | Care services |
| 4. Rights | Campaigning |
| 5. Scientific breakthroughs | Research |
| 6. Strengthened communities | Care services and campaigning |
| 7. Embedded societal change | Campaigning |
| 8. Improved service access, choice and control | Care services and governance |

These eight outcomes have been compiled from the needs of people with dementia and are at the heart of our work.

These are the outcomes
we are determined to achieve.
These are the outcomes
we are fighting for.

Structure and management

Services

The Society provides practical services to people with dementia and those who care for them via a network of 49 locality offices within communities across England, Wales and Northern Ireland. Many of the Society's services are commissioned by statutory or charitable bodies; significant levels of local fundraising activity also take place to support this work.

Membership

As of the end of March 2011, the Society had 21,217 members (2010: 22,010). All members – other than those who are staff, those who left the Society's employment within the last year, and those who are under 18 – have full voting rights under the Society's Articles of Association.

The Board of Trustees

The Board of Trustees (members of which are also directors under company law) is composed of three Honorary Officers, nine elected Trustees and one co-opted Trustee. When vacancies arise they are advertised nationally. Trustees are elected by members by means of a postal ballot; the results of the elections are announced at the Society's Annual General Meeting.

Once appointed, Trustees and new Board committee members undertake an induction programme, including a structured introduction to the Society and visits to services and activities. Training and development sessions in key areas are also provided including compulsory data protection training. The performance of individual Trustees and of the Board as a whole is assessed every year.

The Trustees undertake the duties laid down in the Society's governing documents and are ultimately responsible for the governance of the charity and the protection of its assets. The Board takes ultimate responsibility for the implementation of equal opportunities and health and safety within the Society.

The majority of members of the Board of Trustees currently have a personal or professional understanding of dementia. They give their time voluntarily and receive no benefits from the Society. Any expenses reclaimed from the Society are set out in note 5 to the accounts.

The Board is supported in its work by the following committees:

- The Finance and Audit Committee supports the Board in its oversight responsibilities in respect of the financial reporting process, compliance and corporate risk.
- The Investment Committee monitors the performance of the Society's investments.
- The Nominations Committee has primary responsibility for identifying the skills required to complement the skills base of existing Trustees, identifying suitable candidates and recommending potential Trustees to the members for election to the Board.
- The Remuneration Committee supports the Board in determining the pay of the Chief Executive and considers other issues related to Society pay and conditions.

All committees provide an annual report to the Board. The Board records its thanks to the independent members who assist in the work of the Finance and Audit, Investment and Nominations Committees.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 by referring to the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the Society and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Senior Management Team

The Board of Trustees delegates responsibility for the operational management and leadership of the Society to the Chief Executive, who is supported by the members of the Senior Management Team (SMT).

Staff and volunteers

Across England, Wales and Northern Ireland, over 7,000 people (2,000 staff and 5,300 volunteers) contribute to the work of the Society. Everyone who works within the Society – whether on a paid basis or as a volunteer (including Trustees) – is required to act in accordance with the values and operating principles outlined in the Society's Strategic Framework and with all policies currently in force. Alzheimer's Society is working towards being an equal opportunities employer.

Disabilities in the workplace

As an employer, the Society will not discriminate against a disabled person for a reason that relates to their disability, or treat them less favourably than a non-disabled person. The Society will conduct an individual risk assessment for every applicant, employee or volunteer with a disability. This will identify any reasonable adjustments that need to be made to the workplace or job in order for the person to contribute fully to the work of the Society.

Management of risk

Alzheimer's Society has a comprehensive corporate risk management framework in place to identify and address the major financial, operational, governance, reputational and regulatory risks which might impact on its ability to meet its objectives. The corporate risk register records the major risks to which the charity is exposed, existing controls designed to mitigate those risks and further actions required to mitigate risks further, if appropriate. SMT reviews and updates the risk register on a regular basis. The Board of Trustees has overall responsibility for assessing the risks faced by the Society and ensuring it has appropriate systems

of internal control in place. This responsibility is delegated to the Finance and Audit Committee, which reviews the risk register at each meeting and provides regular updates to the Board.

Mitigating action has been taken on all identified risks. The Society has systems of control that include:

- an established and documented policy framework
- a comprehensive annual planning and budgeting process, which is subject to ongoing review during the year by SMT and the Board of Trustees
- monthly review of management accounts and non-financial management information by SMT. This review is presented to Trustees.
- regular monitoring of key risks and action plans by SMT and the Finance and Audit Committee.

Although the Trustees are of the opinion that reasonable steps have been taken to ensure that the major risks to which the Society is exposed are identified and reviewed and that there are systems in place to mitigate them, they are aware that such processes are designed to manage rather than eliminate all major risks and they can only provide reasonable but not absolute assurance.

Investments

As set out in its Memorandum of Association, the Society has absolute discretion to invest money not immediately required for expenditure. The performance of the Society's investments, which are managed by Close Asset Management Group, is overseen by the Investment Committee, which reports to the Board of Trustees. The Investment Committee and the investment advisers consider the interests of people with dementia at all times. The Society's investment advisers are instructed to avoid any investment in companies that profit materially from products that may be harmful to people with dementia or contribute to the causes of dementia.

Structure and management

It is important to note that, as in the previous year, the Society has had no exposure to any known financial institution at risk.

Donations

The Society's ethical policy states that income from the pharmaceutical industry should be capped at 5 per cent of income, based on the accounts for the preceding year. Support from pharmaceutical companies during 2010/11 amounted to £49,000 representing 0.08 per cent of total income.

Research grants

Research funding is awarded through the Research Network. The Society invites applications for funding of research projects through a variety of media. Applications are assessed by a panel, which recognises Research Network priorities as well as ensuring scientific quality and timeliness. Projects (which normally last for between two and three years) are regularly monitored by professionals and the Research Network to ensure the appropriateness of continued funding.

Subsidiaries

Alzheimer's Trading Limited (ATL)

ATL is a wholly owned subsidiary of the Society which generates income from training courses, raffles, licensing and marketing a wide range of gifts, merchandise and products. Each sale helps to support the fight against dementia. ATL's profits are gift aided to the Society. These profits amounted to £453,000 in respect of the year to 31 March 2011 (2010: £550,000). Additional donations of £205,593 were received directly by the Society as a result of ATL's raffle and catalogue activities. The Chief Executive of Alzheimer's Society is now the Chair of ATL, giving a clear and direct line of report into the Society's Board of Trustees.

The Alzheimer's Foundation for Research into Alzheimer's Disease

The principal activities of the Alzheimer's Foundation are to promote research leading to a cure for Alzheimer's disease and to publish the results of such research. It is a company limited by guarantee and is a registered charity. During 2010/11 two grants of £150,000 each were made; one to Alzheimer's Society and the other to Alzheimer's Research UK. Further details of the subsidiaries are included in note 7 to the financial statements.

Joint venture

Alzheimer's Brain Bank UK Limited

Alzheimer's Brain Bank UK (ABBUK) is a company limited by guarantee, and is a registered charity. The principal activities of ABBUK are to establish, promote and maintain banks of tissue for research into the cause, prevention and cure of Alzheimer's disease and associated neurodegenerative diseases and disorders. Alzheimer's Society in partnership with Alzheimer's Research UK and the Medical Research Council operates the Brains for Dementia Research (BDR) initiative (www.brainsfordementiaresearch.org.uk). This provides a simple, nationwide system for brain donation at a network of brain bank facilities across England and Wales. Five recruitment centres are now actively registering and assessing prospective tissue donors and collecting and disseminating samples for research.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity 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 corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Insofar as each of the Trustees of the Society at the date of approval of this report is aware there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit report) of which the Society's auditors are unaware. Each Trustee has taken all of the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Society's auditors are aware of that information.



Alastair Balls CB DL
Chair

Consolidated statement of financial activities

For the year ended 31 March 2011

Incorporating an income and expenditure account

| | Notes | Restricted funds £'000 | Unrestricted funds £'000 | 2011 Group total £'000 | 2010 Group total £'000 |
|--|-------|---------------------------|-----------------------------|------------------------------|------------------------------|
| Incoming resources from generated funds | | | | | |
| Voluntary income | | | | | |
| Subscriptions, donations and fundraising | | 2,850 | 18,869 | 21,719 | 21,485 |
| Legacies | 2a | 1,633 | 8,766 | 10,399 | 10,465 |
| Activities for generating funds | | | | | |
| Sales and fee income | | 29 | 3,053 | 3,082 | 3,036 |
| Trading turnover of subsidiaries | 7c | - | 1,955 | 1,955 | 2,432 |
| Investment income | 2b | - | 856 | 856 | 749 |
| Incoming resources from charitable activities | | | | | |
| Grants and contracts | 2c | 2,751 | 20,883 | 23,634 | 20,540 |
| Other incoming resources | | - | - | - | 4 |
| Share of gross incoming resources in joint venture | | - | 113 | 113 | 30 |
| Incoming resources | | 7,263 | 54,495 | 61,758 | 58,741 |
| Less gross incoming resources from joint venture | | - | 113 | 113 | 30 |
| Total incoming resources | | 7,263 | 54,382 | 61,645 | 58,711 |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Trading costs of subsidiaries | 7c | - | 1,498 | 1,498 | 1,883 |
| Fundraising and publicity costs | | 25 | 9,994 | 10,019 | 7,870 |
| Total costs of generating funds | 3 | 25 | 11,492 | 11,517 | 9,753 |
| Net incoming resources available for charitable application | | 7,238 | 42,890 | 50,128 | 48,958 |
| Charitable expenditure | | | | | |
| Charitable activities | | | | | |
| Care services | 3 | 4,728 | 39,958 | 44,686 | 42,358 |
| Campaigning | 3 | 193 | 2,982 | 3,175 | 2,628 |
| Research | 3 | 2,589 | 196 | 2,785 | 2,288 |
| Governance | 3 | - | 403 | 403 | 272 |
| Total charitable expenditure | | 7,510 | 43,539 | 51,049 | 47,546 |
| Total expenditure | 3 | 7,535 | 55,031 | 62,566 | 57,299 |
| Net (outgoing) / incoming resources | | (272) | (649) | (921) | 1,412 |
| Net interest in joint venture operating result | | - | (5) | (5) | 25 |
| Net (outgoing) / incoming resources before transfers | | (272) | (654) | (926) | 1,437 |
| Transfers between funds | 14 | 65 | (65) | - | - |
| Net (outgoing) / incoming resources | | (207) | (719) | (926) | 1,437 |
| Net realised gains on investments | 7a | - | 622 | 622 | 171 |
| (Deficit) / surplus for the year | | (207) | (97) | (304) | 1,608 |
| Net unrealised (losses) / gains on investments | 7a | - | (60) | (60) | 2,234 |
| Net movement in funds | | (207) | (157) | (364) | 3,842 |
| Funds balance at 1 April 2010 | | 4,256 | 24,132 | 28,388 | 24,546 |
| Funds balance at 31 March 2011 | | 4,049 | 23,975 | 28,024 | 28,388 |

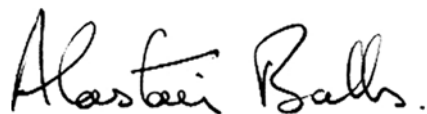
Total incoming resources includes £60.1 million (2010: £55.8 million) and net movement in funds includes £268,000 outflow (2010: £3.8 million inflow) in respect of the Society. The notes on pages 39 to 50 form part of these financial statements.

Consolidated balance sheet

As at 31 March 2011

| | Notes | 2011 Group funds £'000 | 2011 Society funds £'000 | 2010 Group total £'000 | 2010 Society total £'000 |
|---|-------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | 1,513 | 1,513 | 1,689 | 1,689 |
| Investments | 7a | 24,654 | 24,754 | 24,112 | 24,212 |
| | | 26,167 | 26,267 | 25,801 | 25,901 |
| Current assets | | | | | |
| Short term investments and deposits | 7b | 10,004 | 10,004 | 10,810 | 10,810 |
| Stock | 8 | 38 | 2 | 21 | 2 |
| Debtors | 9 | 4,298 | 4,941 | 3,984 | 5,670 |
| Cash at bank and in hand | | 2,197 | 1,154 | 1,287 | (870) |
| | | 16,537 | 16,101 | 16,102 | 15,612 |
| Current liabilities | | | | | |
| Creditors – amounts falling due within one year | 10 | (11,562) | (11,492) | (11,027) | (10,994) |
| Net current assets | | 4,975 | 4,609 | 5,075 | 4,618 |
| Total assets less current liabilities | | 31,142 | 30,876 | 30,876 | 30,519 |
| Long term liabilities | | | | | |
| Creditors – amounts falling due after one year | 10 | (3,118) | (3,118) | (2,488) | (2,488) |
| Net assets | | 28,024 | 27,758 | 28,388 | 28,031 |
| Funds | | | | | |
| Restricted | 14 | 4,049 | 4,049 | 4,256 | 4,256 |
| Designated funds | | 1,513 | 1,513 | 1,689 | 1,689 |
| Revaluation reserve | | 2,174 | 2,174 | 2,234 | 2,234 |
| General funds | | 20,288 | 20,022 | 20,209 | 19,852 |
| Unrestricted | 14 | 23,975 | 23,709 | 24,132 | 23,775 |
| Total funds | | 28,024 | 27,758 | 28,388 | 28,031 |

The financial statements on pages 36 to 50 were approved and authorised for issue by the Trustees on 9 August 2011 and signed on their behalf by:



Alastair Balls CB DL
Chair



John Grosvenor
Honorary Treasurer

The notes on pages 39 to 50 form part of these financial statements.
Company number 2115499.

Consolidated cash flow statement

For the year ended 31 March 2011

| | | 2011 Group £'000 | 2010 Group £'000 |
|---|---|------------------------|------------------------|
| Net cash (outflow) / inflow from operating activities | A | (374) | 3,725 |
| Returns on investment | B | 856 | 749 |
| Capital expenditure and financial investment | C | (378) | (6,141) |
| | | 104 | (1,667) |
| Management of liquid resources | D | 806 | 1,734 |
| Increase in cash in the year | E | 910 | 67 |

Notes to cash flow statement

For the year ended 31 March 2011

A. Reconciliation of operating surplus to net cash inflow from operating activities

| | 2011 Group £'000 | 2010 Group £'000 |
|---|------------------------|------------------------|
| Net incoming resources before revaluations | (926) | 1,437 |
| Interest receivable and other investment income | (856) | (749) |
| Depreciation | 576 | 634 |
| Profit on sale of tangible fixed assets | (2) | (2) |
| Increase in stock | (17) | (14) |
| Increase in debtors | (314) | (719) |
| Increase in creditors – falling due within one year | 535 | 2,697 |
| Increase in creditors – falling due after one year | 630 | 441 |
| Net cash (outflow) / inflow from operating activities | (374) | 3,725 |

B. Returns on investment

| | | |
|---|------------|------------|
| Interest received and other investment income | 856 | 749 |
|---|------------|------------|

C. Capital expenditure and financial investment

| | | |
|---|---------------|----------------|
| Purchase of UK Treasury stock | (1,275) | (1,718) |
| Purchase of other investments | (8,984) | (10,799) |
| Proceeds from sale of investments | 10,279 | 6,786 |
| Purchase of tangible fixed assets | (412) | (512) |
| Proceeds from sale of fixed assets | 14 | 102 |
| Net cash outflow from capital expenditure and financial investments | (378) | (6,141) |

D. Management of liquid resources

| | | |
|---------------------------------|------------|--------------|
| Decrease in short-term deposits | 806 | 1,734 |
|---------------------------------|------------|--------------|

E. Analysis of change in net funds

| | As at 1 April 2010 Group £'000 | Cash flows £'000 | As at 31 March 2011 Group £'000 |
|--------------------------|--|------------------------|---|
| Cash at bank and in hand | 1,287 | 910 | 2,197 |

Notes to the financial statements

For the year ended 31 March 2011

1. Accounting policies

The financial statements have been prepared under the historic cost convention (with the exception of listed investments which are included on a market value basis) and in accordance with the Charities (Accounts and Reports) Regulations 2005, the current Statement of Recommended Practice, Accounting and Reporting by Charities (the Charities SORP 2005), the Companies Act 2006 and applicable accounting standards.

Basis of consolidation

The financial statements include the assets, liabilities and funds, and the statement of financial activities of the Society, including all localities and its subsidiaries. The Society's annual share of the profits or losses from joint ventures is included in the statement of financial activities (SOFA) and its share of the net assets is included in the balance sheet. No separate SOFA has been prepared for the parent charity as is permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Incoming resources

All income, restricted or unrestricted, is accounted for on an accruals basis.

Legacies are recognised in the SOFA when there is adequate certainty and reliability of receipt and their value can be accurately measured. This is based on all notifications of legacies received by 31 March 2011 for which income was received by 6 May 2011 (2010: 7 May). Legacies not recognised in the SOFA are disclosed in note 2a.

Donations in kind are recognised at their value to the Group when they are received. No amounts are included for services donated by volunteers. Gift aid is included in the accounts based on amounts recoverable at balance date.

Expenditure

Expenditure is accounted for on an accruals basis. Where appropriate, it has been allocated directly to operating activities. Support costs have been allocated to activity categories in proportion to the staff numbers within each activity.

Some Alzheimer's Society activities are classified as exempt or non-business activities for the purposes of VAT, so the Society is unable to reclaim all the VAT that it incurs on its operating costs. Expenditure in these financial statements is therefore shown inclusive of any VAT paid which is not recoverable. Governance costs are those incurred in compliance with constitutional and statutory requirements including related professional fees and a proportion of the salary costs of relevant staff.

Grants

Grants receivable are included in the accounts on an accruals basis as soon as it is prudent and practical to do so. Grants received for a specific purpose are accounted for as restricted funds. Grants payable are accounted for on an accruals basis.

Research grants payable to third parties are included in the accounts when an agreement is made to commit funds to a specific project, notwithstanding that payment of the funds may be made at a later date.

Tangible fixed assets

Tangible fixed assets, with a value of £500 or more, are stated at cost or valuation when acquired and depreciated over their estimated useful lives on a straight-line basis at the following rates

| | |
|---------------------------------|----------------------------|
| Freehold property | not depreciated |
| Leasehold improvements | over the life of the lease |
| Service user transport | 25% per annum |
| Fixtures and fittings | 25% per annum |
| Office equipment | 25% per annum |
| Computer equipment and software | 33⅓% per annum |

No charge is made for depreciation of freehold property as, in the opinion of the Trustees, any charge and accumulated balance in respect of depreciation would be immaterial. The Trustees will undertake future impairment reviews in accordance with FRS11.

Items costing less than £500 are expensed immediately to the SOFA.

Investments

Investments are stated at market value. Any unrealised gains or losses are transferred to reserves.

Stock

Stock, which consists mainly of promotional goods, publications, gifts and Christmas cards, is stated at the lower of cost and net realisable value, and includes any costs to bring it to its current location and condition.

Pension costs

Contributions to the Society's defined contribution pension scheme are charged to the SOFA in the year in which they become payable.

Operating leases

Expenditure on operating leases is charged to the SOFA on a straight-line basis over the period of the lease.

Notes to the financial statements

For the year ended 31 March 2011

Funds

Restricted funds are those specified by the donor only to be used for particular purposes, within the objectives of the Society.

Designated funds are funds set aside for specific purposes by the Trustees out of unrestricted funds.

Unrestricted funds are funds that can be freely used at the discretion of the Trustees in accordance with the charitable objectives of the Society.

Shared services

CharITyshare Limited is incorporated in England and Wales to provide a shared IT service. During the year the members were Alzheimer's Society, The Children's Society, NSPCC (until 23 December 2010) and Age UK (from 1 July 2010). At 31 March 2011 it was jointly and equally owned by the three ongoing participants. Alzheimer's Society accounts for its share of assets, liabilities and cash flow according to the shared services agreement.

2. Income

a) Legacies

As stated in the accounting policies (note 1), the Society recognises income from legacies when there is certainty and reliability of receipt and their value can be accurately measured. At 31 March 2011, the Society had been notified of a further 399 legacies that have not been included in these financial statements as they did not meet these criteria. These legacies may realise approximately £7.2 million.

b) Investment income

Bank and other interest
Income from fixed interest investments
Income from listed equity investments

| 2011 Group £'000 | 2010 Group £'000 |
|------------------------|------------------------|
| 36 | 85 |
| 353 | 358 |
| 467 | 306 |
| 856 | 749 |

c) Grants and contract income includes:

| | 2011 Group £'000 | 2010 Group £'000 |
|--|------------------------|------------------------|
| Schofield Trust | 315 | - |
| The Henry Smith Charity | 223 | 257 |
| Leicestershire City Council | 201 | - |
| Department of Health | 195 | 126 |
| Comic Relief – campaigning and advocacy | 147 | 73 |
| Northern Rock Foundation | 118 | 164 |
| Wirral Primary Care Trust | 118 | - |
| Knowsley Metropolitan Council and Knowsley Care Trust | 74 | - |
| Welsh Assembly Government | 65 | 65 |
| The City Bridge Trust | 50 | 50 |
| Greenham Common Trust | 50 | - |
| Stockport MBC | 50 | - |
| The People's Millions | 48 | - |
| Department of Health, Social Services and Public Safety Northern Ireland | 43 | 43 |
| Trafford Council | 36 | - |
| Cheadle Royal Trust | 32 | - |
| Opportunities for Volunteering | 31 | - |
| Leicestershire County and Rutland PCT | 26 | - |
| John Lewis Partnership General Community Fund (UK) | 20 | - |
| The Waterloo Foundation | 20 | - |
| The Lapid Trust | 15 | - |
| Lancashire Care Foundation | 12 | - |
| Mayor Liddington Fund | 11 | - |
| Herbert and Peter Blagrove Charitable Trust | 10 | 10 |
| Susan Weeks Memorial Fund | 8 | - |
| Comic Relief – services in Bromley | 5 | - |
| The Coward Endowment Trust | 5 | - |
| Sefton Council | 5 | - |
| Cantus Novae | 4 | - |
| The C Charitable Trust | 3 | - |
| North Yorkshire County Council | 2 | - |
| Lord and Lady Lurgan Trust | 1 | - |
| The John Ellerman Foundation | - | 22 |

Under the terms of the grant or contract, these grants or contracts have been disclosed individually.

d) Gift aid recovery

The consolidated SOFA includes £1.44 million (2010: £783,000) for gift aid on voluntary fundraising.

Additionally, profits of Alzheimer's Trading Limited of £453,000 (2010: £550,000) were paid under gift aid to the Society.

Notes to the financial statements

For the year ended 31 March 2011

3. Resources expended

| | Fundraising £'000 | Care services £'000 | Campaigning £'000 | Research £'000 | Governance £'000 | 2011 Group total £'000 | 2010 Group total £'000 |
|--------------------------------------|----------------------|---------------------------|----------------------|-------------------|---------------------|---------------------------------|---------------------------------|
| Activities undertaken directly | 10,543 | 38,006 | 2,919 | 562 | 387 | 52,417 | 47,749 |
| Grant funding of activities (note 4) | - | 40 | - | 2,177 | - | 2,217 | 2,011 |
| Direct costs | 10,543 | 38,046 | 2,919 | 2,739 | 387 | 54,634 | 49,760 |
| IT costs | 306 | 2,087 | 81 | 14 | 5 | 2,493 | 2,451 |
| Premises costs | 287 | 1,953 | 75 | 14 | 5 | 2,334 | 2,277 |
| Human resources | 182 | 1,245 | 48 | 9 | 3 | 1,487 | 1,287 |
| Finance and corporate services | 199 | 1,355 | 52 | 9 | 3 | 1,618 | 1,491 |
| Branch administration | - | - | - | - | - | - | 33 |
| Support costs | 974 | 6,640 | 256 | 46 | 16 | 7,932 | 7,539 |
| Total costs | 11,517 | 44,686 | 3,175 | 2,785 | 403 | 62,566 | 57,299 |

Basis of support cost allocation

Support costs are allocated to service departments based on staff numbers. Fundraising costs include the trading costs of subsidiaries.

Activities undertaken directly for care services were:

| | 2011 Group £'000 | 2010 Group £'000 |
|--|------------------------|------------------------|
| Day care | 6,405 | 6,145 |
| Dementia support | 6,773 | 5,906 |
| Dementia advisers | 1,592 | 412 |
| Home care | 2,363 | 2,202 |
| Information provision | 520 | 529 |
| Support groups | 1,167 | 867 |
| Befriending | 1,387 | 1,262 |
| Advocacy | 479 | 403 |
| Care staff costs attributable over multiple activities | 9,179 | 10,627 |
| Other services | 8,141 | 7,430 |
| | 38,006 | 35,783 |

Governance direct costs were:

| | 2011 Group £'000 | 2010 Group £'000 |
|---|------------------------|------------------------|
| Audit costs – Crowe Clark Whitehill | 97 | 42 |
| Other audit costs | 14 | 64 |
| Other professional services – Crowe Clark Whitehill | 1 | 2 |
| Board of Trustees | 26 | 25 |
| Company secretarial | 75 | - |
| AGM and other governance meetings | 85 | 84 |
| Internal audit and strategic support | 89 | 38 |
| | 387 | 255 |

The company secretarial costs were included in corporate services costs in 2010.

4. Grant giving

Grants awarded during the financial year include:

| | 2011 Group £'000 | 2010 Group £'000 |
|---|------------------------|------------------------|
| Research grants to institutions: | | |
| By Society: | | |
| King's College London | 356 | 405 |
| University of Cambridge | 202 | 50 |
| University of Leeds | 200 | 155 |
| University of Bristol | 177 | 105 |
| ABBUK | 167 | 30 |
| University of Edinburgh | 161 | 100 |
| University of Tasmania | 132 | - |
| University College London | 113 | 75 |
| University of Manchester | 104 | 270 |
| University of Southampton | 100 | - |
| University of Sussex | 75 | - |
| University of Dundee | 75 | - |
| Imperial College of London | 68 | - |
| Queen's University of Belfast | 34 | - |
| University of Warwick | 26 | - |
| University of Newcastle | 25 | - |
| Dissemination Grants on Research Projects | 21 | 3 |
| Cardiff University – Medicine | 15 | 205 |
| University of Nottingham | - | 200 |
| University of York | - | 75 |
| University of Reading | - | 75 |
| University of Bath | - | 30 |
| National Prevention Research Initiative | - | 25 |
| University of Oxford | - | 18 |
| University of London – Institute of Education | - | 17 |
| Underspend on completed projects written back | (24) | (31) |
| | 2,027 | 1,807 |
| By Foundation: | | |
| Alzheimer's Research UK | 150 | 150 |
| | 2,177 | 1,957 |
| Caring grants to individuals and institutions: | | |
| | 2011 £'000 | 2010 £'000 |
| The Queen's Nursing Institute | - | 15 |
| Gateshead Council | - | 15 |
| Netley Waterside Care | - | 8 |
| Clive Project | - | 3 |
| Grants below £1,000 | 40 | 13 |
| | 40 | 54 |

Notes to the financial statements

For the year ended 31 March 2011

5. Staff costs

| | 2011 Group £'000 | 2010 Group £'000 |
|-------------------------------|------------------------|------------------------|
| Gross wages and salaries | 31,413 | 27,291 |
| Employer's National Insurance | 2,788 | 2,371 |
| Pension contributions | 888 | 739 |
| | 35,089 | 30,401 |

Pension costs

The Society operates a stakeholder pension scheme, administered by Zurich Assurance Ltd, which is open to all staff on completion of entry requirements. Pension costs of up to 8% of gross pensionable salary for all eligible employees are charged to expenditure as they are incurred.

The average number of employees during the year was as follows:

| | 2011 Group full time no. | 2011 Group part time no. | 2010 Group full time no. | 2010 Group part time no. |
|---------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fundraising | 159 | 24 | 100 | 21 |
| Care services | 516 | 1,301 | 452 | 1,258 |
| Campaigning | 43 | 4 | 42 | 13 |
| Research | 8 | - | 6 | 1 |
| Governance | 3 | - | 3 | - |
| | 729 | 1,329 | 603 | 1,293 |

The numbers of employees in total emolument bands (excluding pension contributions) in excess of £60,000 were as follows:

| | 2011 No. | 2010 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 7 | 5 |
| £70,001 - £80,000 | 1 | 1 |
| £80,001 - £90,000 | 1 | - |
| £90,001 - £100,000 | 3 | 3 |
| £100,001 - £110,000 | 1 | 1 |
| £210,001 - £220,000 | - | 1 |

For staff paid over £60,000, the following pension scheme contributions were made:

| 2011 £'000 | 2010 £'000 |
|---------------|---------------|
| 62 | 64 |

The number of staff paid over £60,000 to whom retirement benefits are accruing is:

| 2011 No. | 2010 No. |
|-------------|-------------|
| 10 | 10 |

All employees participate in the same pension arrangements.

Members of the Board

None (2010: none) of the Trustees who held office during the year received any remuneration. Expenses for travel and subsistence were reimbursed or paid on behalf of 16 (2010: 16) Trustees during the year totalling £28,238 (2010: £27,200).

6. Tangible fixed assets – Group and Society

| | Freehold property £'000 | Leasehold improvements £'000 | Service user transport £'000 | Furniture and fittings £'000 | Office and computer equipment £'000 | Total £'000 |
|----------------------------|-------------------------------|------------------------------------|---------------------------------------|------------------------------------|--|----------------|
| Cost | | | | | | |
| As at 1 April 2010 | 231 | 1,920 | 727 | 631 | 2,080 | 5,589 |
| Additions | 6 | 4 | 88 | 26 | 288 | 412 |
| Disposals | - | (7) | (31) | - | (2) | (40) |
| As at 31 March 2011 | 237 | 1,917 | 784 | 657 | 2,366 | 5,961 |
| Depreciation | | | | | | |
| As at 1 April 2010 | - | 1,192 | 546 | 509 | 1,653 | 3,900 |
| Charge for the year | - | 142 | 71 | 57 | 306 | 576 |
| Disposals | - | (3) | (23) | - | (2) | (28) |
| As at 31 March 2011 | - | 1,331 | 594 | 566 | 1,957 | 4,448 |
| Net book value | | | | | | |
| As at 31 March 2010 | 231 | 728 | 181 | 122 | 427 | 1,689 |
| As at 31 March 2011 | 237 | 586 | 190 | 91 | 409 | 1,513 |

7. Investments

(a) Fixed asset investments

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|--|------------------------|--------------------------|------------------------|--------------------------|
| Opening valuation 1 April | 24,112 | 24,212 | 15,976 | 16,076 |
| Additions | 10,259 | 10,259 | 12,517 | 12,517 |
| Disposals | (10,279) | (10,279) | (6,786) | (6,786) |
| Realised gains on disposals during year | 622 | 622 | 171 | 171 |
| Unrealised (loss) / gain on valuation | (60) | (60) | 2,234 | 2,234 |
| Closing valuation 31 March | 24,654 | 24,754 | 24,112 | 24,212 |
| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
| Equity Investments listed on a recognised stock exchange | 16,402 | 16,402 | 13,912 | 13,912 |
| Fixed Interest Investments listed on a recognised stock exchange | 8,251 | 8,251 | 10,195 | 10,195 |
| Investment in subsidiary and associated undertakings | - | 100 | - | 100 |
| Share of assets in joint venture | 863 | 863 | 939 | 939 |
| Share of liabilities in joint venture | (862) | (862) | (934) | (934) |
| Total | 24,654 | 24,754 | 24,112 | 24,212 |
| Investment assets in the UK | 19,092 | 19,192 | 17,472 | 17,572 |
| Investment assets outside the UK | 5,562 | 5,562 | 6,640 | 6,640 |
| Total | 24,654 | 24,754 | 24,112 | 24,212 |

The cost price of investments listed on a recognised stock exchange is £22.6 million. All of the investments at 31 March 2011 and 31 March 2010 were held to the order of the Society. At 31 March 2011 no individual investment exceeded 5% by value of the total portfolio.

Notes to the financial statements

For the year ended 31 March 2011

Joint venture investment

Alzheimer's Brain Bank UK Ltd (ABBUK) is a company limited by guarantee (number 5762960) and a registered charity (number 1114579). It has two members, Alzheimer's Society and Alzheimer's Research UK. The main objectives of the charity are to protect and promote the health of the public, in particular by establishing, promoting and maintaining banks of brain tissue for research into the cause, prevention, treatment and cure of Alzheimer's disease and associated neurodegenerative diseases and disorders.

The Society owns a 50% share in ABBUK and its share of the net assets is £497 (2010: £5,000). This joint venture is accounted for in accordance with FRS 9 and the Charities SORP under the gross equity method.

(b) Short-term investments and deposits

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|--|------------------------|--------------------------|------------------------|--------------------------|
| Short-term investments and deposits held by: | | | | |
| Close Asset Management Group | 1,213 | 1,213 | 419 | 419 |
| HSBC | 8,791 | 8,791 | 10,391 | 10,391 |
| | 10,004 | 10,004 | 10,810 | 10,810 |

(c) Subsidiary companies

Alzheimer's Trading Limited, registered number 2737333, is a wholly owned subsidiary of Alzheimer's Society whose profits are gift aided to Alzheimer's Society. The trading company receives income from training courses and raffles and markets a wide range of gifts, merchandise and products with each sale helping to support our cause in improving the lives of people with dementia.

The Alzheimer's Foundation for Research into Alzheimer's Disease is a company limited by shares (number 03655393) and a registered charity (number 1075535). It is a subsidiary of Alzheimer's Society by virtue of all of the members being nominees of the Society. In 2010/11, a grant of £150,000 was made to Alzheimer's Society's research programme (2010: £150,000) and £150,000 to Alzheimer's Research UK (2010: £150,000).

| | Alzheimer's Trading Limited £'000 | The Alzheimer's Foundation for Research into Alzheimer's Disease £'000 | Total 2011 £'000 | Total 2010 £'000 |
|--|---|---|------------------------|------------------------|
| Profit and loss accounts for the year ended 31 March 2011 | | | | |
| Turnover | 1,955 | - | 1,955 | 2,432 |
| Donations and legacies | - | 213 | 213 | 344 |
| Cost of sales | (1,064) | - | (1,064) | (1,229) |
| Gross profit | 891 | 213 | 1,104 | 1,547 |
| Bank interest | 1 | - | 1 | 8 |
| Distribution expenses | (295) | - | (295) | (379) |
| Administration expenses | (139) | - | (139) | (275) |
| Charitable activities | - | (300) | (300) | (300) |
| Governance costs | (5) | (4) | (9) | (10) |
| Net profit / (loss) | 453 | (91) | 362 | 591 |
| Payment to the Society under gift aid | (453) | - | (453) | (550) |
| (Deficit) / surplus – retained in subsidiaries | - | (91) | (91) | 41 |

Balance sheets at 31 March 2011

| | | | | |
|---|---------|-----|---------|---------|
| Stock | 36 | - | 36 | 19 |
| Debtors | 485 | 236 | 721 | 315 |
| Cash at bank and in hand | 1,009 | 34 | 1,043 | 2,157 |
| Creditors – amounts falling due within one year | (1,430) | (4) | (1,434) | (2,034) |
| Net assets | 100 | 266 | 366 | 457 |
| Financed by: | | | | |
| Ordinary share capital | 100 | - | 100 | 100 |
| Unrestricted funds | - | 266 | 266 | 357 |
| Total funds | 100 | 266 | 366 | 457 |

Alzheimer's Trading Limited owns all the ordinary share capital of two other companies. Both of these companies are registered in England, are dormant, and had no assets or liabilities as at 31 March 2010 and 2011.

8. Stock

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|--------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Finished goods and goods for re-sale | 38 | 2 | 21 | 2 |

Notes to the financial statements

For the year ended 31 March 2011

9. Debtors

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Trade debtors | 2,227 | 1,742 | 902 | 727 |
| Legacy debtors | 354 | 354 | 1,062 | 1,062 |
| Prepayments | 497 | 497 | 702 | 702 |
| Accrued income | 573 | 573 | 1,035 | 1,035 |
| Other debtors | 647 | 647 | 283 | 283 |
| | 4,298 | 3,813 | 3,984 | 3,809 |
| Amounts due from subsidiary undertaking | - | 1,128 | - | 1,861 |
| | 4,298 | 4,941 | 3,984 | 5,670 |

Accrued income includes income receivable of £140,000 (2010: £281,000) for gift aid recovery.

10. Creditors

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Amounts falling due within one year: | | | | |
| Research grant creditors | 2,569 | 2,569 | 2,354 | 2,354 |
| Trade creditors | 2,038 | 1,854 | 1,016 | 980 |
| Other taxes and social security | 803 | 803 | 693 | 693 |
| Other creditors | 807 | 807 | 1,445 | 1,441 |
| Accruals | 2,394 | 2,272 | 3,453 | 3,320 |
| Deferred income (see note 11) | 2,951 | 2,951 | 2,066 | 2,066 |
| | 11,562 | 11,256 | 11,027 | 10,854 |
| Amounts due to subsidiary undertaking | - | 236 | - | 140 |
| | 11,562 | 11,492 | 11,027 | 10,994 |

Amounts falling due after one year:

| | | | | |
|--------------------------|-------|-------|-------|-------|
| Research grant creditors | 3,118 | 3,118 | 2,488 | 2,488 |
|--------------------------|-------|-------|-------|-------|

Research grant creditors are payable:

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Within one year | 2,569 | 2,569 | 2,354 | 2,354 |
| Between one and two years | 1,328 | 1,328 | 1,510 | 1,510 |
| Between two and five years | 1,790 | 1,790 | 978 | 978 |
| Total research grant creditors | 5,687 | 5,687 | 4,842 | 4,842 |

Included in research grant creditors are amounts due to the joint venture, ABBUK, of £834,000 (2010: £885,000).

11. Deferred income

| | 2011 Group £'000 | 2011 Society £'000 | 2010 Group £'000 | 2010 Society £'000 |
|--|------------------------|--------------------------|------------------------|--------------------------|
| Balance at 1 April 2010 | 2,066 | 2,066 | 1,213 | 1,213 |
| Amounts released to incoming resources | (2,066) | (2,066) | (1,213) | (1,213) |
| Amounts deferred in the year | 2,951 | 2,951 | 2,066 | 2,066 |
| | 2,951 | 2,951 | 2,066 | 2,066 |

12. Share capital

The Society has no issued share capital as it is a company limited by guarantee.

13. Taxation

Alzheimer's Society is a registered charity and its activities fall within the exemptions of the Income and Corporation Taxes Act 1988. The Society is therefore not liable for Corporation Tax.

14. Funds

| | At 1 April 2010 Group £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains and losses £'000 | At 31 March 2011 Group £'000 |
|--------------------------------------|--------------------------------------|--------------------------------|--------------------------------|--------------------|------------------------------|---------------------------------------|
| Big Lottery Fund | | | | | | |
| Care services (a) | 165 | 177 | (264) | 9 | - | 87 |
| | 165 | 177 | (264) | 9 | - | 87 |
| Other funders | | | | | | |
| Research | 761 | 2,493 | (2,417) | (171) | - | 666 |
| Care services (branches and regions) | 2,078 | 2,013 | (1,784) | 384 | - | 2,691 |
| Brain Bank (ABBUK) | - | - | (167) | 167 | - | - |
| Geographically restricted funds | 566 | 2,010 | (2,248) | 50 | - | 378 |
| Worried about your memory? | 133 | 200 | (133) | - | - | 200 |
| Other | 553 | 370 | (522) | (374) | - | 27 |
| | 4,091 | 7,086 | (7,271) | 56 | - | 3,962 |
| Total restricted funds | 4,256 | 7,263 | (7,535) | 65 | - | 4,049 |
| Unrestricted funds | 24,132 | 54,382 | (55,036) | (65) | 562 | 23,975 |
| Total funds | 28,388 | 61,645 | (62,571) | - | 562 | 28,024 |

Unrestricted funds includes designated funds of £1.5 million (2010: £1.7 million) which represent the Society's investment in tangible fixed assets which are not immediately realisable. Transfers between funds occur so that incoming and outgoing resources with the same restriction are matched.

(a) During the year the Society was in receipt of seven grants from the Big Lottery Fund. In accordance with their terms, an analysis by activity is reported below:

| | At 1 April 2010 Group £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | At 31 March 2011 Group £'000 |
|--|--------------------------------------|--------------------------------|--------------------------------|--------------------|---------------------------------------|
| Care services | | | | | |
| Community fund grant – Bromley | 40 | - | (2) | - | 38 |
| Outreach and support – Tower Hamlets | - | 69 | (53) | - | 16 |
| Outreach and information provision – Southport | (9) | - | - | 9 | - |
| Awards 4 All – Northern Ireland | 27 | - | (27) | - | - |
| Befriending – North Yorkshire | 82 | - | (82) | - | - |
| Family support – West Cumbria | 24 | 108 | (99) | - | 33 |
| Go For It | 1 | - | (1) | - | - |
| | 165 | 177 | (264) | 9 | 87 |

Notes to the financial statements

For the year ended 31 March 2011

15. Financial and other commitments

a) Operating leases – Group

At 31 March the Society had annual commitments under non-cancellable operating leases as set out below:

| | 2011 Land and buildings £'000 | 2011 Other £'000 | 2010 Land and buildings £'000 | 2010 Other £'000 |
|---------------------------------------|--|------------------------|--|------------------------|
| Operating leases which expire: | | | | |
| Within one year | 1,903 | 137 | 1,869 | 34 |
| In two to five years | 5,682 | 279 | 5,488 | 61 |
| After five years | 1,370 | - | 3,148 | - |
| | 8,955 | 416 | 10,505 | 95 |

b) Other commitments

The Society had no commitments to provide contractual services to local authorities and other statutory and non-statutory bodies that required a capital expenditure commitment (2010: nil).

16. Analysis of group net assets between funds

| | Tangible fixed assets £'000 | Fixed asset investments £'000 | Net current assets £'000 | Creditors due after 1 year £'000 | Total £'000 |
|------------------|-----------------------------------|-------------------------------------|--------------------------------|---|----------------|
| Restricted funds | - | - | 4,049 | - | 4,049 |
| Designated funds | 1,513 | - | - | - | 1,513 |
| General funds | - | 24,654 | 926 | (3,118) | 22,462 |
| | 1,513 | 24,654 | 4,975 | (3,118) | 28,024 |

Independent Auditor's report to the members of Alzheimer's Society

We have audited the financial statements of Alzheimer's Society for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Society Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 16.

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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of the Trustees' Responsibilities, the Trustees (who are also the directors of Alzheimer's Society for the purpose of company law) 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report and any other surrounding information to identify material inconsistencies with the

audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, 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; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Tina Allison
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH
9 August 2011

Society people

During the year 2010/11

Royal Patron

HRH Princess Alexandra GCVO

President Emeritus

Sir Jonathan Miller CBE

Board of Trustees

Honorary Officers

Chair

Alastair Balls CB DL⁺

Re-elected 17 September 2010

Vice-Chair

Eileen Winston⁺

Re-elected 18 September 2009

Treasurer

John Grosvenor⁺

Elected 18 September 2009

Board members

Ann Beasley CBE[#]

Elected 18 September 2009

Richard Crace^{#^}

Resigned 17 September 2010

Pippa Gough

Elected 17 September 2010

Thomas Haverty

Co-opted 17 September 2010

Christine Holloway

Elected 18 September 2009

Carys Howell

Resigned 17 September 2010

Professor Robin Jacoby

Elected 18 September 2009

Dr Linda Patterson OBE

Elected 17 September 2010

Dr Carolyn Popham

Resigned 17 September 2010

David Richardson^{#^}

Re-elected 17 September 2010

Ian Sherriff[^]

Elected 17 September 2010

Annette Southcott

Re-elected 18 September 2009

Alan Wells OBE^{*}

Elected 18 September 2009

All Trustees are elected by the Society's membership, or co-opted, in accordance with the Society's Memorandum and Articles of Association.

Chief Executive

Jeremy Hughes

from 29 November 2010

Ruth Sutherland

to 26 November 2010

Interim Chief Executive

Senior Management Team

Professor Clive Ballard

Director of Research

Rachael Bayley

from 21 March 2011

Director of Volunteering

Development

Andrew Ketteringham

Director of External Affairs

Matthew Sellen

Director of Corporate Resources

Jo Swinhoe

to 18 March 2011

Director of Fundraising

and Marketing

Brett Terry

Director of Human Resources

Ian Thomas

Acting Director of Services

Company Secretary

Matthew Sellen

to 23 August 2010

Deirdre Watson

from 23 August 2010

Professional advisers

Auditors

Crowe Clark Whitehill LLP

Chartered Accountants and

Registered Auditors

St Bride's House

10 Salisbury Square

London EC4Y 8EH

Bankers

HSBC Bank Plc

2nd Floor

1 Beadon Road

Hammersmith

London W6 0EA

Insurance brokers

Giles Insurance Brokers Ltd

Temple Point

1 Temple Row

Birmingham B2 5YB

Investment managers

Close Asset

Management Group

10 Exchange Square

London EC2A 2BY

Legal advisers

Charles Russell LLP

8-10 New Fetter Lane

London EC4A 1RS

Registered office

Devon House

58 St Katharine's Way

London E1W 1LB

Registered charity number

296645

Company registration number

2115499

Committee membership during the year (all or part of):

[#] Finance and Audit Committee Member

^{*} Nominations Committee Member

⁺ Remuneration Committee Member

[^] Investment Committee Member

What we're fighting for

Watch our films at alzheimers.org.uk/impact1011

alzheimers.org.uk

Alzheimer's Society
Devon House
58 St Katharine's Way
London E1W 1LB

T 020 7423 3500
F 020 7423 3501
E info@alzheimers.org.uk

Registered charity no. 296645
Company limited by guarantee and
registered in England no. 2115499

Alzheimer's Society operates in
England, Wales and Northern Ireland.

AR1011



Leading the fight
against dementia
**Alzheimer's
Society**