

Championing the rights of people with dementia and those who care for them

Annual report and financial statements 2008/09

100,000 people develop dementia every year. There is currently no cure.

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Society, its Trustees and advisers

‘The profile of dementia has never been higher and there is a potential for the Society to play a significant part in the transformation of dementia care and support in the UK.’

Alastair Balls CB
Chair

Chair's report

Two years into my tenure as Chair of Alzheimer's Society, I continue to be impressed on a daily basis by how much this organisation achieves. Our campaigning voice is louder and stronger than ever before, our research programme truly ground-breaking, our information services of exemplary quality. And of course, through our network of branches we provide a lifeline for thousands of vulnerable people each year.

However, the scale of the challenge we face is immense. The figures speak for themselves: our services currently reach around 30,000 people with dementia – this equates to under five per cent of the estimated 700,000 people with dementia in the UK. While a greater number of carers and family members are being supported by the Society – around 45,000 of them – this still represents only a fraction of the people who are currently caring for people with dementia. In 2005, when the Society embarked on the implementation of the One Society change programme, we made the promise that nobody would go through dementia alone. If we are to honour this commitment – as I am determined we shall – we must find a way to extend our reach.

If we set ourselves the goal of doubling – or even trebling – the number of people we support over the next ten years, what does this mean for our governance framework, for our staff and volunteers, for our members and other key stakeholders? How do we create a Society that can quickly and cost-effectively move to fill some of the gaps in our service provision, replicating the very best of our work across communities in which we currently have no presence at all? How can we comprehensively monitor and evaluate the impact of all of our work? How can we make sure that we really listen to – and learn from – the views and experiences of people living with dementia? These are the key questions that the Board of Trustees has been debating over the course of the last year. We do not have all the answers; however over the course of the coming months we will be considering a range of proposals and discussing them with our staff and volunteers.

‘Thanks to the hard work and commitment of the Society’s staff and volunteers over the last three decades, we are now poised on the brink of a time of unprecedented change.’

The One Society programme made substantial changes to the Society's management structure and has delivered real improvements to our information systems. As we work to identify a means to substantially increase the number of people we support, further adjustments may be necessary. We will not – we must not – shy away from this. However, any work to make the Society 'fit for the future' must take place in the context of the remarkable achievements of the past.

The many dedicated volunteer committee members who were instrumental in founding branches in their own communities, securing local funding and using their personal experience and networks of contacts to reach out to people with dementia and carers have played a central role in building the organisation we are today. Whatever the future holds, volunteers will remain absolutely vital to the Society; we must ensure that they are properly supported and their significant contributions recognised. Equally, we must retain our ability to respond to the unique needs of each community at a local level – although we must be able to do this within a robust framework of quality assurance and legal compliance.

As we move into 2009/10 the Board will be considering proposals for change in five key areas. Firstly, we will look at the way in which we manage and administer our local, community-based services. Inextricably linked to our grassroots activity is our strategy for volunteering – this too must be given new consideration, for we will need our volunteers more than ever as we work to increase our impact. We must also give serious attention to our strategy for engaging all stakeholders with an interest in the Society and to plans for developing our membership proposition. Finally, we must be clearer about our governance arrangements, and conclude the important work in this area that was begun as part of the One Society programme.

Thanks to the hard work and commitment of the Society's staff and volunteers over the last three decades, we are now poised on the brink of a time of unprecedented change. The profile of dementia has never been higher, and with the launch of the National Dementia Strategy for England (and the forthcoming dementia plans in Wales and Northern Ireland), there is the potential for the Society to play a significant part in the transformation of dementia care and support in the UK. In this, our landmark thirtieth year, we owe it to ourselves, our supporters, and – most of all – to all the people whose lives are affected by dementia, to seize the opportunities that lie ahead.

A handwritten signature in black ink that reads "Alastair Balls". The script is fluid and cursive, with a large initial 'A' and a trailing flourish at the end.

Alastair Balls CB
Chair

Chief Executive's report

What a year it has been! I feel truly privileged to be part of the leadership team of Alzheimer's Society during these quite remarkable times for the organisation. With the publication of the National Dementia Strategy for England (NDSE), and the development of the equivalent Dementia Plan for Wales, we are embarking on a new era in terms of dementia care in the UK – and the Society is positioned at the heart of the change. Since the launch of the NDSE in February 2009 teams across the organisation have been working to respond to the opportunities it presents; in particular we have been developing our Dementia Adviser service through which we aim to provide the highest quality information, signposting and support to people in communities around the country. I look forward to reflecting on developments in this exciting area in my report to you next year.

It is also worth taking a moment to remind ourselves how we got to this point. The Society's Dementia UK report (February 2007) was instrumental in highlighting the escalating scale of the challenge presented by dementia, and prompting the government to begin work to develop a strategy. As work got underway on the production of the strategy, I was proud to be invited to act as chair of the External Reference Group, which submitted a set of recommendations to the Department of Health. Colleagues from across the Society, as well as Trustees and representatives of our Living with dementia network also participated in specialist groups addressing specific themes. Also, throughout the year, we engaged in a wide-ranging internal dialogue with our staff, volunteers, members and service users, to ensure that the expertise and experience of our key stakeholders was able to influence the development of the strategy.

‘My vision of the future is one in which we will be everywhere, accessible right on your doorstep wherever you are based in England, Wales and Northern Ireland.’

While externally, the launch of the NDSE signalled a new recognition on the part of government of the needs and priorities of people with dementia and those who care for them, internally, the publication of the Society's Services Strategy in October 2008 signalled our own intention to expand and improve the level of support we are able to provide.

The Strategy will act as a road map for our Services teams as we move from 'doing our best' to 'being the best', and working to meet our commitment to ensure that nobody has to go through dementia alone. With a twofold focus on growth and on quality, it sets us ambitious goals for the future – goals we absolutely must achieve.

A good deal of work by the Society's staff and volunteers went into the development of these two significant strategies, which together will shape our future. However, alongside all the discussion and debate, we have continued with our fundamental day-to-day business of building a better world for people with dementia. The pages of this report contain some brief highlights drawn from our key areas of work – for instance, around 85,000 people supported through our local community-based services, including professionals and other healthcare specialists, over £2.3 million committed to new research, and the roll-out of the Worried about your memory? campaign was hugely successful. It has also been another phenomenal year for our Media and Campaigning teams, with the profile of dementia higher than ever before, and media and public interest continuing to increase. However, a report such as this can not truly capture the level of commitment, creativity and effort on the part of our staff and volunteers that has made all these achievements possible. I am very proud to work alongside them all.

So, what lies ahead for the Society? As of 31 March 2009, people with dementia and carers in 236 communities across the UK had access to some form of locally provided Alzheimer's Society service or support. My vision of the future is one in which we will be everywhere, accessible right on your doorstep wherever you are based in England, Wales or Northern Ireland. If we are to achieve this we must be prepared to change, and hence some difficult decisions lie ahead (some of which are summarised in the accompanying report from the Chair). It seems to me that as we develop, we also have to let some things go. It is not a comfortable process. I assure you all, however, that any changes on which we embark will be undertaken with the single objective of ensuring that we can be there for an ever increasing number of people with dementia, whenever and wherever they need us. We remain a unique organisation and one that fills a gap that cannot yet be filled by anyone else. Our responsibility to people who need our help must guide our choices. This is not an option. It is a duty.



Neil Hunt
Chief Executive

Board of Trustees' report

‘The staff and volunteers of Alzheimer’s Society work together in supporting people living with dementia across England, Wales and Northern Ireland.’

Aims and objectives of Alzheimer’s Society

The Society’s objectives 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 aim is to improve the lives of people with Alzheimer’s disease and other dementias, in line with these charitable objectives. The staff and volunteers of Alzheimer’s Society work together to support people living with the impact of dementia across England, Wales and Northern Ireland.

We believe equal access to our services is vital to our success and that successful outcomes must be shared by all communities that use our services.

About this report

This report is structured around the Society’s seven strategic objectives, which were launched as part of the strategic framework in September 2006. These have been categorised to reflect the Society’s areas of charitable expenditure, as shown in the accounts on page 20.

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

A three-year corporate plan for Alzheimer's Society, approved by the Board of Trustees in 2007/08, was designed to support the Society in making measurable progress towards achieving its strategic objectives and culminated in the Society business plan for 2008/09 (approved by the Board in March 2008).

In the annual business planning and budgeting process, goals for the year ahead are established, and key performance indicators are set.

Achievements for 2008/09 and goals for the year ahead

Care services

Strategic objective: To make it possible for people with dementia from every group and community to obtain the information and help they need in order to maintain the best possible quality of life.

In 2008/09, the Society

- Reached out to people with dementia across England, Wales and Northern Ireland, running over 1,900 services in 236 branches, including day care, befriending schemes and outreach services, of which 40 were specially designed for younger people with dementia.
- Rolled out the Worried about your memory? campaign across GP surgeries and pharmacies in England, Wales and Northern Ireland following a pilot scheme in the East of England. Four out of every five GP surgeries displayed the poster and/or leaflets, encouraging people with memory loss to seek advice. Over 80,000 people accessed further information about the campaign materials. An evaluation of the campaign suggests that one half of these people went on to visit their GP.

- Responded to over 20,500 enquiries to our Alzheimer's Society Dementia Helpline, excluding requests for publications and information materials (2008: 17,400). A substantial number of calls were prompted by the Worried about your memory? campaign, and by an article in Woman's Weekly in July 2008.
- Provided information about dementia through over 311 local community-based information and education services and in a variety of languages.
- Launched an ambitious new Services Strategy, with a focus on targeting resources where they can make the most impact, providing more and better services for the people who need them.
- Developed a detailed set of specifications for the Society's new Dementia Adviser support services (providing people with dementia and their carers with a named and known individual for them to approach at any stage of the illness). To inform this process the Society undertook a systematic literature review to ensure that the service is based on best information available about similar service models elsewhere in the UK and internationally, and met with people with dementia and carers to discuss their views of their needs.

In 2009/10, the Society will

- Participate in the delivery of the Department of Health demonstrator sites for the Dementia Adviser and Peer Support services across England, to ensure our services provide positive outcomes for people with dementia.
- Develop and implement a strategic plan for the Society's dementia helplines, and assess the potential of having a 'one-number' telephone front door for all Society services.

Board of Trustees' report continued

Strategic objective: To ensure that every individual engaged in caring for a person with dementia is provided with effective support and the highest quality information, education and (where appropriate) training.

In 2008/09, the Society

- Successfully piloted the Dementia Champions leadership programme to 12 Bupa staff in Yorkshire. Following independent evaluation, the programme has been further developed and prepared for a nationwide roll-out to 180 Bupa staff.
- Continued to deliver a comprehensive series of one- and two-day seminars, with 320 people attending during the year. The Yesterday, Today, Tomorrow training programme and associated examination was completed by 8,500 care staff. In addition, the Society designed and delivered 45 days of bespoke in-house training for care service providers.
- Provided almost 650 local services that included support groups and information programmes – aimed at people who care for a family member or friend – as well as 28 training courses for care workers and other healthcare professionals, helping to improve the quality of care available at a local level.

In 2009/10, the Society will

- Provide further pilots of the Dementia Champions leadership programme within acute care and community settings.
- Produce and launch a comprehensively updated and expanded edition of the Yesterday, Today, Tomorrow DVD and supporting training materials, to be entitled Tomorrow is another day.
- Develop and launch a dementia e-learning resource in partnership with the Social Care Institute for Excellence.

Strategic objective: To monitor the quality and availability of health, support and care services for people with dementia and report our findings publicly to bring about positive change – taking action to address gaps, demonstrate new approaches and extend our services throughout England, Wales and Northern Ireland.

In 2008/09, the Society

- Published a major report entitled The Dementia Tax, highlighting the disadvantages suffered by people with dementia by having to pay for long-term care.
- Worked with the All-Party Parliamentary Group on Dementia (APPG) to produce a report on the use of anti-psychotic drugs with people with dementia. The report resulted in action by the Department of Health to consider this problem.

In 2009/10, the Society will

- Continue the Quality of Care campaign, publishing a report on hospital care of people with dementia.
- Campaign on issues that arise from the long-awaited Green Paper on the cost of long-term care.
- Support the APPG in undertaking an inquiry into the dementia care skills of social care staff. The final report, which was written by the Society as Secretariat to the APPG and was published in June 2009.

Campaigning and awareness-raising

Strategic objective: To advance recognition and acceptance of the rights of people with dementia and the people who care for them, by influencing the understanding and behaviour of opinion formers and policy makers, and moving dementia to the top of the political agenda.

In 2008/09, the Society

- Worked with the Departments of Health in England, Wales and Northern Ireland to produce national dementia strategies or plans. The strategy for England was launched in February 2009.
- Supported 35 Society volunteers who are living with dementia to participate in over 200 local and national events, helping to raise awareness and promote understanding of dementia.
- Launched the Dementia: Out of the shadows report (October 2008). Using research commissioned from the Mental Health Foundation, the report provides people with dementia with an opportunity to explain first hand what it is like to live with the stigma associated with the condition. Society research shows that half the people in Britain believe people with dementia are plagued by stigma and misconception.

In 2009/10, the Society will

- Increase the number of campaigners, both individuals and group, to raise the Society's impact and influence.
- Move towards the establishment of a 'quality of life monitor', with a report in early 2010 on the factors that need to be considered when measuring quality of life.
- Monitor the implementation of the National Dementia Strategy for England.

- Maximise the opportunities to work with the devolved governments of Wales and Northern Ireland to further their own dementia plans to transform the lives of people with dementia.
- Work with others to raise awareness of the need to increase the resource being allocated for dementia research as outlined in the National Dementia Strategy for England.

Strategic objective: To lead on the creation, analysis and management of a body of world-class knowledge about dementia and, as a full member of the global movement, promote effective information exchange nationally and internationally.

In 2008/09, the Society

- Actively promoted the Dementia Knowledge Centre and Dementia Catalogue at the UK Dementia Congress and other leading health and social care conferences. The Dementia Catalogue (alzheimers.org.uk/dementiacatalogue) logged 47,512 page views over the year (over 900 each week) exceeding targets.
- Registered almost 8.3 million page views on its website, alzheimers.org.uk, substantially exceeding the target of 5.9 million. This equated to a total of just over 1.6 million site visits.

In 2009/10, the Society will

- Review the Society's current knowledge management policy and systems, and develop a strategy to meet the future needs of the organisation.
- Ensure the Society's information is produced in compliance with the requirements of the new Department of Health Information Accreditation Scheme Standard.
- Develop and implement a service specification and strategic plan for the Dementia Knowledge Centre, ensuring it supports other Society service offerings and serves a greater number of people through a more effective online presence.

Board of Trustees' report continued

Research

Strategic objective: To drive a serious research effort in relation to causes, prevention, treatment and care in dementia through securing long term strategic support.

In 2008/09, the Society

- Committed a total of £2.3 million to new research. There were six new project grants, three new PhD grants and two new fellowship grants, and the Society oversaw the completion of five research projects and one fellowship during the year. The total also included £810,000 to fund six research grants via Alzheimer's Brain Bank UK Ltd.
- Commissioned and co-ordinated systematic reviews into the evidence base of lifestyle risk factors for dementia.
- Had the findings of funded research published 22 times in quality peer-reviewed scientific journals.
- Worked with the Stroke Association to fund a clinical trial for the prevention of dementia following a stroke.
- Worked with users of research and DeNDRoN (Dementia & Neurodegenerative Diseases Research Network) to co-ordinate access to a clinical trials database (alzheimers.org.uk/clinicaltrials), to make it easier for people with dementia and their carers to identify ongoing trials.

In 2009/10, the Society will

- Develop and fund research that will improve the quality of life for people with dementia now or in the future.
- Undertake a research project that will provide the evidence base for a potential new Alzheimer's Society service.
- Work in partnership with other organisations to develop new research projects that will investigate measures which might prevent the onset of dementia.
- Work with academic partners to develop and support research that may lead to better diagnosis and treatment for people with dementia.
- Encourage researchers at the start of their career to develop an interest in clinical and basic research in dementia.

Governance, management and infrastructure to support charitable activities

Strategic objective: To achieve excellence in our governance, leadership, management and financing arrangements, anticipating and adapting to changes in our operating environment, in order to fully support our staff and volunteers as we work to deliver our strategic objectives.

In 2008/09, the Society

- Linked 79 branch premises into the Society's new IT infrastructure, providing full access to networked information and support services. A total of 139 branch premises are now linked, in addition to all central, country/regional and area offices. This work is ongoing, and will continue into 2009/10.
- Established the new Knowledge and Learning team within the Services Directorate, incorporating a dedicated Quality team, which is now progressing the Society's quality agenda and framework. This will include formalised evaluation.
- Established a Crisis Management team and associated processes as part of contingency planning.
- Re-established an internal audit function. Fieldwork based on risk profiles will commence in 2009/10.

In 2009/10, the Society will

- Consider proposals in regard to governance, management and infrastructure which have been drafted to equip the Society to be 'fit for the future'.
- Establish and develop a quality framework across the Society, which will support active organisational risk management and promotes organisational identity and branding through standardisation and ongoing evaluation.
- Continue to improve the Society's data protection and business continuity policies by introducing Society-wide systems to monitor performance and achieve compliance.

- Complete the migration of all branches to the new IT infrastructure, providing additional capacity and increased security.
- Deploy new IT systems to support the client records and services database requirements associated with the Dementia Adviser service.
- Develop annual and rolling five-year internal audit plans based on priority risks in the corporate risk register.
- Complete the process of VAT registration for the Society, delivering appropriate training to all relevant staff and volunteers.

Legal status

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.

During 2008/09 the Society undertook a review of its governance framework. This project was undertaken by a working group composed of Trustees and Senior Management, led by the Vice-Chair of the Board of Trustees. The goal was to identify ambiguities within the existing governing documents, and recommend revisions which would introduce greater clarity. The recommendations arising from this piece of work will be implemented during 2009/10.

Board of Trustees' report continued

Local service provision

The Society provides practical services to people with dementia and those who care for them via a network of 236 branches within communities across England, Wales and Northern Ireland. Many of our branch services are commissioned by statutory or charitable bodies; significant levels of local fundraising activity also take place to support this work.

In 2008/09, Alzheimer's Society community-based services across England, Wales and Northern Ireland supported an estimated total of 85,000 clients through the provision of support, care and education. Of these, an estimated 30,000 (35 per cent) of clients were people with dementia, 45,000 (53 per cent) were carers, family members or friends and 10,000 (12 per cent) were professionals in health or care, or members of the public.

Our teams of staff and volunteers also responded to an estimated additional 212,500 contacts to local and national helplines and information services.

An estimated 9 per cent were contacts with people with dementia, 51 per cent with carers, family members or friends and 40 per cent could not be classified.

In accordance with the Charity Statement of Recommended Practice (SORP 2005) and the Companies Act 2005, the central and all branch financial results are consolidated within these financial statements.

Members

As of the end of March 2009, the Society had 23,880 members (2008: 24,843). All members – with the exception of those who are staff, those who left the Society's employment within the last year, and those who are under 18 – are entitled to full voting rights under the Society's Memorandum and Articles of Association.

During 2008/09 the Society initiated an extensive review of its membership programme. This work will conclude in 2009/10.

The Board of Trustees

The Board of Trustees (members of which are also directors under company law) is composed of three Honorary Officers and nine other Trustees. When Trustee vacancies arise they are advertised nationally and are open to members and non-members alike. 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.

The Trustees undertake the duties laid down in the Society's governing documents and are ultimately responsible to members and the Charity Commission for the governance of the charity and the protection of its assets.

All members of the Board of Trustees give their time voluntarily and receive no benefits from the Society. Any expenses reclaimed from the Society are set out in note 6 to the accounts.

The Board is supported in its work by a number of committees

- The Audit Committee supports the Board in its oversight responsibilities, including risk management.
- 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 to the members potential Trustees 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.

The Senior Management Team

The Board of Trustees delegates responsibility for the management and leadership of the organisation 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 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 expected to act according to the values and operating principles outlined in the Society's Strategic Framework.

The Board takes ultimate responsibility for the implementation of equal opportunities. Alzheimer's Society is working towards being an equal opportunities employer.

Staff

During 2008/09 the Society has continued to further its human resources management framework and the Society-wide database which has the potential to provide our managers with information about our staff group, whilst enabling the Society to communicate with all of its 1,980 staff. The HR team completed the first phase of an ambitious project to develop and implement a single pay structure for the whole Society, and is in the final stage of implementing the second phase. Further work will be done in the coming year to continue to develop the reward and benefits system for all staff, and to monitor the pension scheme.

The HR Directorate is in the process of developing and implementing a comprehensive human resources management toolkit for managers and staff.

Volunteers

Volunteers are absolutely central to the Society. During 2008/09, the number of volunteers engaged with the Society continued to grow across all areas of activity. In particular, there was an increase in younger volunteers, who approached the Society via the website, and volunteers whose involvement arose from corporate partnerships, such as the ongoing relationship with KPMG. The Society currently has between 5,000 and 5,500 volunteers.

Funding was received from the Welsh Council for Voluntary Action, and used to recruit volunteer co-ordinators in Wales; the Volunteer Development team has now embarked on replicating this work across the Society.

Specific volunteer recruitment initiatives have been undertaken in a number of geographical areas, and work to strengthen volunteer fundraising has also progressed. Work to ensure that volunteers are appropriately supported, valued and recognised is continuing – with the publication of the first in a series of Volunteering Matters booklets, and the development of the volunteer induction programme and the volunteer handbook.

The Volunteer Development team within HR, the Services Directorate and volunteers have been working together to develop a new volunteering Strategy and Action Plan. This will be implemented during 2009/10 and will define systems and structures for the recruitment, retention, support and recognition of volunteers by the Society.

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.

Board of Trustees' report continued

Learning and development

The Society's extensive training programme provides a wide range of learning and development opportunities for staff and volunteers. During 2008/09, a total of 2,065 training days were delivered across England, Wales and Northern Ireland (2007/08: 2,276).

The Society's new Services Strategy places significant emphasis on the importance of workforce development, and this will be a key priority for the year ahead. As part of a programme of investment in developing and supporting our staff, the Society will be considering a mandatory training programme for all employees, and working in particular to increase the managerial and leadership skills of all staff in management positions.

Consultation and engagement

The Society employs a range of mechanisms for consulting and engaging with its staff and volunteers, many of whom have extensive personal or professional experience of the impact of dementia on people's lives.

The Services Directorate is divided into five administrative regions/countries, within which there are a total of 15 areas. Each area operates an Area Forum, comprising staff and volunteers from within that geographic area, who meet at least twice a year (as defined within the Society's Rules and Branch Guidelines) to consider the needs of local people with dementia and their carers. The Forums also debate local issues and opportunities relating to funding, awareness-raising and service development, and provide networks for sharing information, experience and knowledge.

Each Area Forum elects two representatives to the Society's Advisory Council, a volunteer body which advises the Board of Trustees on a range of matters relating to strategy and policy. Two representatives of the Quality Research in Dementia Consumer Network (of carers, former carers and people with dementia) are also elected to the Advisory Council.

Staff and volunteers are consulted during the development of policies that will affect their roles or work through the Works Council and the Volunteer Consultation Group respectively.

During 2009/10 the Society will be undertaking a review of its arrangements for stakeholder engagement. The respective functions of the Advisory Council and Area Forums will be scrutinised as part of this process.

Management of risk

Alzheimer's Society has a comprehensive 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 Society's 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. The Senior Management Team review and update the risk register on a quarterly basis. The Trustees have overall responsibility for assessing the risks faced by the Society and ensuring it has appropriate systems of internal control. This responsibility is delegated to the Audit Committee, who review the risk register at each meeting and provide updates to the Board of Trustees. Alzheimer's Society identified the recession, organisational issues, and maintaining growth as being the major risks for particular management attention during 2008/09. During the year, significant work was carried out in these areas, for example, a restructuring of the Society's central fundraising function has increased effectiveness in this area, while a similar exercise undertaken with the Services Directorate has significantly increased capacity and expertise in terms of quality assurance and knowledge management. The Society also continued to make improvements in its internal monitoring and reporting processes.

The Society has systems of control that include

- A comprehensive annual planning and budgeting process, which is subject to ongoing review.
- Monthly review of management accounts, variances from budget and non-financial management information by SMT.
- An established and documented policy framework.
- Regular monitoring of key risks and action plans by the SMT 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 reassurance.

Subsidiaries

Alzheimer's Trading Limited (ATL)

Alzheimer's Trading Limited is a wholly owned subsidiary of the Society which receives income from fundraising challenge events and raffles, and markets a wide range of gifts, merchandise and products, with each sale helping to support the fight against dementia. Its profits are gift aided to the Society. These profits amounted to £222,000 in respect of the year to 31 March 2009 (2008: £514,000).

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 2008/09 two grants of £100,000 each were made, one to Alzheimer's Society and the other to the Alzheimer's Research Trust.

Joint ventures

Alzheimer's Brain Bank UK Limited

The Alzheimer's Brain Bank UK (ABBUK) is a company limited by guarantee, and is a registered charity. The principal activity of ABBUK is to promote research leading to a cure for Alzheimer's disease and to publish the results of such research. During the year, ABBUK moved into the operational phase of the Brains for Dementia Research project (www.brainsfordementiaresearch.org.uk). Recruitment of potential donors is underway.

Board of Trustees' report continued

Financial highlights

It has been a successful financial performance in many areas for the Society, in spite of the difficult economic conditions that have prevailed over the past year. Income again exceeded expectations, and for the fourth year in a row, double figure percentage growth was achieved. This increase in income, supported by our continued investment in fundraising, has led to an increase in charitable expenditure of 14%. Overall, this resulted in a surplus for the year before unrealised losses on investment of £867,000 (2008: £2.1 million). The market value of our investments decreased over the year by £1.0 million, giving a consequent slight decrease in reserves of £172,000.

Income

Total income grew in the year by £6.2 million or 14% to £51.7 million (2008: £45.5 million). £1.7 million of this growth was in grants and contracts for services provided through branches, and this now represents 35% of total income evidencing both the importance of, and the demand that exists for, the Society's locally based services. However, despite this growth, and government commitment to Full Cost Recovery, the Society is not yet achieving FCR on many of its statutory contracts and many of these services are still being subsidised by voluntary donations.

Subscriptions, donations and fundraising income grew by £3.6 million, and now represent 36% of total income.

Other income streams achieved more modest growth levels, although Legacy income was strong and contributed nearly 18% of all income.

Though the fundraising and trading costs increased by £2.1 million this year the increased investment in fundraising across the Society has enabled increased charitable activity and also the ability to achieve substantial partnerships with, for example, KPMG and Bupa, which will benefit all of the Society. The increased investment has also helped drive the significant increase in our income, to provide £43.9 million (2008: £39.7 million) available for the Society to spend on its charitable activities.

In 2008/09 donations from pharmaceutical companies totalled £122,000. The majority of this was support for the 'Worried about your memory?' awareness campaign, totalling £105,500 from Eisai Ltd, Pfizer Ltd and Shire Pharmaceuticals Ltd. An additional £16,500 has been received from Pfizer Ltd and Eisai Ltd.

Our ethical policy states that income from the pharmaceutical industry is to be capped at 5% of income, based on the accounts for the preceding year. Donations from the pharmaceutical industry in 2008/09 represented 0.24% of our total income.

Expenditure

Total charitable expenditure increased during the year by £5.4 million. Almost 90% of this expenditure continued to be in providing care services and direct services to people with dementia and those who care for them.

There was also an increase in campaigning and awareness raising expenditure, to £2.5 million (2008: £1.7 million), while governance costs, which cover only those costs incurred in complying with constitutional and statutory requirements in line with SORP 2005, were almost the same as last year at £280,000.

During 2008/09, it became clear that the Society was obliged to register for VAT. This process is now underway and will inevitably have an impact throughout the Society. A provision for all VAT due up to and including 2008/09 has been included in these accounts.

Grant-making policy

During the year, £2.3 million (2008: £1.3 million) was awarded by the Society to research projects into the cause, cure or treatment of Alzheimer's disease and other dementias through the QRD research programme. The Society invites applications for funding of research projects through a variety of media. Applications are assessed by a panel, which recognises QRD consumer 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 QRD Consumer Network to ensure the appropriateness of continued funding.

A creditor of £4.3 million (2008: £2.9 million) has been provided to cover the full cost of research grants and fellowships when they are awarded. Of this, £2.2 million is due to be paid during the forthcoming financial year, and the balance of these grants is targeted to be distributed in between one and five years.

Investments

As set out in its Memorandum and Articles 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 Wealth 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 dementia sufferers or contribute to the causes of dementia. It is important to note that the Society had no exposure to the Icelandic banking crisis or indeed any other known financial institution at risk.

During the year, and in light of the volatility of the equity markets and falling deposit rates, the decision was made to hold significantly more of the Society's investments as UK Gilts (UK Treasury Stock) rather than as cash. While it is disappointing to see a loss on revaluation of the investment portfolio, the Society's result compares very favourably with the results seen in the overall investment markets during the last year. The portfolio was valued at £16.0 million at the end of the financial year (2008: £6.7 million).

Reserves

Total reserves as at 31 March 2009 were £24.5 million (2008: £24.7 million).

Of these, £20.0 million (2008: £19.9 million) were unrestricted, and £4.5 million (2008: £4.8 million) were restricted.

Within unrestricted reserves is a designated fund of £1.9 million (2008: £2.1 million) to finance the tangible fixed assets of the Society. In the previous year there was also a designated reserve representing investment revaluations of £0.8 million. Due to the decrease in the value of investments during the year, the reserve is nil for 2009.

It is the Society's policy to hold free reserves equivalent to at least three months of charitable expenditure. As at 31 March 2009 the Society held free reserves equivalent to 5.0 months (2008: 5.4 months) of charitable expenditure.

In light of the economic uncertainty at the present time, the Trustees feel that the above reserves cover is prudent and also allows for future growth in our charitable activities.



Alastair Balls CB
Chair

Statement of the Board of Trustees' responsibilities

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

Statement of the Board of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the profit and loss of the Society for that period. In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Society, 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.

Independent Auditors' report

We have audited the group and parent company financial statements of Alzheimer's Society for the year ended 31 March 2009 (the 'financial statements') which comprise the Group statement of financial activities, the Group and Society balance sheets, the Group cash flow statement and the related notes set out on pages 23 to 34. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Society's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Trustees and Auditors

The responsibilities of the Trustees, who are also the directors for the purposes of company law, for preparing the report of the Board of Trustees and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of the Board of Trustees' responsibilities on this page. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the report of the Board of Trustees is consistent with the financial statements. We also report to you if, in our opinion, the Society has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chair's report and the Chief Executive's report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of opinion

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

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

Unqualified opinion

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Society and the Group as at 31 March 2009 and of the Group's incoming resources and application of resources, including the Group's income and expenditure, for the year then ended.
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information given in the report of the Board of Trustees is consistent with the financial statements.



Horwath Clark Whitehill LLP

Chartered Accountants and Registered Auditors

18 August 2009

St Bride's House
10 Salisbury Square
London EC4Y 8EH

Consolidated statement of financial activities

For the year ended 31 March 2009

Incorporating an income and expenditure account

	Notes	Restricted funds £'000	Unrestricted funds £'000	2009 Group Total £'000	2008 Group Total £'000
Incoming resources from generated funds					
Voluntary income					
Subscriptions, donations, and fundraising		2,312	16,078	18,390	14,745
Legacies	3a	1,104	8,157	9,261	7,971
Activities for generating funds					
Sales and fee income		16	2,874	2,890	3,162
Trading turnover of subsidiaries	8	–	1,724	1,724	1,723
Investment income	3b	22	1,143	1,165	1,214
Incoming resources from charitable activities					
Grants and contracts	3c	2,299	16,006	18,305	16,607
Other incoming resources		–	6	6	60
Share of gross incoming resources in joint venture		–	1,123	1,123	–
Incoming resources		5,753	47,111	52,864	45,482
Less gross incoming resources from joint venture		–	1,123	1,123	–
Total incoming resources		5,753	45,988	51,741	45,482
Resources expended					
Costs of generating funds					
Trading costs of subsidiaries	8	–	1,540	1,540	1,275
Fundraising and publicity costs		186	6,111	6,297	4,462
Total costs of generating funds	4	186	7,651	7,837	5,737
Net incoming resources available for charitable application		5,567	38,337	43,904	39,745
Charitable expenditure					
Charitable activities					
Care services	4	2,456	34,976	37,432	34,057
Campaigning and awareness raising	4	768	1,705	2,473	1,749
Research	4	2,734	231	2,965	1,647
Governance	4	–	280	280	270
Total charitable expenditure		5,958	37,192	43,150	37,723
Total expenditure	4	6,144	44,843	50,987	43,460
Net (outgoing) / incoming resources		(391)	1,145	754	2,022
Net interest in joint venture		–	(27)	(27)	–
Net (outgoing) / incoming resources before transfers		(391)	1,118	727	2,022
Transfers between funds	15	71	(71)	–	–
Net (outgoing) / incoming resources		(320)	1,047	727	2,022
Net realised gains on investments		–	140	140	30
(Deficit) / surplus for the year		(320)	1,187	867	2,052
Net unrealised losses on investments	8	–	(1,039)	(1,039)	(218)
Net movement in funds		(320)	148	(172)	1,834
Funds balance at 1 April 2008		4,834	19,884	24,718	22,884
Funds balance at 31 March 2009		4,514	20,032	24,546	24,718

Total incoming resources includes £49.8 million (2008: £43.6 million) and net movement in funds includes £137,000 outflow (2008: £1.3 million inflow) in respect of the Society. The notes on pages 23 to 34 form part of these financial statements.

Consolidated balance sheet

As at 31 March 2009

	Notes	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Fixed assets					
Tangible assets	7	1,911	1,911	2,078	2,078
Investments	8a	15,976	16,076	6,732	6,826
		17,887	17,987	8,810	8,904
Current assets					
Short term investments and deposits	8b	12,544	12,544	19,504	19,504
Stocks	9	7	6	46	8
Debtors	10	3,265	4,205	2,459	3,376
Cash at bank and in hand		1,220	(489)	1,881	402
		17,036	16,266	23,890	23,290
Creditors – amounts falling due within one year	11	(8,330)	(8,006)	(7,408)	(7,514)
Net current assets		8,706	8,260	16,482	15,776
Total assets less current liabilities		26,593	26,247	25,292	24,680
Creditors – amounts falling due after one year	11	(2,047)	(2,047)	(574)	(574)
Net assets		24,546	24,200	24,718	24,106
Funds					
Restricted	15	4,514	4,514	4,834	4,576
Designated funds		1,911	1,911	2,078	2,078
Revaluation reserve		–	–	800	800
General funds		18,121	17,775	17,006	16,652
Unrestricted	15	20,032	19,686	19,884	19,530
Total funds		24,546	24,200	24,718	24,106

The financial statements on pages 20 to 34 were approved by the Trustees on 11 August 2009 and signed on their behalf by



A Balls CB
Chair



J Grosvenor
Honorary Treasurer

The notes on pages 23 to 34 form part of these financial statements

Consolidated cash flow statement

For the year ended 31 March 2009

	Notes	2009 Group £'000	2008 Group £'000
Net cash inflow from operating activities	A	1,999	4,246
Returns on investment	B	1,165	1,214
Capital expenditure and financial investment	C	(10,785)	(3,113)
		(7,621)	2,347
Management of liquid resources	D	6,960	(607)
(Decrease) / increase in cash in the year	E	(661)	1,740

Notes to cash flow statement

For the year ended 31 March 2009

	2009 Group £'000	2008 Group £'000
A. Reconciliation of operating surplus to net cash inflow from operating activities		
Change in net incoming resources before revaluations	727	2,022
Interest receivable and other investment income	(1,165)	(1,214)
Depreciation	750	839
Profit on sale of tangible fixed assets	59	131
Decrease in stocks	39	13
(Increase) / decrease in debtors	(806)	331
Increase in creditors – falling due within one year	922	2,751
Increase / (decrease) in creditors – falling due after one year	1,473	(627)
Net cash inflow from operating activities	1,999	4,246

B. Returns on investment

Interest received and other investment income	1,165	1,214
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C. Capital expenditure and financial investment

Purchase of UK Treasury stock	(8,178)	(882)
Purchase of other investments	(5,163)	(3,447)
Proceeds from sale of investments	3,198	2,733
Purchase of tangible fixed assets	(642)	(1,517)
Net cash (outflow) from capital expenditure and financial investments	(10,785)	(3,113)

D. Management of liquid resources

Decrease / (increase) in short term deposits	6,960	(607)
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E. Analysis of change in net funds

	As at 1 April 2008 Group £'000	Cash flows £'000	As at 31 March 2009 Group £'000
Cash at bank and in hand	1,881	(661)	1,220

Notes to the financial statements

For the year ended 31 March 2009

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 1985 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, its branches and its subsidiaries. The figures for branches have been compiled from locally audited or independently examined accounts or returns completed by branch staff and volunteers (see note 2 for further details). The Society's annual share of the profits or losses from joint ventures are included in the statement of financial activities (SOFA) and its share of the net assets are included in the balance sheet. No separate SOFA has been prepared for the parent charity as is permitted by section 230 of the Companies Act 1985 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 2009 for which income was received by 15 May 2009. Legacies not recognised in the SOFA are disclosed in note 3a.

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 the accounting 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.

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	33 $\frac{1}{3}$ % 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.

Stocks

Stocks, which consist mainly of promotional goods and Christmas cards, are stated at the lower of cost and net realisable value, and include any costs to bring them to their current location and condition.

Pensions 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.

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.

Notes to the financial statements continued

For the year ended 31 March 2009

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 the UK to provide a shared IT service to Alzheimer's Society, The Children's Society and the NSPCC. It is jointly and equally owned by the three participants. Alzheimer's Society accounts for its share of assets, liabilities and cash flow according to the shared services agreement.

2. Branches and support groups

The Society requires that every branch submit an annual financial return and unless its income is £10,000 or less it be audited or independently examined.

34 of 35 branches with income in excess of £250,000, representing 45% of all branch income, have received full audits. In 5 branches (2008: 13) the accounting records consisted of bank account statements and these were used to construct trial balances. These branches represent £184,000 in total reserves value (2008: £307,000).

3. Income

a) Legacies

As stated in the accounting policies, the Society recognises income from legacies when there is certainty and reliability of receipt and their value can be accurately measured. At 31 March 2009, the Society had been notified of a further 187 legacies that have not been included in these financial statements as they did not meet these criteria. These legacies may realise approximately £3,670,000.

b) Investment income

	2009 Group £'000	2008 Group £'000
Bank and other interest	718	1,047
Income from fixed interest investments	224	13
Income from listed equity investments	223	154
	1,165	1,214

c) Grants and contracts income includes:

	2009 Group £'000	2008 Group £'000
Department of Health	150	396
Welsh Assembly Government	65	61
Department of Health, Social Services and Public Safety Northern Ireland	42	41
The Henry Smith Charity	358	276
Northern Rock Foundation	75	45
The John Ellerman Foundation	22	22
The Clore Duffield Foundation	–	40
Comic Relief – campaigning networks	141	47

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

d) Gift aid recovery

The consolidated SOFA includes £802,403 (2008: £550,000) for gift aid on voluntary fundraising. Additionally, profits of Alzheimer's Trading Limited of £222,000 (2008: £514,000) were paid under gift aid to the Society.

4. Resources expended

						2009	2008
	Fundraising	Care services	Campaigning and awareness raising	Research	Governance	Group Total	Group Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	7,275	31,234	2,124	580	262	41,475	35,028
Grant funding of activities (note 5)	5	36	–	2,356	–	2,397	1,644
Direct cost	7,280	31,270	2,124	2,936	262	43,872	36,672
IT costs	180	1,982	112	9	6	2,289	1,533
Premises costs	152	1,680	95	8	5	1,940	2,171
Human Resources	96	1,066	60	5	3	1,230	1,232
Finance and corporate services	98	1,085	62	5	3	1,253	1,245
Branch administration	31	349	20	2	1	403	607
Support costs	557	6,162	349	29	18	7,115	6,788
Total resources expended	7,837	37,432	2,473	2,965	280	50,987	43,460

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:

	2009	2008
	£'000	£'000
Day care	6,096	5,845
Dementia support	5,074	4,090
Home care	1,919	1,793
Information provision	460	413
Support groups	821	492
Befriending	841	552
Advocacy	416	233
Care staff costs attributable over multiple activities	9,754	10,238
Other services	5,853	4,251
	31,234	27,907

Governance costs were:

	2009	2008
	£'000	£'000
Audit costs – Horwath Clark Whitehill	44	42
Other audit costs	77	62
Other professional services – Horwath Clark Whitehill	5	4
Board of Trustees	35	27
AGM and other governance meetings	91	81
Internal audit and strategic support	10	45
	262	261

Notes to the financial statements continued

For the year ended 31 March 2009

5. Grant giving

Grants awarded during the financial year include:

	2009 Group £'000	2008 Group £'000
Research grants to institutions		
By Society:		
ABBUK	810	259
Kings College London	403	14
Cardiff University – Medicine	224	102
University of Nottingham	198	75
University of Southampton	165	–
University of Edinburgh	159	–
University of Bristol	134	–
Keele University	75	–
National Hospital	75	–
University of Newcastle	50	–
University College London	–	228
University of Warwick	–	217
University of St Andrews	–	147
University of Ulster	–	133
University of Manchester	–	77
Institute of Education University of London	–	61
University College London	–	7
Underspend on completed projects written back	(37)	–
	2,256	1,320
By Foundation:		
Alzheimer's Research Trust	100	–
	2,356	1,320
	2009 Group £'000	2008 Group £'000
Caring grants to individuals and institutions:		
The Queens Nursing Institute	–	11
Vitalise essential breaks	–	100
Guernsey Hospital	3	–
Barkham Hospital	2	–
Grants below £1,000	36	213
	41	324

6. Staff costs

	2009 Group £'000	2008 Group £'000
Gross wages and salaries	23,503	21,130
Employer's National Insurance	2,253	1,879
Pension contributions	693	609
	26,449	23,618

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:

	2009 Group		2008 Group	
	Full-time No.	Part-time No.	Full-time No.	Part-time No.
Fundraising	75	32	54	35
Care services	405	1,199	383	928
Campaigning and awareness raising	39	36	25	16
Research	4	1	3	1
Governance	3	–	2	–
	526	1,268	467	980

The number of employees in salary bands (excluding pension contributions) in excess of £60,000 were as follows:

	2009 No.	2008 No.
£60,001 – £70,000	2	3
£70,001 – £80,000	–	3
£80,001 – £90,000	2	1
£90,001 – £100,000	2	–
£100,000 – £110,000	–	1
£110,000 – £120,000	1	–

	2009 £'000	2008 £'000
For staff paid over £60,000, the following pension scheme contributions were made:	41	35

	2009 No.	2008 No.
The number of staff paid over £60,000 to whom retirement benefits are accruing is:	7	8

All employees participate in the same pension arrangements.

Members of the board

None of the 13 (2008: nil) Trustees who held office during the year received any remuneration. Expenses for travel and subsistence were reimbursed to 13 (2008: 12) Trustees during the year totalling £21,720 (2008: £27,000).

Notes to the financial statements continued

For the year ended 31 March 2009

7. 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 2008	226	1,726	686	515	1,965	5,118
Additions	–	160	113	48	321	642
Disposals	–	(2)	(117)	(4)	(50)	(173)
As at 31 March 2009	226	1,884	682	559	2,236	5,587
Depreciation						
As at 1 April 2008	–	886	514	417	1,223	3,040
Charge for the year	–	141	108	49	452	750
Disposals	–	(2)	(103)	(4)	(5)	(114)
As at 31 March 2009	–	1,025	519	462	1,670	3,676
Net book value						
As at 31 March 2008	226	840	172	98	742	2,078
As at 31 March 2009	226	859	163	97	566	1,911

8. Investments

(a) Fixed assets investments – Group and Society

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Opening Valuation 1 April	6,732	6,826	5,324	5,424
Additions	13,341	13,341	4,329	4,323
Disposals	(3,198)	(3,192)	(2,733)	(2,733)
Realised gains on disposals during year	140	140	30	30
Unrealised (loss) on valuation	(1,039)	(1,039)	(218)	(218)
Closing Valuation 31 March	15,976	16,076	6,732	6,826
Equity investments listed on a recognised stock exchange	6,229	6,229	5,372	5,372
Gilts and UK Treasury Stock listed on a recognised stock exchange	9,768	9,768	1,354	1,354
Investment in subsidiary and associated undertakings	–	100	–	100
Share of assets in joint venture	1,123	1,123	6	–
Share of liabilities in joint venture	(1,144)	(1,144)	–	–
	15,976	16,076	6,732	6,826
Investment assets in the UK	14,867	14,967	5,396	5,490
Investment assets outside the UK	1,109	1,109	1,336	1,336
	15,976	16,076	6,732	6,826

All of the investments at 31 March 2009 and 31 March 2008 were held directly by the Society.

At 31 March 2009 the following individual investments exceeded 5% by value of the total portfolio:

	£'000
UK Treasury 4% stock 2016	2,067
UK Treasury 5% stock 2014	910
UK Treasury 5% stock 2018	814
Euro Investment Bank 4.25% 2010	1,055

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 the Alzheimer's Research Trust. 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 liabilities is £21,000 (2008: net assets £6,000). 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

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Short-term investments and deposits held by:				
Close Wealth Management Group	3,507	3,507	6,239	6,239
HSBC	9,037	9,037	13,265	13,265
	12,544	12,544	19,504	19,504

(c) Subsidiary companies

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

The Alzheimer's Foundation for Research into Alzheimer's Disease (Charity Registration Number 1075535) is a subsidiary of Alzheimer's Society by virtue of all of the members being nominees of the Society. In 2008/09, a grant of £100,000 was made to Alzheimer's Society's research programme (2008: nil) and £100,000 to the Alzheimer's Research Trust (2008: nil).

Notes to the financial statements continued

For the year ended 31 March 2009

Profit and loss accounts for the year ended 31 March 2009

	Alzheimer's Trading Ltd £'000	The Alzheimer's Foundation for Research into Alzheimer's Disease £'000	Total 2009 £'000	Total 2008 £'000
Turnover	1,724	–	1,724	1,723
Donations and legacies	–	193	193	67
Charitable cause activities	–	–	–	–
Grants	–	–	–	–
Cost of sales	(1,028)	–	(1,028)	(939)
Gross profit	696	193	889	851
Bank interest	40	5	45	68
Distribution expenses	(398)	–	(398)	(270)
Administration expenses	(112)	(2)	(114)	(57)
Charitable activities	–	(200)	(200)	–
Governance costs	(4)	(4)	(8)	(9)
Net profit / (net loss)	222	(8)	214	583
Payment to the Society under gift aid	(222)	–	(222)	(514)
(Deficit) / surplus – retained in subsidiaries	–	(8)	(8)	69

Balance sheets at 31 March 2009

Stocks	1	–	1	38
Debtors	198	27	225	259
Cash at bank and in hand	1,414	293	1,707	1,479
Creditors – amounts falling due within one year	(1,513)	(4)	(1,517)	(1,352)
Net assets	100	316	416	424
Financed by:				
Ordinary Share Capital	100	–	100	100
Unrestricted funds	–	316	316	324
	100	316	416	424

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 2008 and 2009.

9. Stocks

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Finished goods and goods for re-sale	7	6	46	8

10. Debtors

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Trade debtors	746	521	752	507
Legacy debtors	901	901	728	728
Prepayments	553	553	288	288
Accrued income	787	787	549	549
Other debtors	278	278	142	142
	3,265	3,040	2,459	2,214
Amounts due from subsidiary undertaking	–	1,165	–	1,162
	3,265	4,205	2,459	3,376

Accrued income includes income receivable of £275,000 (2008: £289,000) for gift aid recovery.

11. Creditors

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Amounts falling due within one year				
Research grant creditors	2,244	2,244	2,367	2,626
Trade creditors	1,275	1,137	1,090	1,090
Other taxes and social security	472	472	401	401
Other creditors	1,736	1,733	636	636
Accruals	1,390	1,180	1,593	1,392
Deferred income (see note 12)	1,213	1,213	1,321	1,321
	8,330	7,979	7,408	7,466
Amounts due to subsidiary undertaking	–	27	–	48
	8,330	8,006	7,408	7,514
Amounts falling due after one year:				
Research grant creditors	2,047	2,047	574	574
Research grant creditors are payable:				
Within one year	2,244	2,244	2,367	2,626
Between one and two years	1,136	1,136	574	574
Between two and five years	911	911		
Total research grant creditors	4,291	4,291	2,941	3,200

Included in research grant creditors are amounts due to the joint venture, ABBUK, of £1.1 million (2008: £259,000)

12. Deferred income

	2009 Group £'000	2009 Society £'000	2008 Group £'000	2008 Society £'000
Balance at 1 April	1,321	1,321	203	203
Amounts released to incoming resources	(1,321)	(1,321)	(203)	(203)
Amounts deferred in the year	1,213	1,213	1,321	1,321
Balance at 31 March	1,213	1,213	1,321	1,321

Notes to the financial statements continued

For the year ended 31 March 2009

13. Share capital

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

14. 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.

15. Funds

	At 1 April 2008 Group £'000	Incoming resources £'000	Resources expended gains and losses £'000	Transfers £'000	At 31 March 2009 Group £'000
Big Lottery Fund					
Research (a)	(28)	–	–	28	–
Care services (a)	171	485	(531)	59	184
	143	485	(531)	87	184
Other funders					
Research	698	2,065	(1,690)	64	1,137
Care services (branches and regions)	2,398	1,510	(1,548)	(329)	2,031
Brain Bank (ABBUK)	1,069	75	(1,069)	(75)	–
Geographically Restricted Funds	326	422	(204)	–	544
Worried about your memory?	48	452	(452)	–	48
Other	152	744	(650)	324	570
	4,691	5,268	(5,613)	(16)	4,330
Total restricted funds	4,834	5,753	(6,144)	71	4,514
Unrestricted funds	19,884	45,988	(45,769)	(71)	20,032
Total funds	24,718	51,741	(51,913)	–	24,546

Transfers between funds

The Society keeps its reserves under constant review. As a result, some transfers may be required to ensure accurate classification.

Unrestricted funds includes designated funds of £1.9 million (2008: £2.1 million) which represent the Society's investment in tangible fixed assets which are not immediately realisable.

(a) During the year the Society was in receipt of 22 grants from the Big Lottery Fund. In accordance with their terms, an analysis by activity is reported below:

	At 1 April 2008 Group £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	At 31 March 2009 Group £'000
Research projects					
Gene Therapy for Alzheimer's Disease	(28)	–	–	28	–
Care services					
Community fund Grant – Bromley	73	–	(17)	1	57
Living with Dementia	55	–	(55)	–	–
Stem Cell Research	29	–	(19)	–	10
Community Fund Grant – Stanford, South Lincs	17	3	(20)	–	–
Outreach and Support – Tower Hamlets	15	53	(58)	–	10
Family Support – Eden	12	35	(44)	–	3
Outreach Development – Tynedale	11	–	(12)	1	–
Southwark Outreach Support	8	26	(21)	–	13
Family Support – Nth Kirklees	4	38	(42)	–	–
Outreach and Support – New Forest	3	51	(54)	–	–
Dementia Support – Co Durham	1	41	(42)	–	–
Other Funds in Branches	(57)	–	–	57	–
Awards 4 All – Merthyr Tydfil	–	5	(2)	–	3
Befriending – Nth Yorkshire	–	85	–	–	85
Family Support – Blackwater Valley	–	16	(16)	–	–
Family Support – West Berks	–	10	(10)	–	–
Family Support Service – Carlisle	–	15	(14)	–	1
Family Support West Cumbria	–	71	(70)	–	1
Go For It	–	1	–	–	1
Home Support Service – West Lindsey	–	27	(27)	–	–
Information Services – Bristol	–	8	(8)	–	–
	171	485	(531)	59	184

Notes to the financial statements continued

For the year ended 31 March 2009

16. 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:

	2009 Land and buildings £'000	2009 Other £'000	2008 Land and buildings £'000	2008 Other £'000
Operating leases which expire:				
Within one year	1,070	69	510	26
In two to five years	3,227	11	3,040	34
After five years	2,051	1	2,352	–
	6,348	81	5,902	60

b) Other commitments

The Society had no commitments through its branches providing contractual services to local authorities and other statutory and non-statutory bodies that required a capital expenditure commitment (2008: nil).

17. 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	–	–	4,514	–	4,514
Designated funds	1,911	–	–	–	1,911
General funds	–	15,976	4,192	(2,047)	18,121
	1,911	15,976	8,706	(2,047)	24,546

Reference and administrative details of the Society, its Trustees and advisers

Royal Patron

HRH Princess Alexandra GCVO

President Emeritus

Sir Jonathan Miller CBE

Board of Trustees

Honorary Officers

Chair

Alastair Balls CB⁺*

Elected 14 September 2007

Vice-Chair

Eileen Winston⁺⁺*

Elected 15 September 2006

Treasurer

Charles Watton⁺⁺*

Resigned 31 December 2008

John Grosvenor⁺⁺*

Appointed 1 January 2009

Board members

Richard Crace^{#^}

Re-elected 14 September 2007

Thomas Haverty

Co-opted 15 January 2009

Carys Howell^{*}

Elected 14 September 2007

Wendy Jones

Elected 15 September 2006

Peter Laycock

Re-elected 15 September 2006

Marilynne Morgan CB^{*}

Re-elected 15 September 2006

Dr Carolyn Popham

Re-elected 14 September 2007

David Richardson^{#^}

Elected 14 September 2007

Annette Southcott

Elected 15 September 2006

All Trustees are elected by the Society's membership in accordance with the Society's Memorandum and Articles of Association.

[#] Audit Committee Member

^{*} Nominations Committee Member

⁺ Remuneration Committee Member

[^] Investment Committee Member

Chief Executive

Neil Hunt

Senior Management team

Prof Clive Ballard

Director of Research

Nigel Benjamin to 30 January 2009

Director of Human Resources

Andrew Ketteringham

Director of External Affairs

Matthew Sellen

Director of Corporate Resources

Ruth Sutherland

Chief Operating Officer

Jo Swinhoe

Director of Fundraising and Marketing

Caroline Wayment from 1 November 2008

Interim Director of Human Resources

Company Secretary

Matthew Sellen

Professional advisers

Auditors

Horwath 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 Wealth Management Group

10 Crown Place

London EC2A 4FT

Legal advisers

Charles Russell LLP

8-10 New Fetter Lane

London EC4A 1RS

Registered office

Devon House

58 St Katharine's Way

London E1W 1JX

Registered charity number

296645

Company registration number

2115499

Constitution

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.

**‘Our responsibility
to people who need
our help must guide
our choices.’**

Neil Hunt
Chief Executive

alzheimers.org.uk

Alzheimer's Society Dementia Helpline
0845 300 0336

Supporter Care Team
0845 306 0898

Alzheimer's Society
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58 St Katharine's Way
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Registered charity no. 296645.
Company limited by guarantee
and registered in England no. 2115499.

SRP0809



Leading the fight
against dementia

**Alzheimer's
Society**