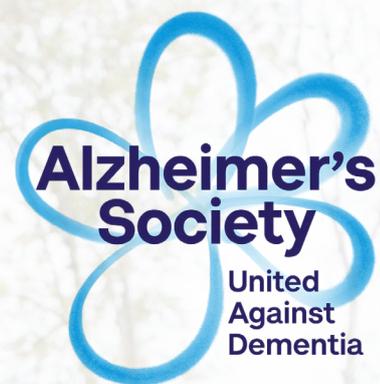


Annual Report

2019–20



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Welcome to our 2019/20 annual report

Traditionally a Chair's statement reviews and comments on the prior year – but this feels very strange when we all know that the world has changed so dramatically. Everybody and every nation on the planet is affected by Covid-19.

No one would have predicted, as we marked our 40th anniversary last year and congratulated ourselves on the progress that has been made for those living with dementia, that the current health crisis would reveal just how fragile that progress has been. But this has served to show very clearly that the work the Society does has never been more important. I want to say an enormous thank you to everyone who works with us: staff; supporters; volunteers; healthcare professionals; and academic researchers alike; the Board's thanks for your support has never been more heartfelt, nor has your support ever been more vital.

We are determined to build on the progress made during the last year, when we managed to reach more people living with dementia than ever before. We will continue to roll out our Dementia Connect service and develop our efforts in research. The impact of Covid-19 may slow us down, but it will not stop us. You will read elsewhere in this report of the many positive stories of lives improved, people helped, research funded as a result of the efforts of our dedicated staff, volunteers and supporters, and I am very confident that we will have many more to tell in the coming year.

Even before the impact of Covid-19, the Society was undergoing a renewal. Towards the end of the year we appointed a new Chief Executive, Kate Lee. Although she joined us in March just as the lockdown was announced, Kate has managed to help us navigate an excellent course through the storms caused by the pandemic.

I would also like to thank our previous Chief Executive, Jeremy Hughes, for all his dedication and service over the prior decade, and to pay tribute to those Trustees who retired during the year – Bernard Herdan and our Vice Chair Jenny Owen – whose wise counsel and insight we will miss.

As you read this review please be reassured that your board is confident that the Society will, with your help, emerge from this health crisis with as strong a voice as ever on your behalf.

Thank you.

Stephen Hill, OBE
Chair of Trustees



CEO's introduction

It's with great pleasure that I sum up the year at Alzheimer's Society for the first time as CEO.

There were many highlights. We rolled out Dementia Connect, our new flagship service, to more people. More of you than ever got involved in Dementia Action Week. Our Fix Dementia Care campaign saw Dame Barbara Windsor hand in our petition to the prime minister at 10 Downing Street. And Dementia Revolution, our London Marathon partnership campaign with Alzheimer's Research UK, surpassed its targets and helped to fund the the UK Dementia Research Institute.

Fundamental to who we are is our ongoing commitment to work in partnership and collaboration with people affected by dementia, ensuring that their needs and vision are a key to our decision making. This is in all areas of our work, from shaping our Dementia Connect offer, to our Research Network volunteers and helping to recruit the best people to work for the Society. In 2019 we launched our Dementia Voice database. This has over 2,000 people affected by dementia who our staff can engage with in their work.

However, we also faced challenges. We were as disappointed as many of our supporters to read the allegations made against Alzheimer's Society and the outgoing CEO in the Guardian in February. Although we were pleased none of the allegations were upheld by the subsequent Charity Commission investigation, we have still been busy reviewing relevant policies and working to ensure Alzheimer's Society is a great place to work and volunteer. You have high expectations of us, rightly so.

The coronavirus pandemic has changed the dementia landscape in many ways already, not just through the significant amount of deaths that have resulted from a broken social care system across the UK, but also the way people access their services. As this report demonstrates, during March, we started to put many of our services online and increase our care of those living with dementia who were already struggling.

In this report, we have focused on the impact we made during 2019 and early 2020, before coronavirus changed our world forever. Our focus for the coming year will very much be about dealing with the impact of the virus – both the financial impact here at Alzheimer's Society and, more importantly, on those dealing with dementia during lockdown and as the world begins to readjust.

It has certainly been a challenging time to join Alzheimer's Society as CEO. But I have had a unique opportunity to see the organisation transform almost overnight, with our people demonstrating their agility, passion and determination.

Thank you for all you have done to support our cause this year, and for how quickly everyone responded to the unprecedented pandemic. We couldn't have done any of this without you.

Kate Lee

Chief Executive



Support

Dementia Connect is our new approach to providing support. It brings our services together so people can access consistent person centred support through a single point of contact. It makes it possible for us to work more efficiently, so we can spend more time supporting people. We are rolling Dementia Connect out across England, Wales and Northern Ireland from 2017 – 2022.

In 2019/20 our records show we had 190,520 unique service users. This is 27,480 fewer than in 2018/19 and there are a number of reasons for this. Dementia Connect relies on people being referred to us, for example by a GP, it has proved more difficult to get referrals than we expected. It will take time for our new service to be rolled out and embedded across our three nations, and for health and social care professionals to understand how we can support them and their patients. We secured new contracts for Dementia Connect, but due to commissioner decisions some contracts were not renewed. We have also improved our record keeping, which has reduced our service user records. We know that people often benefit from more than one of our services, we are moving towards recording interactions as this gives a better picture of the support we provide.



‘Kirsty gave me hope. That was the biggest thing I needed – I needed to know that my life wasn’t over and that I could still continue to be me.’

Amanda Quinn on her Alzheimer’s Society Dementia Support Worker, Kirsty Morgan.

Amanda Quinn was diagnosed with dementia at just 49 years of age. She felt confused and frightened, and describes her first four months as being isolating and tearful. A friend recommended that she get in touch with Alzheimer’s Society. She rang the Society and got information and advice over the phone, followed by a home visit from one of our Dementia Support Workers, Kirsty Morgan. Kirsty listened and encouraged Amanda. That face to face encounter led Amanda to meet other people, like her, who had dementia. She now speaks openly about her condition in an effort to help others.

Our Ambitions



Launch two telephone and advice support hubs, (in Birmingham and Warrington). This will enable us to expand Dementia Connect and provide even more people with fast access to information and support from a Dementia Adviser.

In September 2019, we launched our first Dementia Connect telephone hub in Birmingham. And in November, we opened a second hub in Warrington. We recruited and trained 33 Telephone Dementia Advisers to provide our expert advice over the phone.

As part of launching Dementia Connect, we stopped running our helpline and replaced it with our Dementia Connect support line.



Embed Dementia Connect in Wales, the West Midlands and beyond. We will convert existing service contracts to Dementia Connect, expanding our reach, and impact.

In 2019/20, there were 17 contracts with local commissioners funding Dementia Connect in our Wales and West Midlands region and one in Yorkshire, totalling over £1.9 million in income.

We have also won contracts in Essex and Havering, demonstrating this is a service that commissioners want to commission.



Continue to increase our first time response rate for incoming calls, through our new telephone hubs and Dementia Connect service.

The first Dementia Connect telephone hub launched in September 2019. Between September and March, we saw an average of 69% of all calls answered first time.

Continual learning is at the heart of Dementia Connect, we monitor key statistics, including first time response rate and average call length, which means we can plan our resources to meet the needs of people affected by dementia.



Increase referrals to Dementia Connect, working closely with healthcare providers.

Healthcare professionals, social care and other community-based professionals such as banks or local charities can all refer people to Dementia Connect. Once someone has been referred, they will continue to receive support for as long as they need.

We reached 60 referrers per month with Dementia Connect messaging, increasing awareness of the service and reaching more people affected by dementia. We need to increase this number next year, particularly GP referrals, towards our aim of supporting everyone affected by dementia.



Grow Singing for the Brain by piloting the community model to expand our reach and make support accessible to all. Singing for the Brain brings people affected by dementia together to sing a variety of songs they know and love, in a fun and friendly environment. We also do fun vocal exercises that help improve brain function and well-being.

We will roll out 50 new pilots of Singing for the Brain using this approach, and build on this to develop the service further.

In 2019/20, we piloted running Singing for the Brain through an Alzheimer's Society branded community model, and assessed and trained 57 delivery partners. At the end of the year, 23 sites were up and running, supporting more than 200 people affected by dementia. In March, we moved our Singing for the Brain services from face-to-face to virtual to keep them running through lockdown.

99%

of respondents said they would recommend Dementia Connect to others.

84%

felt that Dementia Connect had made their life better in some way.

Society

In 2019/20, we continued to amplify the voices of people affected by dementia, challenging the government to ensure no one is denied the care and support they need or is excluded from their community.

We recruited more Dementia Friends and Dementia Friendly Communities than ever, with people across the country campaigning with us and changing attitudes.

We have continued to put people living with dementia, and their families, friends and carers, at the heart of what we do. This will always be a guiding principle of our work.



‘Dad always encouraged us to stand up for what’s right. I feel grateful and blessed to speak up for those who need support, and hopefully make a change. I think if Dad knew, he’d be so proud.’

Nimisha Sharma, whose father Sharad had dementia, on campaigning to Fix Dementia Care

Nimisha’s father, Sharad, had early onset Alzheimer’s disease. Nimisha, and her mother and sister cared for Sharad at home. They received no help from the council’s social care provision. Finding it difficult to get their questions answered, the family turned to Alzheimer’s Society. They have since received support and advice over the phone, face to face, and have attended an Alzheimer’s Society Carer Information and Support Programme.

As part of our Fix Dementia Care campaign, Nimisha and her sister Nam took part in a photo exhibition in Parliament to draw MPs attention to the unfairness of the current social care system. Following this, the sisters helped deliver a petition to No. 10 Downing Street and also appeared live on Channel 5 news to talk about the need to fix the social care crisis.

Our Ambitions



Reach and involve more people with dementia, especially people in later stages and from more diverse backgrounds. We will support people with dementia to claim their rights and make change happen in their communities and beyond.

In 2019/20, our Dementia Voice team launched an internal database of 2,300 volunteers, who are affected by dementia, that staff can engage in their work. These volunteers participated in the development and delivery of our activities, for example, co-producing an Advanced Care Planning resource in West Yorkshire and Harrogate.

People affected by dementia were also involved in recruiting more than 270 Alzheimer's Society employees.



To make it even easier for people to unite against dementia, by giving them a range of ways to get involved, so they can find one that works for them.

We developed a range of a new ways to get involved, opening us up to broader audience. These included 'Join the conversation' sessions and 1-2-1 interviews. And we launched a virtual reference group, enabling people affected by dementia to get involved remotely.

We reduced the time it takes to collect and apply volunteer feedback.



Build on the commitment to Dementia Connect in the NHS England Long Term Plan by supporting the roll out of the plan at the local level.

Through our influencing, we saw the inclusion of Dementia Connect in national policy, campaigning and media messaging. Our CEO and Head of Policy continued to engage with the NHS Long Term Plan working group for the Ageing Well programme. This seeks to prioritise and include dementia based on the reference to Dementia Connect in the NHS England Long Term Plan.

To ensure health and social care services support people with dementia at every stage of the condition, we started the Dementia Pathway Project. This benchmarks people's experiences against current national policy, identifying the gaps in the care people are receiving, from pre-diagnosis through to end of life. The project not only raises important questions but sets out recommendations regarding the current and future provision of dementia care.



Develop our plans for a dementia-friendly UK through our Dementia Friends and Dementia Friendly Communities programmes. Building on work-to-date, we will focus on supporting more individuals, organisations and communities to become dementia-friendly. We will use the Dementia Statements to set out what ‘good’ care looks like.



We reached 3 million Dementia Friends across England, Wales and Northern Ireland, led by 6,000 Dementia Friends Champions.

Dementia Friends is the biggest ever initiative to transform how the nation thinks, acts and talks about dementia. Becoming a Dementia Friend means finding out more about how dementia affects a person – and then, armed with this understanding, doing small everyday things that help.

We average more than 1,000 new Dementia Friends each day. More than 94,000 Dementia Friends went on to take a further action with us, volunteering, donating or campaigning.

A review of Dementia Friends showed it increasing participants’ confidence to interact with people affected by dementia, changing attitudes and levels of understanding, and allowing dementia to be discussed openly. It showed Dementia Friends are taking action within their networks at a private level (family and friends) and more publicly in some cases.

We grew our Dementia Friendly Communities by 70 to 230 communities across the three nations. We launched sector guides to enable more dementia-friendly services, including an Emergency Services Guide, Tourism Guide, Convenience Store Guide, Beer and Pub Association Guide, and resources for the bus sector.

Cardiff Local Authority was the first to make Dementia Friends mandatory for their 16,000 employees.



Continue to influence health and social care locally and nationally, to prioritise dementia and address the gaps in social care, through direct lobbying, running campaigns and mobilising our supporters.

Our Fix Dementia Care* campaign significantly increased the public, media and key decision-makers' understanding of social care, assisted by unprecedented media coverage including securing a major Daily Mail campaign. People affected by dementia typically spend £100,000 on their own care due to a system that is unfair, unsustainable and in need of an urgent overhaul. This achieved massive impact: the Dementia Fund was picked up in House of Commons by several MPs, with the NHS and No.10 requesting briefings on it. Boris Johnson committed publicly to 'fix social care' in his first announcement and met with our CEO, Director of Policy Campaigns and Partnerships and Dame Barbara Windsor in early September. Over 112,000 people signed our Dementia Fund letter, over 350,000 signed the Daily Mail petition and hundreds of MPs also signed and supported our campaign.

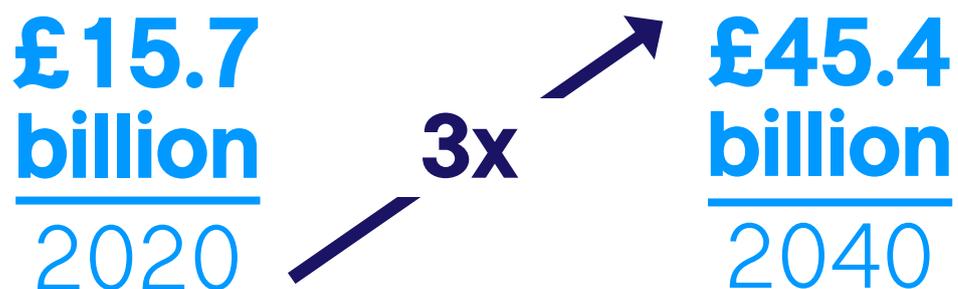
This high profile activity undoubtedly influenced social care being a lead issue in the following election campaign, and in January, an independent public poll put social care at the top of the new Government's priorities, polling 73%, above immigration pensions.

We grew the number of people campaigning with us by 40,000 to 125,000 people.

In Wales, we led the Cross-Party Group on Dementia inquiry into standards of hospital care for people with dementia.

In partnership with the London School of Economics, we launched the MODEM report, making 'projections of older people with dementia and costs of dementia care in the United Kingdom, 2019–2040'.

The report showed that providing social care for people with dementia costs the UK:





Fix Dementia Care campaign

Nam Sharma, Scott Michell, Dame Barbara Windsor and Nimisha Sharma outside No. 10 Downing Street, September 2019.

Research

Research makes new treatments and interventions possible, giving people hope for the future.

In 2019/20, trial results for Aducanumab were announced, the first drug that may be shown to be successful in slowing the progression of Alzheimer's disease. This development began with research nearly 30 years ago, as a genetic discovery supported by Alzheimer's Society laid the foundations of our understanding of amyloid plaques and their role in Alzheimer's disease.

We continue to play our part by funding research into discovery science, clinical work, and care, services and public health.

Our Innovation programme is developing solutions for the challenges people with dementia are facing. Our Evaluation team demonstrates the impact our strategy and services are having. And our Research Network helps shape our strategy, choose our research and monitor its delivery.



‘Dementia has no cure – yet.
The only way to change that is to
research, research, research.’

Dr. Elijah Mak, Alzheimer’s Society funded scientist
at Cambridge University

Dr. Mak is using a state of the art brain scanning technique to diagnose dementia with Lewy Bodies, the third most common type of dementia. Alzheimer’s disease is detectable using a traditional MRI scan, but brain changes caused by dementia with Lewy Bodies are too subtle to be picked up by conventional MRI. Using this pioneering new technology to detect microscopic brain abnormalities may lead to earlier diagnosis of dementia with Lewy Bodies, and pave new ways to develop future treatments.

Our Ambitions



Invest £12 million in new research and innovation, listening to people affected by dementia to make sure we have the biggest impact.

Having planned to invest £12 million in new research, we were only able to invest £3.82 million in 2019/20, and £2 million into the UK Dementia Research Institute (UK DRI) - a total of £5.82 million. Due to the advent of Covid 19 we postponed funding decisions on the second grant round of the year to protect our cash reserves, reducing the anticipated investment in the UK DRI.

Despite this, we awarded 29 grants across 19 institutions:



14 x clinical, care and support awards



15x biomedical awards



15x early career awards, providing opportunities for researchers and building capacity in dementia research

Three of this year's awards were made in a new care collaboration grant round. These awards are designed to support care providers to become more actively involved in dementia research.

Our current portfolio of research is now £37.4 million, directly supporting 378 dementia researchers.

This year's investment of £2 million in the UK DRI brings our total contribution to £5 million. The UK DRI Director, Prof Bart de Strooper, was a keynote speaker at the Alzheimer's Association International Conference, demonstrating the international importance of the institute.

Research is achieved through a series of small steps, building towards a larger discovery. Our researchers published more than 550 publications in 2019/20, exceeding 'a discovery a day'. In 2019, a newly identified form of dementia – LATE – was announced. A research associate of a project grant we funded in 2016 was cited as contributing to this discovery.



Shape the future to increase the use of technology in supporting people affected by dementia. We will lead the development of a national plan for the research, development and implementation of technologies in diagnosis, treatment and care.

We chaired the Tech and Dementia Implementation Group on behalf of the Department of Health and Social Care (DHSC) and Programme Board, publishing recommendations for technology and dementia.

We commissioned the Technology Standards Authority to conduct research with leading technology companies to understand the enablers and barriers to dementia technology investment, co-creation and adoption. This will inform our strategic thinking and investments. We will share a series of thought leadership articles between September and December 2020.



Celebrate the 20th year of our research network*, continuing to grow it to strengthen our research, and mark 40 years of funding research, with over £80 million invested so far.

We celebrated the 20th year of our research network, a 370-strong network of volunteers who participate in and influence our research at every level. Alzheimer's Society set up the Research Network in 1999. All the volunteers have a personal connection to dementia – as carers, former carers, or they're living with dementia. Their experience has helped to ensure our research is relevant, credible and can transform the lives of everyone affected by dementia.

We held a series of Dementia Research Uncovered events, highlighting the achievements made in research when researchers and people affected by dementia collaborate.

These celebrations enabled us to connect our research network volunteers with local researchers and regional staff who can raise awareness of the network in their areas.

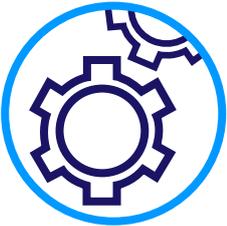


Build the evidence base for Dementia Connect and evaluate what works and what could be even better.

We developed an evidence-based theory of change for Dementia Connect, informed by people affected by dementia. We collected feedback from more than 460 service users (June 2018 to Jan 2020) and wellbeing data from more than 830 service users (April 2019 to Jan 2020).

This work enabled us to build wellbeing and loneliness scales into service delivery in the three early adopter sites, making it possible to measure the impact of the service on people's wellbeing. We produced three evaluation reports for each early adopter, plus a summary report drawing together learning from all three sites.

Evaluation findings and recommendations were fed into the ongoing development of the service model and ways of working to inform conversations with commissioners of the Dementia Connect model. The evaluation model was built into Dementia Connect as part of the rollout.



Create new products and services that improve the lives of people affected by dementia. We will launch a digital platform to crowdsource solutions to challenges faced by people with dementia (for example, discharge from hospital), which our Innovation team will then develop.

In 2019/20, we launched the Innovation Hub, a web-based platform that enables our supporters, researchers and people affected by dementia to identify solutions to problems people with the condition face. The Innovation Hub helps us select the innovation projects we deliver. We currently have over 900 active participants.

This year, we worked on three Innovation Sprints, including one on hospital discharge, a challenge looking at continence, and a project in partnership with the Royal Air Force Association, to help their service-people support family members with dementia from a distance. Bring Dementia Out, a campaign to raise awareness of dementia in the LGBTQ+ community was scaled up nationally.

We brought our first accelerator projects to market:

Jelly Drops

Sweets containing 90% water that can keep people with dementia hydrated. Alzheimer's Society is partnering with the Jelly Drops team through our Accelerator Programme – which invest in innovations to improve the lives of people affected by dementia, producing 3,000 trays a week for distribution.



How Do I?

Refresh is a smartphone application that has been developed by assistive technology company, How Do I?, to help people with dementia. Alzheimer's Society partnered with the team through our Accelerator Programme 'How do I', completing product development ready for launch onto the market in early 2020/21.



Lift the lid

An Alzheimer's Society innovation providing a workshop in a box to help care home staff address sex and intimacy issues for people with dementia. 'Lift the lid' received an International Innovation award. To date, we've sold 250 boxes, potentially reaching 7,500 people.



Fundraising

The generosity of our supporters meant our fundraising income increased once again in 2019/20, totalling £88 million. This includes donations and legacies as well as money from trading activities.





Engage over 250,000 supporters to donate through making a one-off or regular gift, taking part in an event, or pledging to leave a gift in their will. We will recruit new supporters and keep the trust of our existing givers.

In 2019/20, more than 389,000 of our supporters donated or fundraised for us, walking, baking or singing to transform the lives of people affected by dementia.

A total of 78,215 people chose to give a regular gift or play our lottery – 9,000 more people than the previous year.

32,000 bakers hosted their own Cupcake Day to show off their baking skills and raise money for the Society. 14,000 Elves took part in Elf Day dressing up as elves to spread festive cheer.

Many people generously chose to leave us a gift in their will. Income from legacies continued to make up a third of all voluntary income, with £1 in every £3 donated from a gift in a will.



Build relationships with two new strategic partnerships to raise funds and create new opportunities to support more people affected by dementia.

The Insurance United Against Dementia (IUAD) campaign went from strength to strength in 2019/20, welcoming seven new insurance corporate partners in 2020. A further five individuals joined our IUAD Partners initiative, offering significant long-term personal support to Alzheimer's Society and people affected by dementia.

Our partner William Hill and its employees hosted a successful Forget-me-not quiz and sponsored Carols at Christmas at Southwark Cathedral.

Santander was the headline sponsor of Memory Walk 2019 and staff took part in the event to raise more than £183,000.

Players of the People's Postcode Lottery continued to support us, donating £550,000.



Develop new ways to support us, based on people's feedback and preferences. We will aim to give every supporter the best experience possible.

In 2019/20, we developed a new fundraiser, Quit for a Bit, with our supporters. This inspired 3,400 people to go without sugar, alcohol or both for a month, raising £81,000.

We increased the number of GLOW walks to nine across the three nations, and 9,537 walkers took part.



Build on the success of Dementia Revolution (2019 Virgin Money London Marathon charity of the year), aiming for record income from the event and engaging with our runners about our research work afterwards.

We raised £4.2 million through the Dementia Revolution, our unique partnership with Alzheimer's Research UK, at the 2019 Virgin Money London Marathon, making it the most successful London Marathon charity partnership ever with all the money funding the UK Dementia Research Institute (UK DRI).

The campaign's secondary objective to attract attention to dementia and breakdown stigma was smashed, Reaching a global audience of up to 3.8 billion people through 4,548 pieces of media coverage, including extensive BBC coverage on the day. One in three UK adults were aware of the campaign and the greatest impacts reported were learning more about dementia and how underfunded research into dementia is.



Develop a strategic fundraising plan to ensure we invest £50 million in the UK DRI over the next eight years. We will work with our partners on the project, the Medical Research Council and Alzheimer's Research UK, to fund cutting-edge research.

In 2019/20, our supporters raised more than £1.5 million for the UK DRI through the Dementia Revolution, with more than £2 million raised in total.

This has enabled us to invest in the UK DRI, growing the institute to the point where its researchers are now making a discovery a day in their work to better understand dementia and find new treatments and a cure.

Looking back on the year

Until the changes brought about by Covid, the year saw the fruition of a number of projects that had been years in the making. It started with the Dementia Revolution. This raised more money as the London Marathon's official charity than any predecessor, showing how far we've come in increasing dementia awareness and enabling people to make a difference.

They helped fund the ground-breaking Imperial College & Surrey University team of the Dementia Research Institute that started work on harnessing technology to transform dementia care. Equally significant was surpassing three million people becoming Dementia Friends, far exceeding the initial ambition set by the Prime Minister in 2012 of one million. The Government committed to a new Dementia Strategy for England. At the same time the reach of Alzheimer's Society services increased, including the helpline.

All in all, a year that promised continued improvement in the lives of people affected by dementia in the 2020s. It was a year that included much of what I have found so inspiring and rewarding working with people affected by dementia, volunteers and employees over ten years as Chief Executive Officer.

Thank you all for that privilege.



Jeremy Hughes CBE





The Dementia Revolution

Some of the 2,200 runners who ran for the Dementia Revolution ahead of the marathon start, Greenwich.

Our strategy for 2020/21

Our priorities for this year (2020/21) have been dominated by the impact of the coronavirus on people affected by dementia, our ability to operate, and our income. We are focused on meeting these new challenges in the most unpredictable environment our organisation has ever experienced. However, this period of adjustment must be a bridge to a more forward looking strategy for 2022.

This year we are concentrating on three objectives; sustainability, rebuilding and strategy.

Sustainability

We are rapidly making changes to reduce our expenditure to a sustainable level, preparing for a substantial drop in income over the next couple of years. We have used the government's furlough scheme, made the difficult decision to make some redundancies where needed, cancelled or deferred non-essential work, and made further changes to make us more efficient.

Rebuilding

Following these changes, we will rebuild our teams with a focus on our values, culture and operating practice. Part of this new way of working will be moving from a primarily office-based setup to enabling people to work from home and investing in the technology to make this possible. We will give our supporters new ways to fundraise and campaign while safely social distancing.

Strategy

We are already developing our new strategy for 2022, when our current strategic period comes to an end. A first draft has been produced and we are testing it with internal and external audiences, identifying what we need to deliver this new approach.

During all this change, our priority remains supporting people affected by dementia. We continue to provide services centred around Dementia Connect and re-engineered to be delivered virtually, or face to face where this can be done safely. We continue to pressure the government to recognise the specific needs of people living with dementia, including the challenges introduced by the coronavirus pandemic.

By the end of 2020, we aim to have built a sustainable organisation for the new financial environment, to have launched our new values, culture and ways of working, and to be making plans for our 2022 strategy.

Structure and management

The Board of Trustees (Board) provides leadership by setting the strategic direction of Alzheimer's Society and overseeing the Strategic Leadership Team's (SLT) implementation of our New Deal on Dementia strategy.

We advise and challenge the SLT, and manage risk, to make sure the Society operates legally and in accordance with our powers, as set out in the Articles of Association. We ensure accountability at all levels of the Society by overseeing the delegation of responsibilities and acting on matters reserved for the Board. This includes setting the Society's strategy and approving major transactions, annual budgets and changes to the Society's governance structure.

As Trustees, we regularly review operational and financial performance as well as resource plans to make sure the Society has adequate funding and resources to deliver the strategy. We also review succession planning for the Board and SLT and set the Society's risk appetite, so that significant strategic risks are quickly brought to our attention when required.

We receive timely and comprehensive information to enable us to carry out our responsibilities, encourage strategic debate and facilitate robust, informed and prompt decision-making. In short, we make sure the Society's charitable objectives are achieved.

We are collectively responsible for the long-term success of the Society. In all our decision-making, we take into account the needs of people living with dementia and their carers, our employees, volunteers and strategic partners.

With the support of our People Committee, we ensure we have the right skills, knowledge and experience to perform our role, both individually and collectively. We set the policy for remuneration throughout the Society and our Finance and Performance Committee determines the level of remuneration for each member of the SLT.

Specific matters for recommendation to the Board have been formally delegated to Board committees.

Chair of the Trustees

The Chair leads the Board and sits on Board committees to make sure the Trustees can play their role effectively.

The Chair sets the Board's agenda, in consultation with the Chief Executive Officer (CEO) and Company Secretary. They listen to the concerns of the Trustees and ensure these are thoroughly discussed in Board meetings. They encourage and facilitate active engagement by the Trustees, drawing on their skills, knowledge and experience. The Chair leads the processes of Board evaluation, annual trustee performance review and, on behalf of the Board, conducts the CEO's performance review.

The Chair maintains a close working relationship with the CEO and the Company Secretary to ensure the strategies and actions agreed by the Board are implemented effectively.

Chief Executive Officer

The CEO is responsible for putting the agreed strategy into action once approved.

Additional responsibilities include the development of the risk management framework, managing compliance with regulations, and supporting the Chair to promote appropriate standards of corporate governance.

The CEO is accountable for providing information to the Board to enable it to monitor the Society's operating and financial results. They are responsible for the day-to-day management of the Society and for the recruitment, development and leadership of the SLT.

Trustees

The Trustees are independent and separate from the SLT. They are considered by the Board to be free from any business or other relationships that could compromise their independence. Their collective role is to advise and constructively challenge the SLT, monitoring its success in delivering the strategy within the risk management framework agreed by the Board.

The Trustees are committed to understanding the Society's work and the legal frameworks it operates within through formal training and informal development. They are also responsible for determining appropriate levels of remuneration for the SLT, including the CEO.

How the Board of Trustees operates

The Trustees are also directors under company law. The Board combines elected and appointed Trustees, who serve a maximum three terms of three years. Up to two Trustees, who are current volunteers, are elected by ballot. All other Trustees are appointed to the Board through a process run by the People Committee.

The Board meets at least four times a year, including an annual away day to review the Society's strategic plans and other matters. Members of the SLT attend Board meetings as required to discuss matters relating to their business areas and functions.

Each trustee commits an appropriate amount of time to their duties, which include attendance at Board meetings, membership of committees, and maintaining a link with dementia services in their local regions. Where Trustees are unable to attend meetings, they are encouraged to give the Chair their views in advance.

Generally the Chair and Trustees meet before each Board meeting prior to the CEO and the rest of the SLT joining for the formal meeting. There were four such meetings in 2019/20. When they are appointed, Trustees have an induction to learn about the Society's activities and the legal obligations directors and Trustees must abide by. At each Board meeting, the Trustees have an information session giving details on a specific area of work, and board papers contain updates on legal and charity sector developments.

Trustees are subject to an annual evaluation of the Board, the Chair and the committee structure, with individual appraisals also carried out. Conflicts of interest are monitored at each Board and committee meeting and the Society maintains a conflicts register and policy.

The Trustees confirm they have complied with the duty in Section 4 (4) of the Charities Act 2011 by referring to the Charity Commission's general guidance on public benefit when reviewing the aims 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.

For the year 2019/20, the Trustees considered that the following constituted a benefit to the public: the roll-out of Dementia Connect across Wales and West Midlands, being a key charity partner to the Government and NHS, including in supporting implementation of the NHS ten year plan, and investing in care and cure research.

Any expenses reclaimed from the Society are set out in Note 5.

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 we changed our name to Alzheimer's Society. Alzheimer's Society is governed by its articles of association, which are supported by the Rules of the Society.

The objects contained in the company's articles 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.

Board activities during the year

Board and committee attendance:

	Board	AARC	DSC	FPC	IC	PC	PRC
Ali Harrison	3/4	5/5	4/4				
Andrew Lynch	3/4	5/5		4/4			
Bernard Herdan	2/2		2/2				
Caroline Fawcett	4/4			3/3			1/2
David Currie	1/4					0/1	
Duncan Jones	4/4		4/4			3/3	
Emyr Roberts	4/4	5/5	3/4				
Gordon Wilcock	4/4	4/5					2/2
Hugh McKenna	2/2					1/2	1/1
Jenny Owen	2/2		2/2			1/1	
Manish Shah	4/4			4/4	1/1		
Sarah Weir	4/4			3/4		2/3	
Stephen Hill	4/4				1/1	3/3	2/2
Anna Kirk*						2/3	
Gerry Wright*					1/1		
Jon Noble*		3/5					
Martin Jones*			1/1				
Neil Thomas*		3/5					
Pippa Gough*						2/3	
Richard Ford*			3/3				
Steven Daniels*					1/1		

The Board had four formal meetings in 2019/20, including two strategic away days. While Board meetings were held in London, the October strategic away day was held in the Society's new office in Birmingham. This gave the Trustees an opportunity to broaden their understanding of the support given to people affected by dementia, by listening in to some Dementia Connect calls. They also attended a session on safeguarding to learn more about what type of safeguarding issues the Society deals with and how these fit into the wider serious incident framework.

At their strategy away day in February, the Board discussed outcomes expected by 2022 and how the Society can best work towards these, as well how we create an effective organisation.

*external committee members.

The Board's work was supported by the following committees:

Assurance, Audit and Risk

The Assurance, Audit and Risk Committee (AARC) checks that the Society is complying with all aspects of the law, relevant regulations and good practice. In 2019/20, the committee scrutinised the Society's IT transformation plans, this included the transition of IT infrastructure to a modern and flexible cloud-based technology platform. The Committee reviewed new risk management reports designed to provide greater visibility to key risks and mitigation plans, and the implementation of a new system that makes it easier to report health and safety incidents and action plans.

Mazars LLP and Crowe LLP, in their roles of internal and statutory auditors, both presented to the committee throughout the year, and the AARC reviewed their work.

Delivering Support

The Delivering Support Committee (DSC) has oversight of the Society's support services, including the roll out of Dementia Connect. They make sure we have the right resources in place to deliver our ambitions and ensure our people (both employees and volunteers) are safeguarded, included, and informed by people affected by dementia.

2019/20 saw the DSC focus on starting to rollout Dementia Connect across our regions and nations. The committee visited the Dementia Connect hub in Birmingham in January. The DSC continued to champion safeguarding, following up on the review in 2018/19 and ensuring best practices were embedded across the Society.

The DSC's work this year was focused on performance factors to determine the reach and success of our services.

Finance and Performance

The Finance and Performance Committee (FPC) seeks assurance on the financial health of the Society and the delivery of the strategy, including through reviewing key performance indicators (KPIs). 2019/20 saw the committee focus on our fundraising plans. Careful oversight saw fundraising income grow 4% year on year. The FPC also reviewed the Society's efficiency plans to ensure that money donated by the public was being spent in the most efficient and effective way. The committee oversaw the release of investment for specific projects based on the Society's financial performance.

Investment

As set out in its Articles of Association, Alzheimer's Society has absolute discretion to invest money that it does not immediately plan to spend. Our investment performance is overseen by the Investment Committee. Our investment managers are instructed not to invest in companies that materially profit from products that may be harmful to people with dementia or contribute to the cause of dementia, and they confirm this at each meeting.

People

The People Committee (PC) was created in 2019 and brought together the Nominations and Appointments Committee and Remuneration Committee. It oversees pensions provision, remuneration and Society wide topics affecting our volunteers and employees. The committee welcomed the Chairs of the Society's Employee Forum and Volunteer Advisory Panel to its membership to ensure true representation of our people. Its focus in 2019/20 was workforce planning, pay and grading, our engagement survey, culture and leadership and CEO recruitment.

Policy and Research Committee

In 2019/20 we set up the Policy & Research Committee, providing oversight to our policy messaging and research strategy. They challenge our political and public affairs messaging, scrutinise our Research offer, ensuring we deliver on our ambitions to influence political and societal change and realise a world without dementia which can only be achieved through breakthroughs in research.

The sudden election cycle in 2019/20 provided the Committee with the perfect opportunity to lend their experience and advice to our approach and focus our 'Fix Dementia Care' campaign. They also oversaw the inclusion of Dementia Connect in the NHS Long Term Plan.

Their work underpinned our Mid Strategy Review in both Research and Policy, helping shape the direction we take and the opportunities we seek to develop.

Charity Governance Code

The Board is satisfied that the Society's governance arrangements provide enough coverage against the best practice recommendations outlined in the Charity Governance Code. The Board will review the recommendations annually to monitor and act upon areas requiring improvement.

The Board highlighted the opportunity to increase diversity among our Trustees. As Trustees come to the end of their term in office, the People Committee will look to address this part of the code.

Engagement with our Stakeholders

We aim to engage and communicate with our supporters, donors and the wider public in all aspects of our work. We do this through various means including our frontline services, traditional and social media channels, and through our extensive networks of supporters, this includes over 3 million dementia friends, our dementia voice network of people affected by dementia, and our research network of volunteers. We strive to develop good relationships with all the relevant groups, organisations and individuals who have an interest in our charitable work.

As an organisation we recognise the importance of effective engagement with employees and we understand how this can have a positive impact on our volunteers and our supporters. We know that high levels of engagement influence the performance of our teams, reduces periods of absences, improves job retention and create a deep connection with the Society. We measure our employee's and our volunteer's level of engagement through annual surveys. During 2019/20 the SLT launched regular "Ask SLT Anything" Q&A sessions with our employees, and attended 13 events on our United Against Dementia tour which were attended by 1,110 employees and 261 volunteers.

Compliance

Fundraising practices

Our registration with the Fundraising Regulator and our commitment to following, reviewing and consulting on the Code of Fundraising Practice underpins our commitment to safeguarding our supporters in their interactions with our staff and volunteers and any professional fundraising partners working on our behalf.

We work hard to create positive supporter experiences across every fundraising activity we run. Our guidance to fundraising staff internally emphasises the individual motivations and needs of our donors and that we must respect their right to make their own decisions. It also includes practical advice of how to spot signs and provide support if a supporter may be in vulnerable circumstances, with examples of how we can meet their needs.

In 2019/20, we undertook a review of compliance across all areas of fundraising, to identify any risks and help keep the topic of regulatory compliance on team agendas. We are comfortable that our teams understand the relevant sections of the Code of Fundraising Practice as well as other applicable regulations such as our obligations under the Gambling Act. For example, we have specific safeguards on gaming activities to identify when someone may be at risk of problem gambling.

When we use third party fundraisers, we ensure our partners are involved in dementia friendly training as part of their relationship with us, building on their own policies for dealing with people in vulnerable circumstances. Contracts with these professional fundraisers allow us to legally enforce the high standards we expect should we encounter any poor practice.

We maintain standards through regular checks on our partners' performance as well as that of our own teams, using methods including in-house and outsourced mystery shopping, call listening, and by requesting supporter feedback following phone, email and face-to-face contact, which includes working with the Institute of Fundraising's compliance directorate to monitor soliciting support face-to-face.

In 2019/20 the Fundraising Regulator made one investigation into our fundraising, which was not upheld. The investigation report stated that "the charity and the agency had appropriate safeguards in place to ensure that their sign-up process was fair to the donor. We also found that the charity appropriately investigated and responded to the complaint."

Across all our channels and activities, including stewardship and events management programmes, we sent more than 16 million communications to our supporters and received 400 complaints (0.0025%). All complaints were resolved and, where necessary, fed into process improvement plans. Our complaints policy is available on our website and linked from our Fundraising Promise.

Risk management

We have a comprehensive risk management framework to identify and manage major financial, strategic, operational and regulatory risks that might affect our ability to meet our objectives. Our risk management processes reflect good practice found elsewhere in the not-for-profit and other sectors.

We identify and manage risks in the following ways:

- We have a system of risk action-planning which allows risk to be appropriately managed. Strategic risks are identified and, if necessary, escalated to the Board via its committees for oversight and assurance they are being managed. This system is reviewed at each AARC meeting and the committee updates the Board to inform the Society's risk appetite.
- Our risk appetite is reviewed annually with our Board and SLT to ensure we manage risks within the levels of risk the Trustees are willing to tolerate in the delivery of our strategic aims and objectives.
- We undertake regular reviews with members of SLT (as risk owners) to assess the likelihood and impact of risks, and the effectiveness of mitigation strategies.
- Risk management is fully incorporated into our project management process. The largest projects are overseen by a dedicated project management team to make sure risk is managed, assessed and reported through project status reports.
- The Society's internal audit function is outsourced to Mazars LLP, appointed at the start of 2018/19 following a rigorous tender process. Our internal audit plan is informed by an analysis of the risks the organisation is exposed to. Our annual audit plans are based on this analysis. The AARC monitors the progress of these plans.

Our key risks and uncertainties

The SLT raised several key risks as we completed the third year of our five-year strategy, which the relevant Board Committees reviewed. The AARC has oversight of all risks before going through to the Board. We used our risk appetite and the status of our key risks to inform business planning and performance reporting on the achievement of our strategic objectives, including the mid-strategy review undertaken by the Board during 2019/20.

Coronavirus

We invoked our Incident Management plans following the onset of Coronavirus to plan and deliver a coordinated response to the crisis.

We are monitoring potential medium to long-term economic impact, both in the UK and globally. This may impact performance on our investments, our ability to organise and participate in fundraising events, and people's willingness or ability to donate to the Society. We are closely monitoring various fundraising income scenarios and contingency planning including cost reduction initiatives to mitigate any income risk.

We are monitoring our people's wellbeing and capacity to deliver services within NHS and WHO guidance for managing with the virus. Our offices were closed at the beginning of the crisis and a small number have since re-opened following completion of appropriate control mechanisms, with most staff continuing to work from home.

1. Financial

Our financial risk is that we have insufficient funds to meet our charitable objectives or fail to spend our money efficiently and effectively. Whilst increased competition from other charities, and economic uncertainty continue to have an impact, fundraising performance remained strong. We continued to manage the risks through a fundraising strategy that presents a diverse portfolio of innovative and engaging ways of raising funds. To manage the effect of economic fluctuations we have taken economic uncertainty into account to build likely scenarios to test and build confidence in our fundraising forecasting. This is enabling us to develop realistic long-term income projections and inform investment priorities as part of our fundraising strategy.

2. Strategic Delivery

Our strategic risk is focused on a failure to deliver our strategy due to poor planning, ineffective delivery or changes to external environment. We take an integrated approach to planning, resourcing and scheduling the New Deal on Dementia programme, with all other business activities, to ensure we deliver our strategic outcomes. We have implemented a robust governance framework to focus on the priority areas of our New Deal on Dementia strategy. We apply a test and learn approach to our work, for example in piloting a new Dementia Connect service prior to commencing national roll-out starting with Wales and West Midlands region.

3. Operational Effectiveness

Our principal risks concern failures in operational processes or infrastructure including IT. We are increasingly reliant on technology to deliver our services and we anticipate more people will want to use these services in the future. During 2019/20 we completed the first stage of our digital services transformation with the migration of our IT infrastructure to a more modern cloud-based platform. Further investment is required to modernise our desktop infrastructure and business systems and we will manage this closely to ensure any investments deliver sustainable value and risk mitigation

4. Regulatory compliance

Our compliance with the regulatory framework in which we operate. As with any comparable organisation the Society's regulatory exposure is complex and we manage a number of key regulatory requirements.

These include:

Information governance

The risks associated with our continued compliance with GDPR remain actively managed with the implementation of our IG Assurance Framework reducing the risk in the year. Our internal auditors provided the framework with a substantial assurance opinion when they reviewed it during 2019/20. However, cyber security remains a concern for the Society (and for the sector generally). We suffered a phishing attack in the year that, although we managed to minimise impact caused for our service users, disrupted the work of the organisation nonetheless. We continue to update and review our security arrangements including the maintenance of our Cyber Essentials Plus certification.

Safeguarding

In 2018/19, the Board commissioned an independent review of the Society's safeguarding arrangements. The review found the Society operated a robust safeguarding environment for adults and children. During 2019/20 we made significant progress to implement the action plan developed from the review. We also ensured our safeguarding policies and procedures reflect the definition of safeguarding introduced by the Charity Commission to include responsibilities for our staff, volunteers, and other stakeholders as well as our service users.

Fundraising

We monitor fundraising activity to ensure compliance with fundraising regulations and best practice.

Brexit

For all organisations, Brexit remained a compounding factor in an already uncertain political and economic environment. With the UK's departure from the EU, the nature of the risk has moved to ensure the Society can manage the impact of the future relationship agreed between the UK and the EU. We continue to monitor and respond to events as they unfold, including holding the government to its election commitments for significant investment to fix the health and social care system. We are also monitoring the impact of revised immigration rules for people affected by dementia in the social care system.

Charity Commission investigation

We welcomed the conclusion of the Charity Commission's regulatory case which found no evidence of wrongdoing by the Society, including our rare use of settlement agreements over the last five years, and found that the figure published in the complaint was incorrect and unsubstantiated. The Charity Commission investigated the detailed complaint it received in 2018 on this issue and has decided no further action is necessary.

Health and Safety

In 2019/20 we strengthened the positive health and safety culture within the organisation, streamlined several processes and introduced new systems. We improved the governance process and engaged all Directorates with the aim of supporting their health and safety plans in delivering the Society's work. We remain committed to a process of continuous improvement that benefit's our people and those affected by dementia. We continued to develop a management system reflecting best practice and sector standards.

Environment and Carbon Reporting

The Society's energy consumption in the year totalled 4.37 million kWh, which includes purchased electricity and gas as well as transportation relating to the Society's small fleet of minibuses used to deliver day care services, and our "grey fleet" of trips incurred by employees and volunteers to deliver frontline services and other Society work. Greenhouse gas emissions totalled 334,000 kg/CO₂, equivalent to 160 kg/CO₂ per employee.

These energy consumption and emission figures are derived based upon direct energy supply consumption and equivalent emission estimates, with transportation related energy usage and emissions based upon vehicle road mileage.

During the year the Society took various energy efficiency actions, including:

- Appointed an energy broker to help manage its energy requirements
- Moved all direct energy supply contracts to a Renewable Green Energy tariff
- Ensured that all offices refurbishments considered green energy initiatives, for example by installing LED lighting.
- Raised awareness and engaged our people in environmental and sustainability matters
- Successfully maintained certification of the international standard for environment management ISO 14001: 2015, for our head office at Crutched Friars, London

Our year in numbers

Year ended 31 March 2020

This year our incredible supporters helped us raise £88 million, a 4% increase on 2018/19. The continued generosity of our donors and partners enables us to deliver the services for people affected by dementia and gives us confidence that the work we do is delivering a genuine impact for the people who need it the most.

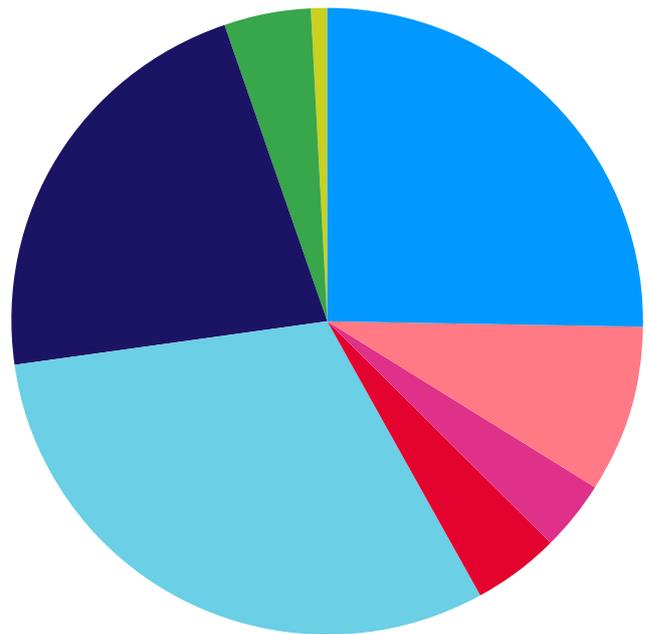
Income from services commissioned by local authorities and the NHS continued to decline this year, falling by 5% to £25.0 million (2018/19: £26.4 million). The decline is as a result of our decision to only bid for contracts that are core to our strategy and where we believe the skills and experience of our people and the infrastructure supporting them will make the biggest difference for people affected by dementia. As we scale the growth of our Dementia Connect service, we expect this income to plateau before growing again.

Our investment income comprised of returns received on our investment holdings was just under £0.9 million in 2019/20 compared to £1.0 million in 2018/19. During the months of February and March 2020 our investment portfolio saw significant declines in value following market declines as a result of Covid-19, wiping out all in-year gains. We are working with JP Morgan, our investment managers, to ensure that our assets are positioned to minimise our risk and where possible preserve the value of the portfolio as the volatility in global markets continues.

We incur costs to further the charitable objectives of the Society as detailed in the New Deal on Dementia strategy, to raise the funds that enable delivery of these initiatives, and costs of operating and governing the organisation. This year, in total, we spent £113.2 million, £4 million less than 2018/19.

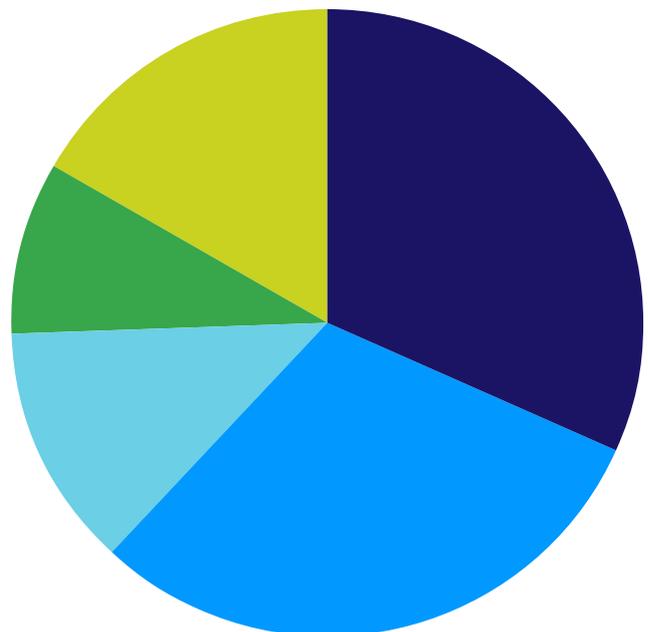
Where our money comes from

Legacies	£28.8m
Individual Giving	£10m
Corporates	£4m
Philanthropy	£5.1m
Community Fundraising	£35m
Charitable Activities	£25m
Other trading activities	£5.1m
Investment income	£0.9m
Total	£113.9m



How our money is spent

Fundraising costs	£29.6m
New Deal on Support	£48.4m
New Deal on Society	£11.7m
New Deal on Research	£8.3m
Indirect costs	£15.2m
Total	£113.2m



Support: £48.4 million

Activities to support people affected by dementia through delivering services and working with the health and social care system to improve dementia care.

Our New Deal on Support strategy centres around the creation of our innovative new service offering, Dementia Connect. Dementia Connect is a scalable support model that has been developed in conjunction with people affected by dementia to empower them and to address the issues they most commonly face. In 2019/20 we opened our new Dementia Connect Tier 1 hubs in Birmingham and Warrington; and we commenced the nation-wide roll-out of the service, starting with Wales and West Midlands.

Society: £11.7 million

Activities to influence the health and social care agenda to ensure people with dementia are treated equally, promoting dementia-friendly communities.

We are leading the fight for change with campaigns and influencing plans which focus on making sure policy makers and influencers across government recognise the social injustice of dementia and use their positions to improve it.

Alongside this we are championing and supporting a movement of Dementia Friendly Communities. We are helping to raise awareness of dementia and the changes that can be made by companies and communities to promote inclusion for those affected by it.

Research: £8.3 million

Activities to support dementia research and make sure people affected by dementia are at the forefront of this research.

This year our portfolio of active research projects was worth £37.4 million and included over 180 active grants. We invested £2.0 million to the UK Dementia Research Institute, which was set up alongside the Medical Research Council and Alzheimer's Research UK, and £4.5 million in new and ongoing research.

Fundraising: £29.6 million

We have continued to invest in fundraising as our support grows and we prioritise giving back through improved stewardship and donor experiences. This year we partnered with Alzheimer's Research UK and created Dementia Revolution, which was the Virgin London Marathon's lead charity partnership and raised over £4.2 million.

Indirect costs (including governance): £15.2 million

This year we continued to invest in enhancing our digital capabilities and undertook procurement reviews of our digital contracts to improve value for money in our IT spend.

Funds

Funds are an indication of the financial resources we hold, split between those immediately available for ongoing operations and those intended for a reason either specified by a donor or intended by management. Our total funds at the end of March 2020 were £31.8 million (2018/19: £33.3 million).

These comprise:

1. General funds

Year ended 2019/20: £17.7 million, year ended 2018/19: £17.9 million

General funds are all funds not restricted or designated to be spent in a particular way. It is our policy to hold general or free reserves of between 2.5 and four months of charitable expenditure, minus related contractual income. At year end we held general reserves able to fund between four- and six- months of future charitable expenditure as we expect a significantly lower cost-base in 2020/21 as we respond to the Covid-19 pandemic. We anticipate making use of some of these free reserves in the coming years to enable organisational change.

2. Designated funds

Year ended 2019/20: £10.1 million, year ended 2018/19: £10.5 million.

Designated funds are set aside by the Trustees for a discrete activities or investments. They represent our commitment to invest in areas we consider to be strategically or operationally important.

We have three designated funds:

- IT investments: Year ended 2019/20: £0.0m (year ended 2018/19: £0.5m).
Funds set aside to modernise our IT systems and infrastructure. These funds were fully utilised in 2019/20.
- Investments in the UK DRI: Year ended 2019/20: £6.5m (year ended 2018/19: £6.5m)
A designated fund set up in 2018/19 to meet future years' investments in the UK DRI. Expected to be utilised over a three- to five-year period.
- Fixed assets: Year ended 2019/20: £3.6m (year ended 2018/19: £3.4m)
This fund represents the value of the assets we use on a day-today basis to deliver and support our core activities. This includes properties, computer equipment and software we own. These funds are utilised over the course of the useful economic lives of the assets they relate to.

3. Restricted funds

Year ended 2019/20: £4.0 million (year ended 2018/19: £4.9 million)

Restricted funds represent amounts given to us to be spend on an activity as specified or agreed by our donors. These funds are held until used, typically within one year of receipt.

Investments

It is our policy to preserve and, where possible, increase the value of our assets by pursuing a risk-assessed capital management plan which in recent months has been more important than ever.

At 31 March 2020 we held £38.2 million (2018/19: £45.5 million) of investments in recognised listed stock exchanges. Covid-19 has had a significant impact on global equity markets and consequently the returns we might normally expect on the portfolio have not been realised.

We set our investment managers, JP Morgan, an objective to seek returns of RPI plus 4% on our portfolio, subject to planned draw downs on the portfolio when required to deliver our organisational strategy. Net losses and investment income in 2019/20 totalled (£1.3 million) or a (2.7%) return vs. the opening portfolio value. This includes end of year net decreases in value of the portfolio of (£2.2 million) attributable to the Covid-19 impact on global equity markets in quarter four of 2019/20.

We instruct and seek confirmation from JP Morgan that they avoid investing on our behalf in companies that materially profit from products that may be harmful to people with dementia or contribute to the cause of dementia, specifically tobacco and boxing.

Financial position and financial health

At year end, the wide-ranging impact of the Covid-19 pandemic continued to develop. We expect 2020/21 to be a challenging year across our sector and others as the world continues to react to the virus' spread.

We expect significant risks to materialise that will reduce our expected fundraising, trading and investment income, particularly income associated with events involving mass gatherings of people. We are responding to these risks, managing our expenditure to ensure that in conjunction with our healthy level of reserves, our reaction is proportionate to the risk and continues to prioritise providing our services to those who need them most, when they need them most.

The impact of Covid-19 on our investment returns came late in the year and consequently we drew down on our reserves more than planned as we continued to invest in changes, improvements and growth across the strategy. We ended the year with a net expenditure of (£1.5 million).

At 31 March 2020, we had net consolidated assets of £31.8 million. We held investments in registered stock markets valued at £38.2 million, £7.0m in short-term investments and cash, and had £19.3m of trade and other debtors. Alongside this we have a secured loan facility that we may choose to draw down. We believe the loan facility and asset position provides us with enough liquidity to meet our short-term working capital requirements.

The requirements falling due within one-year are made up of creditor commitments related to research grants committed not yet paid totalling £19.4 million and other operating creditors of £9.1 million.

Reserves policy

Our free reserves are held to mitigate short-term financial risks and as a means of saving to invest in our services or operational capabilities. As at 31 March 2020, our free reserves were £17.7 million; this is £0.3 million lower than 2018/19.

Following a significant and ongoing effort to reduce our expected expenditure in 2020/21 in order to align with our expected reductions to income, we anticipate that our free reserves of £17.7 million will cover between four- and six-months charitable expenditure.

This is above the Trustees' requirement of between 2.5 and four months, however given the levels of uncertainty and risk inherent in planning for the next two years, we consider the amount to be prudent. We expect to make use of some of these reserves to invest in delivering changes to our services and to enable more efficient and effective ways of working for our employees.

Going concern

The Covid-19 pandemic is certain to have a disruptive impact to our operations in 2020/21 and in later years. Given its nature, it impacts how we deliver some of our core support services and how we can fundraise to deliver our entire portfolio of activities.

It is unclear how long the circumstances created by the pandemic are likely to last and what the long-term impact of the Covid-19 will be. We ordinarily budget and plan on an annual basis, however for 2020/21 we are undertaking detailed financial planning for a period of two-years to ensure that we can react in a proportionate and timely manner to continually changing circumstances.

As part of a now ongoing process to ensure that we have taken all reasonable measures to mitigate the risks we expect to face in the short- to medium-term we have considered:

- Areas where we can make immediate savings or generate income outside of our normal activities, including making use of the Government's Coronavirus Job Retention Scheme and launching an emergency appeal to ensure core services are not placed at risk.
- Our working capital requirements for the coming two years and planned to ensure that we have enough liquidity to meet our obligations as they fall due, including through securing a borrowing facility secured against our investment portfolio.
- Sensitivity analysis of areas of significant volatility or uncertainty, including income, expenditure and timings of cashflows. We have developed a series of lead indicators and associated actions.

Our Trustees have been regularly involved in the decision making associated with Covid-19 and how it could impact our financial position. On the basis of this involvement and having regard to the above, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements and have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future.

Our people

To achieve our vision of a world without dementia, we need everyone to unite and join our growing movement for change. We help our people – our volunteers and employees – be active, authentic ambassadors of everything we do.

We all have a role to play in creating an environment in which everyone can:

- feel capable and empowered to make a difference
- see the impact of their contribution
- shape an empowering working/volunteering environment
- have pride in what we do
- feel personally valued as part of something bigger.



In 2019/20 our annual engagement survey showed 95% of volunteers (2018/19: 79%) and 97% of employees (2018/19: 87%) could see people around them living our values and behaviours. This is a positive indicator that our organisational values and behaviours (launched in 2017/18) are embedded and engendering an environment in which our people can thrive, and a culture that will get results for people affected by dementia. However, we have recognised that there do need to be some changes in line with changes in the way we work and have begun to review our values to refresh these and make them even more relevant to our organisation.

Our volunteers

Our volunteers, who so generously give their time, are invaluable to our work and supporting the Society to reach more people living with dementia. There is an amazing range of ways volunteers give their time and skills: directly supporting people to live well with dementia, changing attitudes to dementia through our Dementia Friendly activities, supporting our dementia research, raising funds to help more people and supporting the Society to run smoothly.

We could not achieve the things we do without these generous-spirited people sharing their energy, skills, enthusiasm and first-hand experience of dementia. Our volunteers support us for an average of 41 months. Whether they help regularly or occasionally, we value and appreciate their commitment.

We enable our volunteers to use their skills and experience to change lives, which motivates them to keep on supporting us. Volunteers are involved in the creation, testing and delivery of our services. They select our research projects, shape our campaigns, and raise vital funds to make our work possible.

Our employees

Our 2,185 employees (2018/19: 2,240) are split 61%/39% between full and part time. Ninety-four per cent are on permanent contracts, 4% fixed term and 1% are casual workers. Our average length of service is just over 50 months (4.2 years). These passionate, professional, purpose-driven people live our values through their drive and determination to unite against dementia.

Disabilities in the workplace

As an employer, Alzheimer's 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. We conduct an individual risk assessment for every applicant, employee or volunteer with a disability. This identifies any reasonable adjustments that need to and can be made to the workplace or role for the person to contribute fully to our work.

Safeguarding our service users

We have a proud record of ensuring we have robust safeguarding training, policies and procedures. We work collaboratively with people affected by dementia to ensure their safety and well-being.

Our safeguarding work includes regular audits, action plans and continued improvement. Following a successful pilot in 2018/19, our new system for recording safeguarding concerns (RADAR) will be rolled out across the Society over the coming year.

Remuneration policy

At Alzheimer's Society, we appreciate the hard work and dedication our people put into their daily roles in order to improve the lives of people affected by dementia. As a result, we have adopted a 'total reward' approach to pay and benefits which we hope encompasses everything our people value most. The Remuneration Committee has been incorporated into a new People Committee which looks at a wider range of employee and volunteer matters. As part of our continued commitment to pay equality and transparency for all our employees, we have updated our pay and grading structure and established a new simplified framework that incorporates the use of salary ranges. The framework has been designed to provide a clearer and more transparent pay structure which enables us to pay people competitively. It helps to provide a logical basis for decisions about pay, promoting internal equity and consistency in our pay practices. The new salary ranges also give the Society better ability to compete with other organisations in the charity sector.

Equality, diversity and inclusion

Our ambitious equality, diversity and inclusion (EDI) plan builds on our previous work to increase awareness of diversity, puts in place the necessary infrastructure and governance, and helps improve our data.

To reach everyone affected by dementia, we need to understand the diverse needs of people affected by the condition. The best way to do this is to make sure our people reflect the wider UK society. Our values and behaviours underpin this mission and will be the foundation for advancing our vision for EDI.

Gender pay gap (GPG)

The Society's 2019 median gender pay gap of 16.1% has not changed since 2018, and a small change in our mean GPG to 15.6% (FY 18/19: 15.9%) is just over two percentage points below the national average (17.9%), as reported by the Office of National Statistics (ONS). Although our GPG is higher than we would wish, we are generally moving slowly in the right direction and we will seek to continue to build on the thinking and behaviours behind the decrease.

Our GPG reflects the fact we employ significantly more women in lower salaried roles, such as day support workers and service administrators, and have greater representation of men in higher salaried roles. These patterns reflect wider employment trends (for example, a higher proportion of women working in the care sector in lower paid roles) which will take time to change.

Our 2018-23 equality, diversity and inclusion strategic plan outlines activities to help us improve the representation of men and women across all levels of the organisation, to help us reduce our GPG further. Building on this, our analysis this year focused on understanding the specific causes of our GPG, so we can target our interventions in the most effective way. As a result, specific interventions around how we attract candidates and how we support employees and encourage them to progress has been incorporated into our 2019-23 Society-wide people plan. Successes have been seen in a 22% increase in the number of men recruited to our dementia adviser roles and in the increase in females appointed to senior management positions.

Related companies and subsidiaries

Alzheimer's Trading Limited

Alzheimer's Trading Limited (ATL) is a wholly owned subsidiary of Alzheimer's Society. It generates income from licensing and marketing a wide range of gifts, merchandise and products, the sale of which supports our work. ATL's profits are gift aided to Alzheimer's Society. These profits amounted to £355,000 in 2019/20 (2018/19: £282,000), reflecting the range and visibility of our retail activities, and the cost of rebranding some of our products.

The CEO of Alzheimer's Society is the Chair of ATL, enabling a clear and direct reporting line to the Society's Board.

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

The principal activities of the Alzheimer's Foundation are to promote research into finding a cure for Alzheimer's disease, and to publish the results of this research. It is a company limited by guarantee and a registered charity. During 2019/20, £38,000 of funds received through Alzheimer's Society were passed on to the Alzheimer's Foundation. Further details of the subsidiaries are included in Note 7.

Alzheimer's Brain Bank UK Limited

Alzheimer's Brain Bank UK Limited (ABBUK) is a company limited by guarantee and a registered charity. It is a 50:50 joint venture between Alzheimer's Society and Alzheimer's Research UK. The principal activities 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 collaboration with the Medical Research Council and Alzheimer's Research UK, supports the Brains for Dementia Research (BDR) initiative (brainsfordementiaresearch.org.uk). This provides a simple, nationwide system for brain donation at a network of brain bank facilities across England and Wales. Six centres are collecting and disseminating samples for research.

The UK Dementia Research Institute

The UK Dementia Research Institute (UK DRI) is governed by UK DRI Ltd, a charitable company limited by guarantee, incorporated on 2 November 2017. The founding Trustees of the UK DRI were nominated by the three Founder Funders: Alzheimer's Society, the Medical Research Council and Alzheimer's Research UK.

The company's aims are to preserve and protect the health of the public and to advance education, by:

- promoting and undertaking research into neurodegenerative disorders (and illnesses contributing to such disorders) and associated factors that give rise to dementias and related conditions. This includes research that sheds light on the nature, cause, symptoms, diagnosis, prevention, treatment and/or cure of the range of disorders that give rise to dementias and related conditions.
- developing the outputs of such research to provide increased accuracy and timeliness of diagnosis and interventions that prove effective in treating and improving the care of people with dementia and which may, ultimately, prevent and/or cure dementia and related conditions.

The UK DRI awards research grants to the University of Cambridge, Cardiff University, the University of Edinburgh, Imperial College, King's College London, and University College London. The UK DRI is governed as a single institute across the six universities with common intellectual property (IP) and other policies. The UK DRI is directed by Professor Bart de Strooper at University College London.

Research grants

The Society's ethical policy states that income from the pharmaceutical industry should be capped at 5% of income, based on the accounts for the preceding year. Support from pharmaceutical companies during 2019/20 amounted to £45,451, representing 0.04% of total income.

Grant-making policy

Research funding is awarded through our research grants programme. We invite applications for the funding of research projects from a wide range of research backgrounds. Applications are assessed by external peer and lay review and an expert panel of researchers, clinicians and people affected by dementia. The process recognises the priorities of people affected by dementia, as well as ensuring scientific quality and timeliness. The Society disseminates the results of funded research, making new discoveries in dementia diagnosis, treatment and prevention for the public benefit.

We monitor projects, which normally run for between two and three years, by reviewing annual reports. Our Research Network also monitors research projects, regularly meeting with its research teams to review progress and make sure it's appropriate to continue providing funding.

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. In so far 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.

This Annual Report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 23 September 2020, including approving in their capacity as company directors the Strategic report contained therein, and is signed and authorised on its behalf by

Stephen Hill, OBE
Chair of Trustees

Consolidated statement of financial activities

For the year ended 31 March 2020

Incorporating an income and expenditure account

	Notes	Restricted funds £'000	Unrestricted funds £'000	2020 Group Total £'000	2019 Group Total £'000
Income and endowments from					
Donations and legacies	2a	7,670	75,165	82,835	80,671
Charitable activities	2c	296	24,720	25,016	26,441
Other trading activities	7c	25	5,124	5,149	3,667
Investment income	2d	–	888	888	954
Total		7,991	105,897	113,888	111,733
Total incoming resources		7,991	105,897	113,888	111,733
Expenditure on					
Raising funds	3	72	32,053	32,125	31,628
Charitable activities	3	8,792	72,331	81,123	85,609
Total		8,864	104,384	113,248	117,237
Operating surplus/(deficit)		(873)	1,513	640	(5,504)
Net gains/(losses) on investments	7	–	(2,155)	(2,155)	1,398
Net (expenditure)/income		(873)	(642)	(1,515)	(4,106)
Transfer between funds	14	(25)	25	–	–
Other recognised gains and losses					
Net interest in joint venture operating result	7	–	(8)	(8)	(11)
Net movement of funds		(898)	(625)	(1,523)	(4,117)
Funds balance at 1 April 2019		4,932	28,408	33,340	37,457
Funds balance at 31 March 2020		4,034	27,783	31,817	33,340

Consolidated balance sheet

As at 31 March 2020

	Notes	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Fixed assets					
Tangible assets	6a	3,045	3,045	2,277	2,277
Intangible assets	6b	584	584	1,145	1,145
Investments	7a	38,194	38,294	45,470	45,570
		41,823	41,923	48,892	48,992
Current assets					
Short-term investments and deposits	7b	873	873	1,175	1,175
Stock	8	86	–	87	–
Debtors	9	19,265	19,777	18,213	18,312
Cash at bank and in hand		6,161	5,522	3,922	3,755
		26,385	26,172	23,397	23,242
Current liabilities					
Creditors – amounts falling due within one year	10	(28,583)	(28,501)	(24,276)	(24,293)
Net current assets		(2,198)	(2,329)	(879)	(1,051)
Total assets less current liabilities		39,625	39,594	48,013	47,941
Long-term liabilities					
Creditors – amounts falling due after one year	10	(6,717)	(6,717)	(14,302)	(14,302)
Provision for liabilities and charges	11	(1,091)	(1,091)	(371)	(371)
Net assets		31,817	31,786	33,340	33,268
Funds					
Restricted					
Designated funds DRI	14	4,034	4,034	4,932	4,932
Designated funds: fixed assets		6,500	6,500	6,500	6,500
Designated funds: information technology		3,629	3,629	3,422	3,422
Designated funds: information technology		–	–	543	543
General funds		17,654	17,623	17,943	17,871
Unrestricted	14	27,783	27,752	28,408	28,336
Total funds		31,817	31,786	33,340	33,268

Total incoming resources includes £112.7 million (2019: £110.0 million) and net movement in funds includes £1.5 million outflow (2019: £3.9m outflow) in respect of the Society.

The financial statements on pages 54 to 77 were approved and authorised for issue by the Trustees on 23 September 2020 and signed on their behalf by:



Stephen Hill, OBE
Chair of Trustees



Emyr Roberts
Chair of Assurance, Audit and Risk Committee

The notes on pages 57 to 77 form part of these financial statements.

Company Number 2115499.

Consolidated cash flow statement

For the year ended 31 March 2020

	2020 Group £'000	2019 Group £'000
Cash flows from operating activities		
Net cash used in operating activities	(2,069)	(4,616)
Cash flows from investing activities:		
Dividends, interest and rents from investments	888	954
Proceeds from the sale of property, plant and equipment	242	–
Purchase of property, plant and equipment	(2,236)	(1,058)
Proceeds from sale of investments	7,476	6,685
Purchase of investments	(2,363)	(1,953)
Net cash provided by (used in) investing activities	4,007	4,628
Change in cash and cash equivalents in reporting period		
Bank cash and cash equivalents at the beginning of the reporting period	3,922	2,706
Short term deposits at the beginning of the reporting period	1,175	2,379
Total cash and short term deposits at the beginning of the reporting period	5,097	5,085
Bank cash and cash equivalents at the end of the reporting period	7,035	5,097
Net movements on funds	(1,523)	(4,117)
Adjustments for:		
Depreciation and amortisation charges	1,102	652
Impairment of assets	860	–
Losses/(gains) on investments	2,163	(1,398)
Dividends, interest and rents from investment	(888)	(954)
Loss on the sale of fixed assets	(172)	–
(Increase) in stocks	(0)	(1)
(Increase) in debtors	(1,053)	(702)
Increase/(decrease) in creditors and provisions	(2,558)	1,904
Net cash used in operating activities	(2,069)	(4,616)

Notes to the financial statements

For the year ended 31 March 2020

Alzheimer’s Society is a registered charity (charity no 296645) and a company limited by guarantee and registered in England (company no 2115499. Registered address: 43–44 Crutched Friars, London EC3N 2AE). It meets the definition of a public benefit entity under FRS 102.

1. Accounting policies

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011 and UK Generally Accepted Accounting Practice.

After reviewing the group’s forecasts and projections, the Trustees consider that the group is well placed to manage the business risks it faces. This position is supported by a strong cash flow, a high level of reserves and strong voluntary income fundraising. The Trustees therefore have a reasonable expectation that the group has sufficient resources to continue in its operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the group to continue as a going concern.

The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

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 subsidiaries are:

Alzheimer’s Trading Ltd. Company no. 2737333

Alzheimer’s Foundation for Research into Alzheimer’s Disease. Company no. 3655393

Alzheimer’s UK Ltd. Company no 03086855

Caring for Dementia. Company no 03086851

Each of these share Alzheimer’s Society registered address:
43–44 Crutched Friars, London EC3A 2AE.

The Society’s annual share of the profits or losses from joint ventures, being a loss of £7,800 (2018/19: loss of £10,854) is included in the statement of financial activities (SOFA) and its share of the net assets is included in the balance sheet. The joint venture is Alzheimer’s Brain Bank UK. Company no. 05762960.

No separate SOFA has been prepared for the parent charity as is permitted by section 408 of the Companies Act 2006 and the Charities SORP.

Notes to the financial statements

For the year ended 31 March 2020

Income

All income, restricted or unrestricted, is accounted for on a receivable basis and is reported gross of related expenditure, where the amount can be quantified with reasonable accuracy and there is probability of receipt.

Residuary legacies are recognised as income receivable once probate has been granted, notification has been received and where they can be reliably valued e.g. using draft estate accounts. Residuary legacies with a life interest are only valued where legal title has passed to the Society.

Pecuniary legacies are recognised as income receivable once probate has been granted and notification has been received.

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, and is reported gross of related income. Where appropriate, it has been allocated directly to operating activities.

Indirect 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 suffers 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 when the Society is entitled to the income, there is adequate probability of receipt and the amount can be quantified with reasonable accuracy. 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.

Grant income from central government (whether grant or contract income) is detailed in note 2. All income from local government is contract income.

Tangible and intangible fixed assets

Tangible fixed assets, with a value of £2,500 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 33.3% per annum

Intangible fixed assets, being computer software, are stated at cost or valuation when acquired and amortised on a straight line basis at 33.3% 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 undertake impairment reviews in accordance with FRS102.

Items costing less than £2,500 are expensed immediately to the SOFA.

Financial instruments

Alzheimer's Society has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets, held at amortised cost, comprise cash at bank and in hand, short term cash deposits and the group debtors excluding prepayments. Financial liabilities held at amortised cost comprise the group short and long-term creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which accounts will be settled are such that any discounting would be immaterial.

Investments, including bonds and cash held as part of the investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

At the balance sheet date, the group held financial assets at amortised cost of £24,287k, (2019 £20,409k), investment assets at fair value through income and expenditure of £38,084k (2019 £45,352k) and financial liabilities at amortised cost of £ 31,913k (2019 £35,531k).

The present value of future commitments to research creditors has been considered; at a discount rate of 3% the reduction in value is not considered to be material.

Notes to the financial statements

For the year ended 31 March 2020

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.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below. Two main provisions are made in the accounts where there is estimation uncertainty:

Property dilapidation costs and charges that may be incurred on the termination of leases are provided for by including any known exposure together with an estimate based on the level of historic claims projected to anticipated lease terminations; and

An amount of residuary legacy income is provided for by assessing the historical differences between the actual value of cash received compared to income values recorded at point of recognition, this provision is then applied to all new residuary income recognised.

In the view of the Trustees, no other assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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. These are the fixed asset fund, IT improvement fund and UK DRI fund.

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

UK Dementia Research Institute

The entity has been formed under a joint agreement with Alzheimer's Society, Alzheimer's Research UK, and the Medical Research Council, to which each entity will commit to supporting UK DRI Ltd with grants to undertake research. The legal form of this arrangement is one of a joint venture, but substance of the funding agreement does not align to that of a traditional joint venture as it has been constructed as an agreement underpinned by three parties to fund a specific area of research. A joint venture typically requires unanimous consent of the parties for strategic decision making, instead the agreement makes the Society one of three members who then has a right to nominate a member to the board, who make the strategic decisions. Amounts committed under the agreement are decided upon annually and once committed are therefore treated as grants in the financial statements of Alzheimer's Society.

Shared Services

CharITyshare Limited is incorporated in England and Wales to provide IT shared services. At 31 March 2020 it is jointly and equally owned by the three member charities, Alzheimer's Society, The Children's Society and Age UK.

During 2018/19, the three member charities transitioned their IT services from CharITyshare Limited to NIIT Technologies Limited. Alzheimer's Society accounts for its share of assets, liabilities and cash flow according to the shared services agreement.

We have no assets or liabilities related to CharITyshare Limited recognised in the accounts for the year ended 31 March 2020.

CharITyshare Limited is expected to be wound up during 2020/21 via a Member Voluntary Liquidation process.

Notes to the financial statements

For the year ended 31 March 2020

2. Income

a) Donations and Legacies

	2020 Group £'000	2019 Group £'000
Legacies	28,815	27,467
Individual Giving	9,996	9,084
Corporate	3,975	4,239
Philanthropy	5,085	3,171
Community Fundraising	34,964	36,710
Total Donations and Legacies	82,835	80,671

b) Gift aid recovery

The consolidated SOFA includes £4.54million (2019 £4.11million) for gift aid on voluntary fundraising.

c) Charitable Activities

Income from charitable activities mainly relates to services commissioned by the local authorities and the NHS, also known as contract income.

d) Investment income

	2020 Group £'000	2019 Group £'000
Bank and other interest	25	–
Income from Fixed interest and listed equity investments	864	954
	889	954

	2020 Group £'000	2019 Group £'000
--	---------------------------------	------------------------

e) Grants and contract income includes:

Big Lottery Fund	–	–
Bill Brown's Charitable Settlement of 1989	8	8
Cecil and Hilda Lewis Charitable Trust	10	10
Cheshire East Council	–	17
Cheshire West & Cheshire Council	–	26
Durham County Council	36	260
Gateshead Metropolitan Borough Council	2	53
Gordon Gilby	32	23
Knowsley Metropolitan Council and Knowsley Care Trust	14	73
Leicester City Council	78	547
Leicestershire County Council	–	–
Monmouthshire County Council	–	72
Newcastle City Council	–	–
The players of People's Postcode Lottery	550	400
Stockport Metropolitan Borough Council	–	–

	2020 Group £'000	2019 Group £'000
e) Grants and contract income includes:		
Stockport NHS	10	35
City Bridge Trust	60	23
The CM Lowe Charitable Trust	2	3
The Eric and Margaret Kinder Charitable Trust	–	–
The February Foundation (formerly The C Charitable Trust)	50	50
The Foster Wood Foundation	10	15
The General Charities of the City of Coventry	15	20
The Ingram Trust	–	25
Skipton Building Society	–	88
The Kirby Laing Foundation	–	–
The R S Macdonald Charitable Trust	–	67
Margaret Giffen Charitable Trust	25	25
The Utley Foundation	–	–
Welsh Assembly Government	90	90
Department of Health	32	32

The Department of Health provided a revenue core grant for the sum of £32k in 19/20, the grant is used to fund part of the salary costs of the County Director. The grant has been awarded for the purpose of achieving a number of dementia related projects.

Under the terms of the grant or contract, these grants or contracts have been disclosed individually. There were no other unfulfilled contract conditions during the year.

f) Lottery income

Included in Other Trading activities is £2.037m of lottery income received for the year ended 31 March 2020.

Notes to the financial statements

For the year ended 31 March 2020

3. Resources expended

	Fundraising £'000	New Deal on Support £'000	New Deal on Research £'000	New Deal on Society £'000	2020 Group total £'000	2019 Group total £'000
Activities undertaken directly	29,607	48,421	1,817	11,679	91,524	93,065
Grant funding of activities (note 4)	–	–	6,474	–	6,474	9,628
Direct costs	29,607	48,421	8,291	11,679	97,998	102,693
Indirect costs (including governance)	2,518	10,899	252	1,581	15,250	14,544
Total costs	32,125	59,320	8,543	13,260	113,248	117,237

The direct costs of £98m are 87% of the total expenditure of £113.2. This calculation supports the figure of 87 pence of every pound earned this year was spent on raising awareness and improving the lives of people with dementia.

Basis of indirect cost allocation

The remaining £15.2m of indirect costs are allocated to service departments based on staff numbers, consist of IT, central premises, human resources, finance, governance and corporate resource costs.

Fundraising costs include the trading costs of subsidiaries.

	2020 Group £'000	2019 Group £'000
Activities undertaken directly for the New Deal on Support were:		
Dementia support and advisers	20,078	25,262
Side by side	2,614	2,153
Support groups	2,591	3,571
Information provision	2,461	1,728
Advocacy	405	563
Befriending	9	251
Day care	2,918	3,952
Home care	392	783
Other services	9,977	6,196
Care staff costs attributable over multiple activities	976	4,873
Total Meeting Needs	48,421	49,332

	2019 Group £'000	2018 Group £'000
Governance costs were:		
Audit costs – Crowe	71	69
Board of Trustees	16	24
Company secretarial	105	94
Information Governance	256	312
AGM and other governance meetings	19	10
Internal audit and strategic support	34	65

Company secretarial costs represent the salaries and direct expenditure incurred by the company secretary's department. The company secretary department is involved in operations to comply with the statutory requirements of operating a charitable company.

4. Grant giving

Grants awarded during the financial year include:	2020	2019
Research grants to institutions:	Group	Group
	£'000	£'000
ABBUK	–	–
Anglian Ruskin University	–	84
Dementia Research Institute	2,000	2,000
DeMontford University	2	–
King's College London	–	860
Herriott-Watt University	–	–
Imperial College London	91	372
Lancaster University	101	–
London School of Economics	–	32
London School of Hygiene and Tropical Medicine	–	2
Lincoln University	93	–
Nottinghamshire NHS Trust	–	195
Public Health Agency Northern Ireland	–	19
Queens University Belfast	–	330
Sheffield Institute of Translational Neuroscience	–	1
University College London	1,024	2,061
University of Bath	–	188
University of Belfast	2	–
University of Berkshire	–	–
University of Birmingham	–	63
University of Bradford	–	3
University of Bristol	227	85
University of Cambridge	179	520
University of Cardiff	85	58
University of Dundee	–	85
University of East Anglia	8	175
University of Edinburgh	111	1,001
University of Exeter	99	488
University of Glasgow	–	–
University of Hertfordshire	316	–
University of Leeds	2	–
University of Leicester	–	–
University of Liverpool	–	10
University of Manchester	497	212
University of Newcastle	956	93
University of Nottingham	–	–
University of Oxford	237	437
University of Plymouth	2	–
University of Reading	–	2
University of Sheffield	117	–
University of Southampton	85	40

Notes to the financial statements

For the year ended 31 March 2020

4. Grant giving (continued)

Grants awarded during the financial year include:	2019	2018
Research grants to institutions:	Group	Group
By Society:	£'000	£'000
University of Strathclyde	–	10
University of Sussex	225	85
University of West London	–	–
University of West of England	4	–
University of Worcester	91	3
University of York	–	224
Watford General Hospital	41	–
Underspend on projects written back	(121)	(110)
Total Society Research grants	6,474	9,628

Support costs allocated to grant making activities were £233k (2019 £226k).

5. Staff costs

	2020	2019
	Group	Group
	£'000	£'000
Gross wages and salaries	52,489	51,571
Employer's National Insurance	4,761	4,629
Pension contributions	3,243	2,544
Redundancy costs	467	228
	60,960	58,972

All the redundancy costs for 2019 were settled during the year to 31 March 2020 (2019 £0k unpaid).

Pension costs

The Society operates a stakeholder pension scheme, administered by Scottish Widows (formerly 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 Society implemented auto-enrolment in September 2013, in line with the Workplace Pension reforms.

All employees participate in the same pension arrangements.

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

	2020 Group full time no.	2020 Group part time no.	2019 Group full time no.	2019 Group part time no.
Employee numbers				
Fundraising	287	6	266	7
New Deal on Support	841	828	778	976
New Deal on Society	172	20	167	15
New Deal on Research	28	3	27	1
	1,328	857	1,238	999

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

	2020 no.	2019 no.
£60,001 – £70,000	21	42
£70,001 – £80,000	23	4
£80,001 – £90,000	4	4
£90,001 – £100,000	1	2
£100,001 – £110,000	2	1
£110,001 – £120,000	3	1
£120,001 – £130,000	1	1
£130,001 – £140,000	–	–
£140,001 – £150,000	–	–
£150,001 – £160,000	1	1

The total employment costs (including employers National Insurance contributions) of the Strategic Leadership Team, comprised of the Chief Executive Officer, Chief Operating Officer, Chief Policy & Research Officer and the Directors of Fundraising, Digital Services, Finance, People & Organisational Development, Operations, Marketing & Communications and Campaigns & Partnerships for the year 2019–20 was £1,326k (2018–19: £1,387k including Employers NI).

Members of the Board

None (2019: 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 9 (2019: 12) Trustees during the year totalling £10,872. (2019: £10,986).

Role of Volunteers

During 2019–20, the Society recorded contributions to its work made by 8,420 regular volunteers (and around 2,310 occasional volunteers).

94% of those contributed to services or fundraising activities; the others helped with research, campaigning or administration.

Notes to the financial statements

For the year ended 31 March 2020

6a. Tangible fixed assets – Group and Society

	Freehold property £'000	Leasehold improvements £'000	Service user transport £'000	Furniture & fittings £'000	Office and computer equipment £'000	Total £'000
Cost						
As at 1 April 2019	237	2,224	–	807	631	3,899
Additions	–	973	–	106	849	1,928
Disposals	(80)	–	–	–	–	(80)
As at 31 March 2020	157	3,197	–	913	1,480	5,747
Depreciation						
As at 1 April 2019	13	725	–	500	384	1,622
Charge for the year	–	323	–	178	592	1,093
Disposals	(13)	–	–	–	–	(13)
As at 31 March 2020	–	1,048	–	678	976	2,702
Net book value						
As at 31 March 2019	224	1,499	–	307	247	2,277
As at 31 March 2020	157	2,149	–	235	504	3,045

6b. Intangible fixed assets – Group and Society

	Computer software £'000	Assets Under Construction £'000	Total £'000
Cost			
As at 1 April 2019	619	597	1,216
Additions	36	273	309
Disposals	–	–	–
Transfers	10	(10)	–
As at 31 March 2020	665	860	1,525
Amortisation			
As at 1 April 2019	71	–	71
Charge for the year	10	–	10
Disposals	–	–	–
Transfers	–	–	–
Charges for Impairment	–	860	860
As at 31 March 2020	81	860	941
Net book value			
As at 31 March 2019	548	597	1,145
As at 31 March 2020	584	–	584

Included in the accounts is a £0.86m impairment of a CRM development. During development we identified several areas where we had concerns that the CRM would be unable to meet our evolving business requirements and had uncertainties about its ability to integrate with our data environment. Management paused development in 2019 to perform a full external review of the capabilities of the system as was and the estimated resources required to complete the solution to generate long-term value for the Society. Unfortunately it was determined that the costs to proceed and complete the development were prohibitive and the project was cancelled.

7. Investments

(a) Fixed asset investments	2020	2020	2019	2019
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Opening valuation 1 April	45,470	45,570	48,804	48,904
Additions	2,363	2,363	1,953	1,953
Disposals	(7,485)	(7,485)	(6,685)	(6,685)
Realised gains on disposals during year	5,107	5,107	1,620	1,620
Unrealised gains/(losses) on valuation	(7,262)	(7,262)	(222)	(222)
Closing valuation 31 March	38,193	38,293	45,470	45,570

	2020	2020	2019	2019
	Group	Society	Group	Society
	£'000	£'000	£'000	£'000
Equity Investments listed on a recognised stock exchange	22,323	22,323	29,557	29,557
Fixed Interest Investments listed on a recognised stock exchange	11,629	11,629	11,197	11,197
Alternative Asset investments listed on a recognised stock exchange	4,131	4,131	4,598	4,598
Investment in subsidiary and associated undertakings	–	100	–	100
Share of assets in joint venture	960	960	1,349	1,349
Share of liabilities in joint venture	(850)	(850)	(1,231)	(1,231)
Total	38,193	38,293	45,470	45,470

Investment assets in the UK	17,650	17,750	22,914	23,014
Investment assets outside the UK	20,543	20,543	22,556	22,556
Total	38,193	38,293	45,470	45,570

All of the investments at 31 March 2020 and 31 March 2019 were held to the order of the Society.

As part of the overall management of funds, the investment managers have entered into commitments to purchase a total of GBP £14,950,539 (2019: GBP £18,580,901), under forward rate contracts at 31 March 2020. All contracts matured at 24 April 2020 and are included within total investments at a market value of (£797,969), (2019: £(57,593)) at 31 March 2020.

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 £135,145 (2019: £117,945). The net interest in the joint venture operating result for the year is £7,800 loss (2019: £10,854 loss). This joint venture is accounted for in accordance with Charities SORP and FRS 102 under the gross equity method.

Notes to the financial statements

For the year ended 31 March 2020

7. Investments (continued)

(b) Short-term investments and deposits	2020 Group £'000	2020 Society £'000	restated 2019 Group £'000	restated 2019 Society £'000
Short-term investments and deposits in cash and cash equivalents held by:				
JP Morgan Current Account	756	756	1,057	1,057
HSBC UK	1	1	1	1
C Hoare & Co	117	117	117	117
	874	874	1,175	1,175

(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 licensing charges 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 (Charity Registration Number 1075535) is a subsidiary of Alzheimer's Society by virtue of all of the members being nominees of the Society. In 2019/20, no grants were made to Alzheimer's Society's research programme (2019: none) or to Alzheimer's Research UK (2019: none).

Profit and loss accounts for the year ended 31 March 2020	Alzheimer's Trading Limited £'000	The Alzheimer's Foundation for Research £'000	2020 Total £'000	2019 Total £'000
Turnover	1,124	–	1,124	1,044
Donations and legacies	–	66	66	690
Cost of sales	(673)	–	(673)	(639)
Gross profit	451	66	517	1,095
Distribution expenses	(44)	–	(44)	(43)
Administration expenses	(52)	–	(52)	(77)
Charitable activities	–	(100)	(100)	(920)
Governance costs	–	(5)	(5)	(5)
Net profit (loss)	355	(39)	316	50
Payment to the Society under gift aid	(355)	–	(355)	(282)
(Deficit)/surplus – retained in subsidiaries	–	(39)	(39)	(232)
Balance sheets at 31 March 2020				
Stock	86	–	86	87
Debtors	90	23	113	287
Cash at bank and in hand	626	14	640	167
Creditors – amounts falling due within one year	(702)	(5)	(707)	(370)
Net assets	100	32	132	171
Financed by:				
Ordinary share capital	100	–	100	100
Unrestricted funds	–	32	32	71
Total funds	100	32	132	171

Alzheimer's Trading Limited owns all the ordinary share capital of two other companies i.e. Alzheimer's UK Limited (Registration Number 03086855) and Caring for Dementia Limited (Registration Number 03086851).

Both of these companies are registered in England, are dormant, and had no assets or liabilities as at 31 March 2020.

8. Stock

	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Finished goods and goods for re-sale	86	–	87	–

9. Debtors

	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Trade debtors	2,501	2,388	2,907	2,724
Prepayments	1,523	1,523	2,014	2,014
Accrued income	14,315	14,315	13,126	13,126
Other debtors	926	926	166	166
	19,265	19,152	18,213	18,030
Amounts due from subsidiary undertaking	–	625	–	282
	19,265	19,777	18,213	18,312

Accrued income includes income receivable of £489,426 (2019: £887,614) for gift aid recovery.

10. Creditors

	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Amounts falling due within one year:				
Research grant creditors	19,440	19,440	12,526	12,526
Trade creditors	2,185	2,103	4,431	4,343
Other taxes and social security	1,615	1,615	1,267	1,267
Other creditors	1,453	1,453	1,665	1,665
Accruals	2,422	2,422	2,502	2,502
Deferred income (see note 12)	1,468	1,468	1,885	1,885
	28,583	28,501	24,276	24,188
Amounts due to subsidiary undertaking	–	–	–	105
	28,583	28,501	24,276	24,293
Amounts falling due after one year:				
Research grant creditors	6,717	6,717	14,302	14,302
Research grant creditors are payable:				
Within one year	19,440	19,440	12,526	12,526
Between one and two years	5,870	5,870	8,782	8,782
Between two and five years	847	847	5,520	5,520
Total research grant creditors	26,157	26,157	26,828	26,828

Included in creditors are amounts due to the joint venture, ABBUK, of £736,006 (2019: £886,006) and amounts due to the Dementia Research Institute (UKDRI) Limited of £2,000,000 (2019: £2,000,000).

Notes to the financial statements

For the year ended 31 March 2020

11. Provisions for liabilities and charges

	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Balance at 1 April 2019	371	371	72	72
Amounts provided for during the year	830	830	371	371
Amounts released to resources expended during the year	(110)	(110)	(72)	(72)
	1,091	1,091	371	371

Provisions represent the estimated cost of repairing dilapidations in properties currently rented, at the end of their leases and for expected restructuring costs.

12. Deferred income

	2020 Group £'000	2020 Society £'000	2019 Group £'000	2019 Society £'000
Balance at 1 April 2019	1,885	1,885	1,529	1,529
Amounts released to incoming resources	(1,885)	(1,885)	(1,529)	(1,529)
Amounts deferred in the year	1,468	1,468	1,885	1,885
	1,468	1,468	1,885	1,885

Deferred income represents income relating to future events which may be given back in the event of cancellation and multi-year contract payments paid in advance.

13. Taxation

As a charity, Alzheimer's Society is potentially exempt from taxation of income and gains to the extent that these are applied to its charitable objectives.

14. Funds

Note	At 1 April 2019 Group £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains and losses £'000	At 31 March 2020 Group £'000
Restricted funds:						
Government of Wales						
Geographic Rest Funds						
Dementia Friends and DFC	(a)	–	90	(90)	–	–
		–	90	(90)	–	–
Other funders						
Research		3,107	3,847	(4,633)	–	2,321
Care services		453	1,966	(2,352)	–	67
Geographically restricted funds		1,340	1,700	(1,542)	–	1,498
Other		32	361	(246)	–	147
Wolfson Foundation		–	25	–	(25)	–
		4,932	7,899	(8,773)	(25)	4,033
Total restricted funds		4,932	7,899	(8,773)	(25)	4,033
Designated funds		10,465	2,156	(1,362)	(270)	10,989
Unrestricted funds		17,943	103,691	(102,972)	295	16,794
Total funds		33,340	113,836	(113,197)	–	31,816

The Society received a £25,000 donation from Wolfson Foundation that was restricted to telephony costs for setting up the telephone helpline at the Society's Birmingham hub.

Designated funds include £4.4 million (2019: £3.4m) which represents the Society's investments in tangible and intangible assets which are not immediately realisable; £0.5m (2019: £0.5m) to be spent on further improvements in IT (£0.6m has been spent on IT improvements in 2018–19); and £6.5m (2019: £6.5m) designated to be invested in the UK Dementia Research Institute (DRI).

Gains and losses includes both investment gains and the net interest in the joint venture.

During the year the society was in receipt of £94k from the Isle of Man which is restricted for use within the Isle of Man Dementia services.

- a) During the year the Society was in receipt of a £90k grant from the Government of Wales. This grant is restricted to the activities agreed to by the Government of Wales and the Society. In accordance with their terms, an analysis is reported below:

	At 1 April 2019 Group £'000	Incoming resources £'000	Resources expended £'000	At 31 March 2020 Group £'000
Dementia Friends and Dementia Friendly Communities	–	90	(90)	–
	–	90	(90)	–

The government grants on detailed in note (a) supported the work of Alzheimers Society by encouraging better community engagement with people affected by dementia, and spreading the experience of creating dementia friendly communities in Wales.

Notes to the financial statements

For the year ended 31 March 2020

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:

	2020 Land and buildings £'000	2020 Other £'000	2019 Land and buildings £'000	2019 Other £'000
Operating leases payments due:				
Within one year	1,701	22	2,024	21
In two to five years	5,226	43	5,791	16
After five years	1,319	–	2,497	–
	8,246	65	10,312	37

b) Capital commitments not yet contracted for

There are no capital commitments for year ending 31/3/2020. (2019: capital commitments were £118k for the Customer Relations Management (CRM) system and £712k for Tricorn House (regional office)).

16. Analysis of group net assets between funds

	Tangible and intangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after 1 year £'000	Total £'000
2019–20					
Restricted funds	–	–	4,034	–	4,034
Designated funds	3,629	6,500	–	–	10,129
General funds	–	31,694	(6,232)	(7,808)	17,654
	3,629	38,194	(2,198)	(7,808)	31,817

	Tangible and intangible fixed assets £'000	Investments £'000	Net current assets £'000	Creditors due after 1 year £'000	Total £'000
2018–19					
Restricted funds	–	–	4,932	–	4,932
Designated funds	3,422	6,500	543	–	10,465
General funds	–	38,970	(6,355)	(14,672)	17,943
	3,422	45,470	(880)	(14,672)	33,340

17. Consolidated statement of financial activities

For the year ended 31 March 2019

Incorporating an income and expenditure account

	Notes	Restated Restricted funds £'000	Restated Unrestricted funds £'000	Restated 2019 Group Total £'000
Incoming and endowments from				
Donations and legacies	2a	7,334	73,337	80,671
Charitable activities	2b	1,112	25,329	26,441
Other trading activities	7c	6	3,661	3,667
Investment income	2d	–	954	954
Total		8,452	103,281	111,733
Expenditure on				
Costs of generating funds				
Raising funds	3	24	31,604	31,628
Charitable activities	3	8,210	77,399	85,609
Total		8,234	109,003	117,237
		218	(5,722)	(5,504)
Operating deficit				
Net gains/(losses) on investments		–	1,398	1,398
Net income/(expenditure)		218	(4,324)	(4,106)
Net interest in joint venture operating result		–	(11)	(11)
Net movement of funds		218	(4,335)	(4,117)
Funds balance at 1 April 2018		3,636	26,484	30,120
Prior Year Adjustment		1,078	6,259	7,337
Funds balance at 1 April 2018 (as restated)		4,714	32,743	37,457
Funds balance at 31 March 2019		4,932	28,408	33,340

In line with the requirements of FRS 102 SORP, the above note shows the split of comparative information between the Funds.

The option to prepare a separate note has been taken, over the integration within the existing SOFA (i.e. the six column approach).

Notes to the financial statements

For the year ended 31 March 2020

18. Funds

For the year ended 31 March 2019

		At 1 April 2018 Group £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains and losses £'000	At 31 March 2019 Group £'000
Restricted funds:							
Department of Health							
Care services							
International DFCs	(a)	–	162	(162)	–	–	–
Government of Wales							
Geographic Rest Funds							
Dementia Friends and DFC	(b)	–	90	(90)	–	–	–
		–	252	(252)	–	–	–
Other funders							
Research		2,492	4,367	(3,752)	–	–	3,107
Care services		758	1,678	(1,983)	–	–	453
Geographically restricted funds		1,537	2,002	(2,199)	–	–	1,340
Other		(73)	152	(47)	–	–	32
		4,714	8,199	(7,981)	–	–	4,932
Total restricted funds		4,714	8,451	(8,233)	–	–	4,932
Total designated funds		4,156	461	(652)	6,500	–	10,465
Unrestricted funds		28,587	102,821	(108,352)	(6,500)	1,387	17,943
Total funds		37,457	111,733	(117,237)	–	1,387	33,340

19. Related Party Transactions

In 2019–20, Alzheimer's Society charged £43k (2018–19 £43k) to Alzheimer's Trading Ltd for the provision of staff and the purchase of goods. The balance owed to Alzheimer's Society at 31 March 2020 was £633k (31 March 2019 £177k).

Alzheimer's Society collected legacy income on behalf of The Alzheimer's Foundation, to the value of £38k. (2018–19 £416k). The balance owed to The Alzheimer's Foundation at 31 March 2020 was £8k (31 March 2019 £0k).

As at 31 March 2020 ABBUK owed the Society £5K (2019: ABBUK owed the Society £17k).

In addition to this, the Society owed the balance of funding for BDR3 Year 2, £291.6k which is reflected under grant creditors due within one year.

Alzheimer's Society agreed funding of £2m to the UK DRI Limited for 2018/19. This amount has been recognised as a grant in 2018–19 and the balance of £2m was paid in 2019–20.

There are no other related party transactions to report.

20. Agency agreement for JPND external grants

Alzheimer's Society has acted as collecting agent for research grants for a EU Joint Programme–Neurodegenerative Disease Research (JPND) which was launched a European call for proposals to fund Multinational research projects on Health and Social Care for Neurodegenerative Diseases.

The proposed funding schedule for the amounts to be received by three other funders is as shown below:

Funding Schedule	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000	Total £'000
Alzheimers Society	457	–	–	457
DHSC	417	417	416	1,250
Welsh Government	180	–	–	180
PHANI	125	–	–	125

Costs Against Funders	31 March 2019 £'000	31 March 2020 £'000	31 March 2021 £'000	Total £'000
Alzheimers Society	–	23	–	23
DHSC	–	64	–	64
Welsh Government	–	9	–	9
PHANI	–	6	–	6

As at 31 March 2020, £1,138k had been received in the Society's bank accounts from the Welsh Government (£180k), DHSC (£833k) and PHANI (£125k), and this amount is held in a separate account as the Society is acting as an agent in this arrangement.

As at 31 March 2020, £102,486 had been spent against the £2,011,600 from the funding schedule above. The Society recognised its own contribution for grant commitments amounting to £457k in respect of JPND in 2018–19.

21. Post Balance Sheet Events

In March 2020, the World Health Organisation declared the Coronavirus a global pandemic. The UK government's restrictions imposed to control the spread of the Coronavirus have had a significant impact on the activities of the Society. In particular this resulted in:

- Pause in delivery of face to face services for people affected by dementia
- Risk to income as a result of the pause in delivery of mass participation events
- Temporary and permanent closure of offices and staff having to work from home

While the scope and scale of these changes have been substantial at the date of signing, there have been no material impacts on the values of assets or liabilities recognised in these accounts.

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

Opinion

We have audited the financial statements of Alzheimer's Society for the year ended 31 March 2020 which comprise Consolidated Statement of Financial Activities (incorporating an income and expenditure account), Charity and Consolidated Balance Sheet, Consolidated Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the Trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 52, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

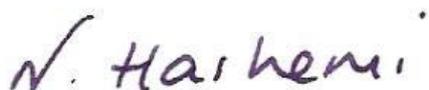
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Naziar Hashemi

Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

16 October 2020

Society People

Royal Patron

HRH Princess Alexandra,
The Hon Lady Ogilvy, KG, GCVO

President Emeritus

Sir Jonathan Miller CBE –
passed away 27 November 2019

Board of Trustees Chair and Vice Chair

Chair Stephen Hill OBE –
re-appointed 17 September 2019

Vice-Chair Jenny Owen CBE –
to 17 September 2019

Vice-Chair Manish Shah –
re-appointed 10 October 2017 –
appointed as Vice Chair 17 September 2019

Board Members

Ali Harrison –
re-appointed 17 September 2019

Bernard Herdan CB –
to 17 September 2019

Duncan Jones –
re-appointed 17 September 2019

Dr Emyr Roberts –
re-appointed 10 October 2017

Sarah Weir OBE –
re-appointed 17 September 2019

Prof Gordon Wilcock –
re-appointed 14 November 2018

Caroline Fawcett –
appointed 21 March 2019

Lord David Currie –
resigned on 21 March 2020

Andrew Lynch –
appointed 21 March 2019

Hugh McKenna CBE –
appointed 17 September 2019

Strategic Leadership Team

Chief Executive –

Kate Lee (from 1 March 2020)

Chief Policy and Research Officer –
Fiona Carragher

Chief Financial Officer –
Robert Butler

Director of People and Organisational Development –
Corinne Mills

Director of Operations –
Helen Foster

Director of Fundraising –
Alex Hyde-Smith

Former members of the Strategic Leadership Team

Chief Executive –
Jeremy Hughes – to March 2020

Chief Operating Officer –
Kathryn Smith – to April 2020

Director of Policy, Campaigns and Partnerships –
Sally Copley – to May 2020

Director of Digital Services –
Dr. Costas Skouras – to May 2020

Company Secretary

Paul Bell

Professional advisers

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

HSBC Bank Plc
London Corporate Banking Centre,
60 Queen Victoria Street, London EC4N 4TR

Insurance brokers

Lockton Companies LLP
The St Botolph Building, 138 Houndsditch,
London EC3A 7AG

Internal Auditors

Mazars LLP
Tower Bridge House, St Katharine's Way,
London E1W 1DD

Investment managers

JP Morgan Private Bank
1 Knightsbridge, London SW1X 7LX

Legal advisers

Stone King LLP
Boundary House, 91 Charterhouse Street,
London EC1M 6HR

Registered charity number
296645 (England and Wales), 1128 (Isle of Man)

Company registration number
2115499 (England and Wales), 5730F (Isle of Man)

Donor Acknowledgement

A big thank you to all our supporters who helped us continue to fight dementia in 2019/20, including:

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Sir Malcolm Walker

Chris Wallace

Dr Daphne Wallace

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Professor Bob Woods

¹ Sadly passed away February 2019

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Barbour Foundation

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Mr Glyne Wetton

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All our IUAD Partners; Ian Branagan, Graham Clarke, Sian Fisher, Andrew and Sophie Horton, Lucy Raymond, Hayley Robinson, Chris Wallace, and all those wishing to remain anonymous.

Stephen Zimmerman

Zurich Community Trust

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People affected by dementia need our support more than ever. With your help we can continue to provide the vital services, information and advice they need.

To make a regular donation please call us on **0330 333 0804** or go to **alzheimers.org.uk/donate**

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Alzheimer's Society operates in England, Wales, Isle of Man and Northern Ireland. Registered charity number 296645 and Isle of Man (1128)

[alzheimers.org.uk](https://www.alzheimers.org.uk)

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