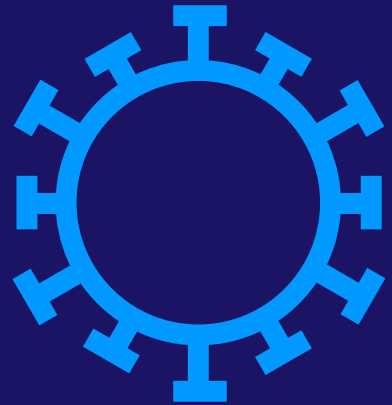


# 2022



## IMPACT AND ACCOUNTABILITY REPORT



**Alice Billin** @BillinAlice

Sad to learn today that the woman I've been an @alzheimerssoc companion caller for the past year has passed away. We spoke every week since the service launched at the start of the pandemic and even though I never met her I feel sad tonight

5:29 pm · 22 Feb 2021 · Twitter for iPhone

1 Retweet 32 Likes

**Annie Kirby** @Anniekhere

Replying to @RichardKSense

Alzheimer's Society employee me as a Dementia Support Worker and it's been excruciating to not be able to see people face to face. Especially some who don't remember why we don't visit any more. 😞

11:52 pm · 16 Apr 2021 · Twitter for Android

**Neil Crowther** @neilmcrowther

Is @alzheimerssoc for a 'world without dementia' or for a world where people with dementia can feel included and live as well as possible?

**Alzheimer's Society** @alzheimerssoc · 16 Jul 2020

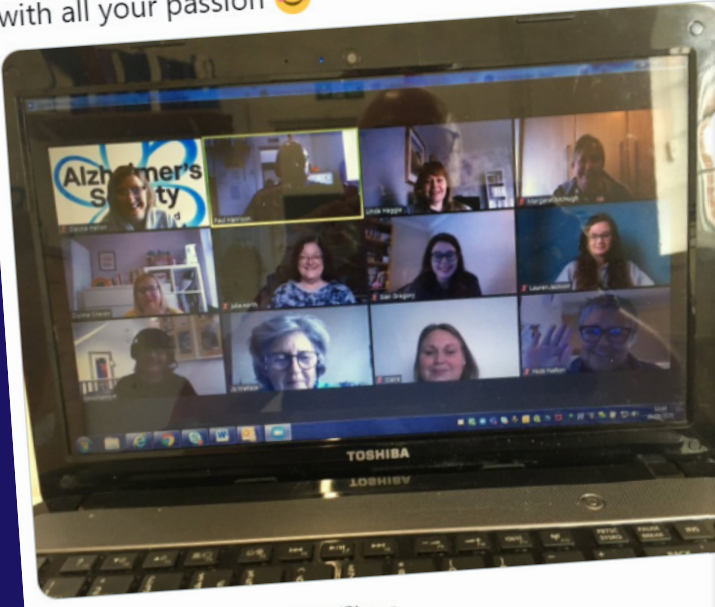
Memory Walk will be a bit different this year. 🧑‍🦯 But there are still lots of ways you can walk for a world without dementia. You can choose where you walk, who with and how far you go. It's really easy to make it your walk, your way. Sign up now: [memorywalk.org.uk](https://memorywalk.org.uk) ❤️

0:00 750 views

12:30 pm · 21 Jul 2020 · Twitter Web App

**Paul Harrison** @MoorbankPaul

A lovely zoom good bye from my colleagues at the Alzheimer's Society, laughter and few tears. If you have the opportunity to work at the @alzheimerssoc grab it with all your passion 😊




2:59 pm · 28 Aug 2020 · Twitter for iPhone

**Tina Swani** @TinaSwani

Brilliant suite of factsheets, handbook & info free of charge. Invaluable. Easy to order from website ... Thank you @alzheimerssoc

Now to sit down again for another read with a good cuppa ☕ #dementia #FamilyKeyWorkers



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# Our values



## Determined to make a difference

We're passionate, we're focused and we make a lasting impact for people affected by dementia.



## Trusted expert

We're listening, we're learning and we use experience and evidence.



## Compassionate

We're kind, we're honest and we don't shy away from challenges.



## Better together

We're open, we combine our strengths and we achieve more together.





# Messages from our Chair and Chief Executive

**This year has been devastating for many people affected by dementia. Despite the tough conditions, we have been determined to continue to make a difference, providing the services we have been able to and launching new ones, like our Companion Calls. We were able to continue, too, with much of our vital research, and actively campaigned for the people we support, particularly those in care homes who were overwhelmed by the impact of the virus.**

Although we have had to deliver fewer face-to-face services, our combined efforts in other areas have seen people use our services over 5 million times since the first lockdown began in March 2020, as people living with dementia and their carers have found themselves in the eye of the storm.

Our workforce and volunteers have been amazing, adapting what we do to ensure we could provide support to the people who needed it most, in innovative ways. I have been so proud of how the whole organisation has rallied, reimagining our services and never losing sight of what is important: creating a positive impact on the lives of those affected by what is a complex and difficult disease in normal times, let alone in an isolating, global pandemic. Our staff survey undertaken in the middle of the crisis showed a real uplift in the confidence of teams in our leadership, managing change, and open and honest communications. We are confident we will emerge in the post-COVID-19 world as a stronger and more agile organisation.

After an initial fear in early 2020 that the pandemic would devastate our ability to fundraise, we also needed to prioritise our

commitment to the financial sustainability of Alzheimer's Society. Although our income was lower than in previous years, the Board of Trustees and I were in awe of our supporters' unwavering generosity and support. This, and a combination of very tight cost controls, meant we ended the year in a strong financial position.

I want to say thank you to all our supporters for everything you have done over the last year. We could not have got through 2020 without the dedication of you all. Our Emergency Appeal, which raised an impressive £8.7m, was outstanding, and testament to the hard work of our people, who pulled the campaign together under a huge amount of pressure, and to you, our loyal donors. We still have much to do and I fear the impact of the virus on people affected by dementia, and on Alzheimer's Society, is far from over. But the Board has great confidence in our team which has delivered brilliantly in the most challenging of times. And in you, our supporters, campaigners and those living with and affected by dementia – we could not have got through this year without you all. Thank you.

**Stephen Hill, OBE**  
Chair of Trustees



**Well, year one wasn't what I was expecting as the new Chief Executive of Alzheimer's Society, but I share Stephen's pride in what we have achieved in the most complicated, frustrating and often exhausting circumstances.**

The impact of the pandemic on people living with dementia has been devastating. One in four deaths of people with COVID-19 was someone who also had a dementia diagnosis, and unexpected non-COVID-19 related deaths from dementia have also soared. Sadly, 14% of the people we were supporting in 2019 have died during 2020, and diagnosis rates are at their lowest for five years due to lack of access to memory clinics and GPs, who provide the vital diagnosis that triggers help and support.

COVID-19 has also shown the impact of our broken social care system on people affected by dementia, which we highlighted in our report Worst Hit: dementia during coronavirus. We used the report and other evidence to lobby government on the dire state of support for care home residents as early as April 2020, successfully getting the government to include care home figures, not only hospital figures, in the daily death rate. This highlighted the disturbing and later shocking state of residential care support.

One of the saddest and most challenging parts of the year for me was reducing our expenditure to a sustainable level. We made changes to our workforce to 'right-size' the organisation to survive the pandemic and this, regrettably, resulted in 195 staff being made redundant and the closure of our Side-by-Side service to new people. We used the government's furlough scheme to cover costs of staff who were temporarily not working and cancelled or deferred non-essential work to keep costs as low as possible. At one point we had 520 staff (nearly one third) on furlough, with the remaining team rallying round to cover essential roles. Seeing the passion, collaboration, and almost war-time spirit in teams across the organisation who were determined to not let anything affect our services to people living with dementia was definitely a personal highlight of a very difficult year.

On a positive note during 2020 I was delighted to be joined by colleagues from other dementia

organisations to form the 'One Dementia Voice' group – which I feel has the potential to revolutionise dementia services across the UK: I'm thinking big!

Finally, looking forward, I am excited about the development of our new strategy, which will launch in 2022. COVID-19 has shown the importance of an organisation with as broad a remit as Alzheimer's Society being clear on its priorities, where we are adding most value, and what impact we have on the lives of those affected by dementia. These are among the tricky questions we have been asking people with dementia, and ourselves, over the last year.

In this report you will see that while some things have gone well, there are some areas where we feel we could have done better. We have also faced external challenges that we feel it is important to share, to explain more about the dementia world in which we operate. I hope you enjoy this honest reflection on our year. We know we do not get everything right, but we certainly try our best. Thank you for sticking by us, for caring about us and most importantly, for everything you do to show your support and commitment to improving the lives of people living with and affected by dementia. You are amazing; I hope we did you proud.

**Kate Lee**  
Chief Executive






A close-up portrait of Ronald Amanze, a Black man with short, graying hair, looking slightly to the left. He is wearing a white t-shirt with green text and a black vest. The background is a colorful, abstract pattern of pink, blue, and white.

## ‘For the first time, I worried about the future.’

‘The past year felt surreal. I was walking through busy places that were vacant, like in some post-apocalyptic film. I became apprehensive. The uncertainty of life had never felt so real.

At the same time, the lockdown awoke a reality as well. I live on my own, but I had never experienced loneliness. I did during the lockdown. But that also meant I really valued the occasions when I did get to spend time with people.

The support services from the council – I can’t rely on them anymore. They let me down. And I fear for them in the future. I think they will be withdrawn in the future because the economy won’t be able to pay for them.

So the pandemic was rough. But the extra time meant extra creativity. The extra time fuelled an adventurous spirit as well.

Alzheimer’s Society communicated with me reliably and consistently. They reached out through emails and phone calls. It was a warm interaction. They encouraged me with my Talk Dementia project. They encouraged me to go to zoom meetings. They gave me manpower and gave me the space to think through a lot of issues.

I cannot think of an organisation that tries harder to be inclusive. But I would say that the Society seems to tiptoe around cultural issues for fear of getting it wrong.

**Ronald Amanze**

Living with dementia



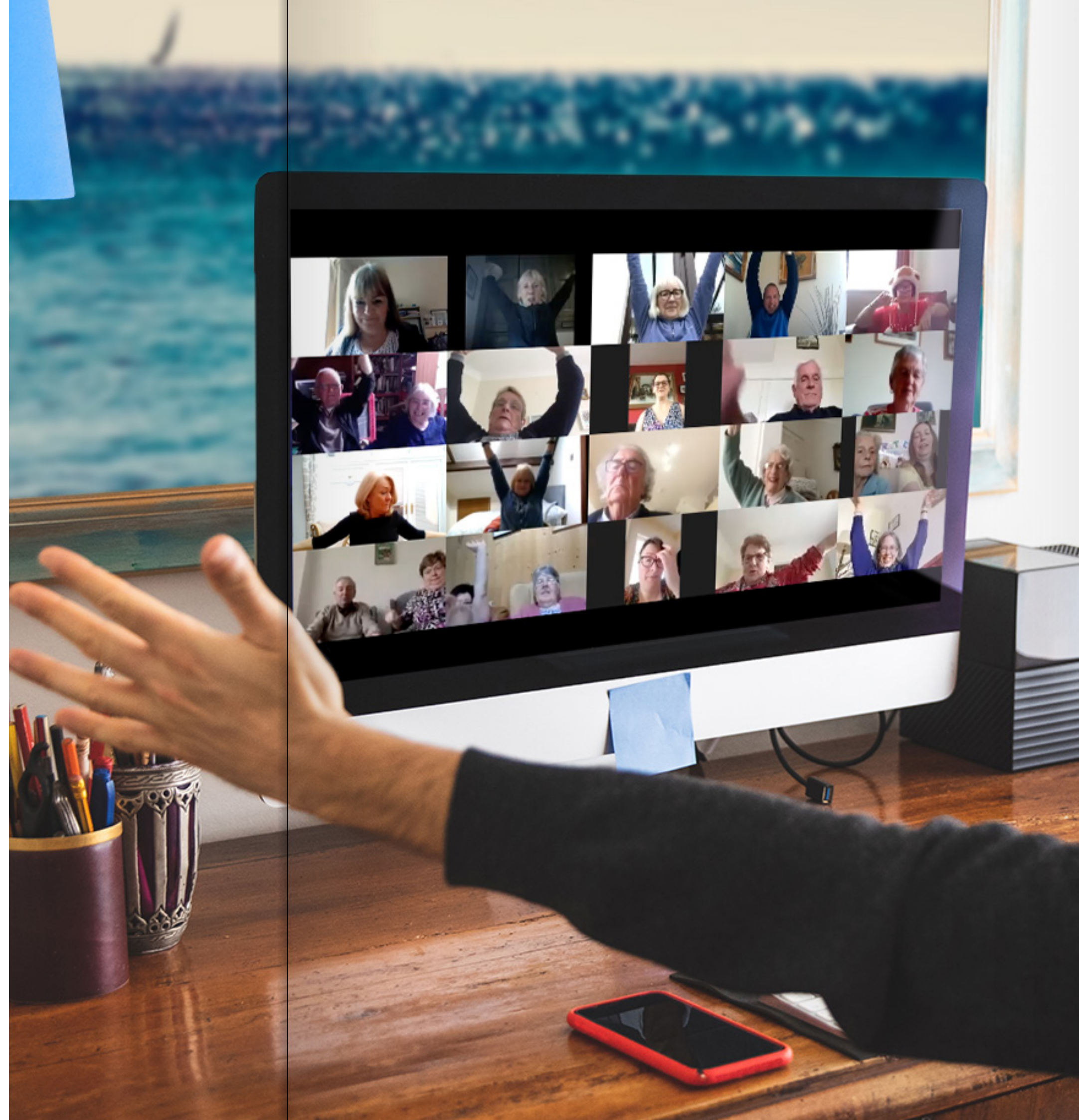
# Where have we done well?

## Our services

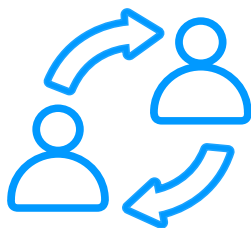
**When lockdown limited our ability to deliver face-to-face services, we reacted quickly to adapt our support for people. Importantly, these new services were perceived by staff, service users and volunteers alike to retain the high-quality standard expected of Alzheimer's Society.**

**During 2020, many of our services transformed from face-to-face to virtual (online or telephone) delivery. From February 2020-January 2021, we provided more than 6,000 virtual group services to people affected by dementia.**

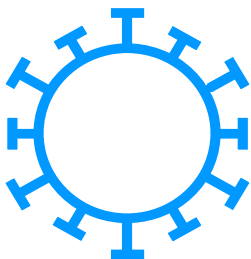
- Service users said that virtual service delivery made them feel supported during lockdown. Groups like Singing for the Brain helped them to keep stimulated, active, and connected to peers.
- Our local services staff felt that virtual service delivery helped people to be more included and engaged, as those who had been unable to attend a face-to-face service (because of mobility or financial issues) could now attend.







We increased the capacity of our Dementia Support Line and publicised it to people affected by dementia within days, allowing us to respond to huge demand. **In 2020/21, we received 53,967 calls, compared to 58,413 in 2019/20** (during which the service merged with the National Dementia Helpline).



**We quickly produced an online coronavirus hub** to offer expert information on coronavirus and dementia.



**Our web pages and blogs were visited over 405,000 times.** At times, the coronavirus content was among the most popular among our entire website.



In terms of offline information, because we couldn't have face-to-face interactions, we adapted to **send publications to people directly from the warehouse so they could get the information they needed.**



**We secured Department of Health and Social Care and Department for Digital, Culture, Media and Sport funding** to help meet increased demand for our Dementia Support Line and our Companion Calls.



Since it started in 2003, our online community, **Talking Point, has supported over 78,000 people – enough to fill Old Trafford football stadium! More than 5,000 new people joined this year.** We created a new area to discuss COVID-19, adding regular updates with trusted information, providing a space to discuss the emotional impact of the pandemic, and sharing advice on how to spot misinformation.

Over 63,000 Companion Calls were made by 1,147 volunteers to people affected by dementia, reducing their isolation and loneliness. Our Welfare Calls provided much needed information to those who needed it most.

**‘As a carer it can often get lonely, as you can’t talk to your partner like you used to. But with these calls you don’t feel lonely at all. You honestly feel human again. It’s wonderful.’**

**Christine Pedley**

Carer for her husband who has dementia



# Our campaigning

We have campaigned tirelessly this year to try to make big changes to the experiences of people affected by dementia. This centred largely around the impact on care homes.

In April we influenced the Department of Health and Social Care to publish a social care recovery plan which included a number of our recommendations, including:

- Relatives allowed to visit loved ones at the end of their lives in care homes
- New, emergency workforce to undergo mandatory dementia-related training
- Care home staff and residents promised to be protected with PPE and testing
- Patients to be tested prior to discharge from hospital

We campaigned successfully for the publication of coronavirus deaths in care homes, which were initially left out of reports. This allowed people to see the real impact of coronavirus on care homes.

In July, we joined forces with other leading dementia charities to form 'One Dementia Voice' and called on the Government to grant family carers key worker status so that they were recognised and protected just like other care staff.

Our continued pressure on care home visits saw guidance change in March 2021 to allow regular 'essential care giver' visits for those who provide crucial care to their loved ones in care homes, along with a 'single named visitor' for every visitor, able to visit without social distancing measures. This allowed families their first face-to-face visits in a year.

We secured a huge amount of media coverage for our campaigns, with several front page stories, and many appearances on local and regional radio and television.





## Our research

Despite not being able to continue with all our planned research, we still had some notable successes this year, as we adapted to respond to the circumstances we were in.

# 45%

of our funded researchers have been supported to adapt to deliver COVID-19 relevant research.

# 25%

of our funded researchers have conducted research related to dementia or care homes.

Our researchers generated 544 new publications, providing invaluable knowledge to advance dementia research.

360 Research Network volunteers affected by dementia contributed to all aspects of our research programme to improve the relevance, quality and impact of our research.

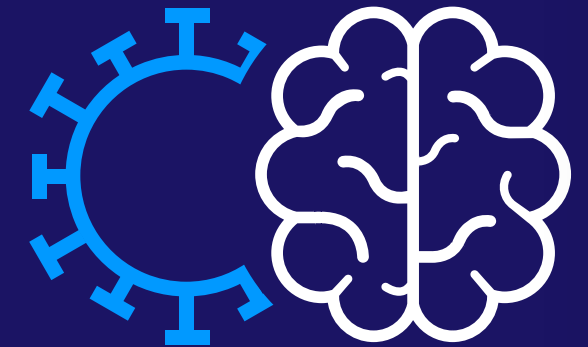
Our three Centres of Excellence contributed evidence to four policy and campaigns reports, including Worst Hit: dementia during coronavirus, which formed the basis of our influencing activity over the year.

Our Accelerator Programme Partners launched Jelly Drops, hydrating sweets for people with dementia, and made over a million sweets to reduce the risk of dehydration, a major cause of hospital admission.

## Our researchers conducted research into:



Drug repurposing for the treatment of COVID-19



Understanding the effects of COVID-19 on the brain



Understanding the social and emotional impact of COVID-19 on people living with dementia, carers and care homes



Guidance on reducing the risk of frailty whilst at home



# Improving how we work

In July we launched new commitments to Equality, Diversity and Inclusion across the organisation and started work to co-produce a stretching new plan to ensure our services reach everyone and we are a great place for everyone to work and volunteer. Dementia does not discriminate – neither do we.

In response to our internal survey of staff and volunteers, we have raised the profile of our wellbeing agenda across the organisation, encouraging open conversations about mental health in the workplace and improving and better promoting the support and resources available to all our people. We also joined the Employers' Initiative on Domestic Abuse. We held weekly sessions for the whole organisation on a wide range of topics to reduce stigma and increase understanding.

Our workforce is becoming largely home-based, so resources have been developed to support homeworking, including tips to help maintain positive wellbeing, allowances so our employees are not out of pocket, and new approaches to flexible working.

Our internal Employee Forum deserves a mention. They played a crucial role in representing the voice of our people, more than in any other year. They influenced our furlough policies to ensure no groups were unfairly financially impacted and supported 365 employees through workforce planning or role changes, helping us to learn lessons in real time. We have improved our attraction and recruitment processes for the Employee Forum, getting the highest ever number of applicants, and working to make sure the membership reflects the diversity of our people.

We continued to host four degree apprentices this year. The experience has been so positive, planning is underway to increase the number and levels of apprentices and we have been accepted onto the Kick Start scheme.

We continue to support our people to seek internal opportunities. In the last year, 64% of all new appointments were made to current staff (an increase from 46% in the previous year). Also, 35% of all appointments resulted in a promotion (126 employees). This gives us a healthy balance between internal promotions and external hires, supporting our current staff to develop their careers, while also bringing more diversity of thought and experience into the Society through our external candidates.

Our Volunteer Advisory Panel (VAP) is continuing its development to provide a voice for volunteers within the Society. The VAP members, drawn from diverse volunteer roles across all regions, have worked hard on shaping our new values and reviewing the volunteer survey results.

**'It's been a challenging but very rewarding year. Volunteers have played a central role in all aspects of life in the Society, and have been at the fore in the creation of the Companion Calls initiative.'**

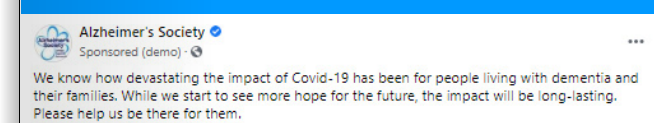
**Duncan Jones**

Chair of Volunteer Advisory Panel

# Our fundraising

**We raised more money in 2020 (calendar year) across the JustGiving platform than any other single charity. This is a remarkable achievement and is testament to work across the organisation to keep people focussed on the needs of people affected by dementia during the pandemic.**

Our COVID-19 Emergency Appeal raised a massive £8.7m. We threw ourselves into virtual fundraising events, including challenges, events such as Carols at Christmas, and our long-running Memory Walks. This was a big change to how we do things but resulted in us raising huge amounts of money.





A close-up portrait of an elderly woman with short, wavy blonde hair. She is wearing a vibrant, sleeveless shirt with a tropical print of green palm leaves and orange flowers on a pink and white background. She has a serious expression and is looking slightly off-camera. The background is dark and out of focus.

## ‘That year was worse than I could have ever imagined. It was hell.’

‘At the beginning of 2020, my mum and dad were together in a care home and I went to visit them four or five times a week.

Then lockdown happened. The visits were stopped. Mum broke her leg and was restricted to her room. When I eventually got to see her, she was a shadow of herself. I said, “Hello mum” and she just looked at me, vacantly. Her dementia meant she couldn’t understand why we hadn’t been to see her. She’d just given up.

Soon after, dad passed away. The restrictions on visiting meant I didn’t have the quality time I wanted with him. Mum passed away in May this year.

I do understand care homes need to keep their staff and residents safe. But I have been robbed of seeing my mum and dad and spending time with them, and giving them my love over that whole year. I find it hard to talk about without getting upset.

On TV and in the newspapers, they talked like it all got fixed. But it didn’t. Different care homes had different rules. For me, there were restrictions still in place the whole time. I had my jab, mum had her jab, and we still had to meet outside, supervised, wearing PPE.

I know Alzheimer’s Society fought to do the right thing. I know you campaigned and were in the papers. And lots of other charities did the same. But they didn’t seem to have any power to get the government to change. The only people who had power were the care home providers. It was such a sad end really.

### **Joan Watson**

Daughter of parents with dementia who lived in a care home



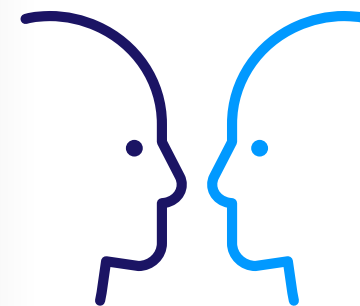
# What didn't go so well, and what have we learnt?

**It won't surprise anyone that in the chaos of early 2020 we made some mistakes. We aren't beating ourselves up about these, but using them to learn for the future. Here are some of the key things we are considering.**



Most of the people who used Companion Calls and virtual services were already using our services and therefore fewer people used our services for the first time than in previous years. Referrals from professionals were lower due to the closure of NHS Memory Clinics, and at the start of the pandemic we could not afford to advertise our services more widely to encourage more self-referrals. This could mean that some people who could have benefited from our support were not aware of us during this crucial time.

We were not able to provide a Companion Call to everyone who was referred; 951 (30%) people affected by dementia referred did not receive the service due to lack of appropriate volunteers being recruited fast enough. Did we over promise?

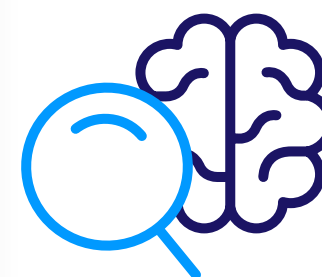


Whilst we delivered 6,000 virtual group services, this was 10,000 fewer than the face-to-face groups we ran in the previous year, and the number of people attending these events halved. The technological challenges of shifting to online delivery, and digital exclusion, contributed to this. Although our online services were well received by those who could access them, it wasn't easy for those without technology to join in.

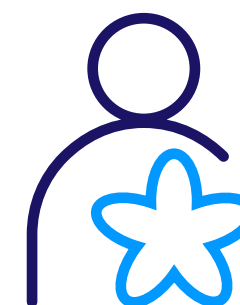
As a result, we saw a significant reduction in the number of new service user attendances at virtual group services, with 86% fewer attendances by new service users compared to the year before. The future must be a blend of face-to-face and digital.



The pandemic meant we were only able to fund c.£3.8m of new research in 2020/21. This was a reduction of 62% on our planned research investment. We were not able to launch any new funding rounds in 2020/21. This will slow the advances that research will make, delaying the benefit that research brings to people affected by dementia, and limiting the career opportunities for dementia researchers. We did plough money back into research as soon as we knew we could afford to, but 76% of our researchers report that their research will be delayed due to COVID-19. In some cases, these delays will be as long as a year. Added to this, 44% of our funded researchers report that there will be financial implications associated with delays or changes. Could we have handled our decisions on stopping research more strategically and how can we make up time?



As the number of people either diagnosed with dementia or worried about their memory grows across the UK, demand on our services grows and increasingly we realise we can't do everything for everyone. Although we have done some work in this area, we still suspect that some groups, communities and individuals, who are already unlikely to access help for their dementia, continue to be stranded and we have not developed a clear approach to reaching them.



We saw many positive results in our 2021 staff and volunteer survey, including a sector-beating response rate, and 15-26% improvements in leadership, managing change, and open and honest communications. However, there were some areas we clearly need to work on: 38% of our staff felt that pay was a significant issue and only 94% of employees said they had NOT experienced bullying, harassment and discrimination in the last year. This means 6% of people clearly still have, so we need to continue to ramp up the work we have started, such as our new Speak Up programme, to improve this.



# Challenges from outside Alzheimer's Society that affect our world

**Whilst we did everything we could to succeed over the year, there are of course external factors that have an impact on how we operate.**

A fragmented health and social care system, and the impact of the pandemic, mean that many people affected by dementia will now be more isolated, will experience more rapid decline and will be less able to avoid and recover from crisis with little or no apparent consideration by the Government on how rehabilitation can be addressed.

Less access to GPs and the need for the NHS to focus on fighting the pandemic resulted in a dramatic drop in dementia diagnosis rates. This means that many people will not be receiving the care that they need. After highlighting this throughout the pandemic, £17m was secured to work towards recovering dementia diagnosis rates.

The pandemic has highlighted the inadequacies of the UK social care system. Our influencing priority has been ensuring that the Governments in England, Wales and Northern Ireland develop a proposal for long-term reform within 2021 and that they address quality and personalisation, not just funding. Despite public commitments to social care reform and to doubling dementia research spend, the English Government delayed meaningful debate and progress for the last year, but we have been assured that proposals will be ready this year. However, plans to publish the Dementia Challenge 2020-2025 were shelved.

Despite the Government's commitments to double dementia research spending, increasing by a further £800m, no further information has emerged about this vitally needed investment. Combined with the impact of the pandemic on dementia research spending in leading charities, including Alzheimer's Society, the impact on dementia research could be felt for many years to come.



## ‘During lockdown Mazed’s dementia advanced.’

‘The things that had given him joy in the past meant almost nothing to him. Things like news programmes or pictures and videos of our grandchildren used to really engage him. But that faded.’

‘The change in his dementia also meant that he had more difficulty swallowing, and he was at risk from choking. I didn’t want to leave him. Then, when the lockdown happened, I couldn’t leave him at home unattended. It can feel isolating and lonely.’

‘The Memory Clinic put us in touch with Alzheimer’s Society through the Merton Dementia Hub. I really wasn’t sure what use it would be. But over the pandemic, the Society’s staff and the activities they put on over Zoom became so important. It was online, but it was still contact with other people. And it was upbeat and positive. Not just for me, but for Mazed too. Those sessions with your staff were high points in our week. They really kept me going.’

**Lita**

Caring for her husband who has dementia

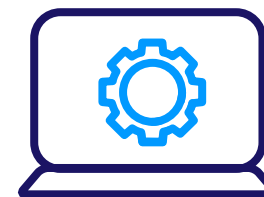


# What's next for Alzheimer's Society?

**Building on what went well, what didn't go well, and the external environment, these are the areas we need on focus on next.**

We are developing a new five-year strategy to launch in 2022. This will refine and focus the work that we do, who we serve and the impact we are trying to achieve. This will help us communicate more clearly and prioritise our work.

Despite the restrictions of COVID-19, we have connected with a range of new communities through local service contacts, approaching different groups and working with Community Development Workers within the NHS. We need to explore how these groups differ from our 'traditional' ones, updating our resources, materials and approaches. We need to specially target those people who are less likely to access dementia care, and find out how they would like to receive our support.



Over the last year, we have expanded our Dementia Support Line and continued the roll out of our community-based services across further areas. **We will reflect on the learning we have gained**, to assess whether we should retain any parts of our COVID-19 response, and ultimately ensure that the service we provide is the best it can be, before continuing the roll out later in the year.

Our COVID-19 response has shown what we can achieve with better IT. **We must now modernise our IT provision so we can make better use of digital capabilities in how we support people affected by dementia.** Over the coming years, we plan to modernise some of our business systems so we can be more efficient in our work, improve our data and insight and make use of new digital capabilities. Of course, there are risks associated with delivering large IT projects, so we have implemented steps to manage those risks.

**We need to make better use of the data we hold on our services in our influencing and campaigning work** and to continue to build our reputation as a trusted expert that has a deep understanding of the dementia experience.

**We will invest more to regrow our income.** Our supporters are vital, respected, and hugely appreciated by us, so we will develop our understanding of them to deliver the best possible experience of supporting a charity. This will include a focus on legacies and high-value donors, as well as individual, 'in memory' and 'connection-based' giving.

**Ahead of publication of the Government's proposals in the autumn, we will be continuing to fight for improvements in social care funding and quality.** We will run an inquiry on the subject through the All Party Parliamentary Group for Dementia to gain additional insights and raise the profile of the issue. The Welsh Senedd elections in early May 2021 gave us a chance to influence party manifestos and prospective candidates with our key 'asks' around the reform of social care.

**We will fund one funding round in 2021/22 that will likely have a focus on Early Career Researchers**, in order to start to redress some of the gaps created by the pandemic.

**We want to work harder on Equality, Diversity and Inclusion (EDI) across the organisation.** At the moment, our staff and volunteers aren't representative of the UK population, and they should be. We will work to deliver on the statement we published in July 2020, setting out what people can expect from us in this area. Extensive plans are in place to increase our work around EDI, focusing on recruitment and leadership development in 2021/22.





## 'I felt the world was moving on without me.'

'As lockdown progressed, I began to find things more difficult. My emotions fluctuate quite a lot because of my dementia. And the lockdown seemed to exacerbate that. It felt quite isolating and like I was being left behind.'

I thought Alzheimer's Society were pretty quick out of the blocks at organising video calls. Previously I had a lot of face-to-face events. Then it was all "virtual" and online. There were agendas and things to discuss. There was structure. It really felt like I had purpose.

For me, the pandemic didn't stop when lockdown ended. The constant changes of rules are really difficult, and I had no chance of remembering all the new rules all the time. Doing things that were commonplace before lockdown was scary. When I first went back into a supermarket it was so overwhelming, I left the shop with nothing and burst into tears.

I think the virtual world has been a revelation, but I hope face-to-face group meetings don't become extinct. On video calls, some of us can't remember how to finish the sentence we have started. Or when it's our turn, we can't remember what we were going to say. When you are face-to-face, you can feel the understanding and forgiveness. On a video call, I would get very self-conscious. I wouldn't want to take part anymore if that happened to me too many times.'

**Pete**  
Living with dementia

We asked three people affected by dementia to review our annual report and tell us how they thought we did.

**'What you said here about the care homes struck a chord with me. My husband was in a care home last year, and died in August. Between January and June, I only got to see Eugene twice face-to-face. But I know my care home tried really hard to get the balance right between contact and safety. I think I was lucky.'**

**I could see you really tried to campaign for relatives who were having a harder time. And you had to. Some care homes weren't letting people with dementia and their relatives meet properly, months after the government said it was sorted.**

**I'm glad to see you are working on reaching out to minority groups. Better links with those minorities are really important.'**

**Diana Smith-Harris**  
Former carer

**'Overall, I thought it was a good report. The Companion Calls would have made a big difference to some people. I personally appreciated the Welfare calls. But they stopped in August. And to be honest, it felt like not much came after that.'**

**I'm not happy that you had to close the office where I live. Sheffield is the fourth biggest city in England, and now we have four staff and no office. I know you had to close different offices to save money. But still.**

**The perception up here is that being involved with the Society sometimes feels like dealing with a call centre. Your face-to-face staff were really skilled when you used to run the dementia cafes up here. We miss them.'**

**Howard Gordon**  
Living with dementia

**'I think Alzheimer's Society has done pretty well, given what you have been up against.'**

**I thought the treatment people with dementia have endured over that year is terrible. And I know your fundraising has been hit because people haven't had money to give.**

**In my experience, Alzheimer's Society gave me loads of calls. I thought they did a really good job, and they were reacting as quick as they could. I just got the feeling they ran with it.'**

**Michelle Nelson-Greensmith**  
Living with dementia



# Accountable to you

## Reports produced this year:

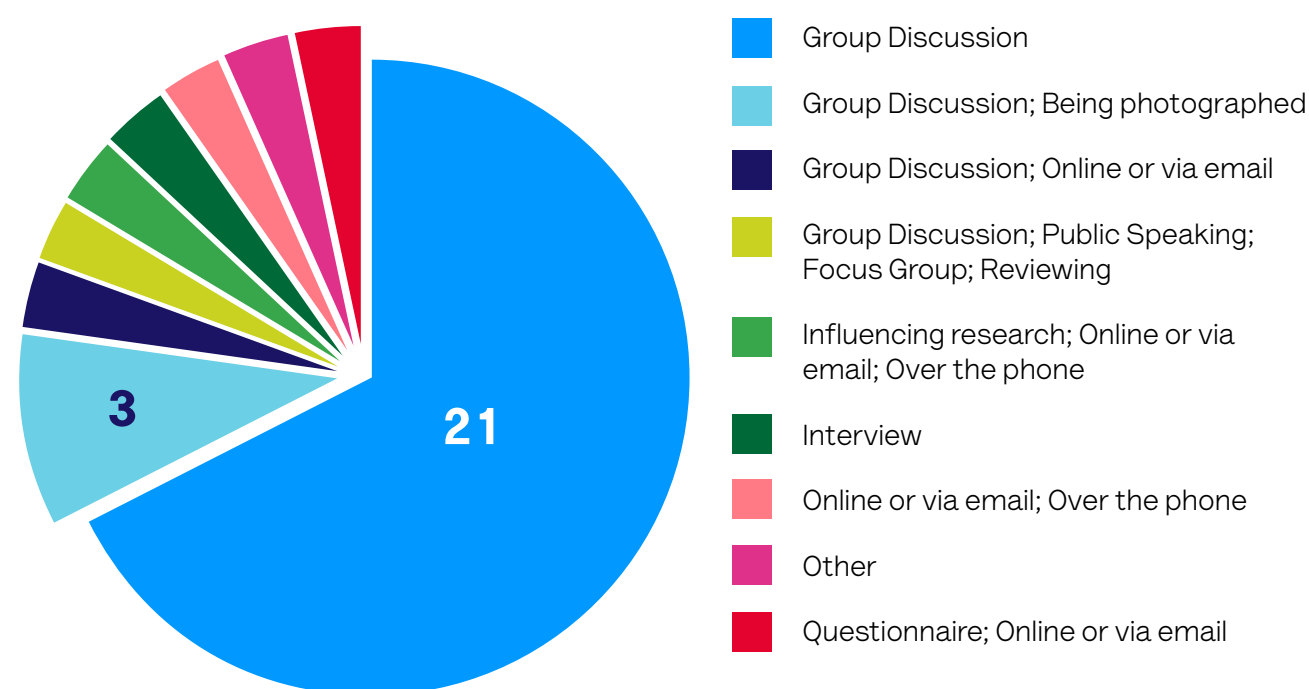


Policy and Campaigning reports (5 National, 1 Wales)



Parliamentary reports to Westminster

**There were 31 opportunities** for people with dementia to participate directly in our campaigning and influencing work:



**5 products supported through our research accelerator programme** to date (including three new partners in 20/21)

## Financial summary

Total income for the year

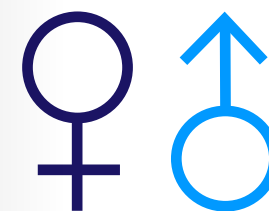
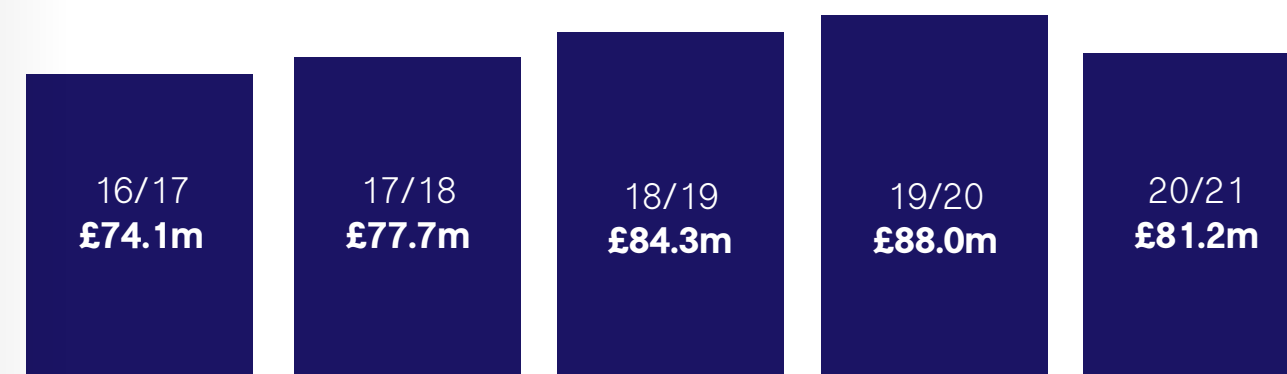
**£111.1 million**

Total expenditure for the year

**£87.1 million**

**For every pound we spent on fundraising in 2020/21 we raised £3.50**

Fundraising income over the past five years:



**Gender pay gap**

**11.2% in favour of men**  
Compared to 16.2% in favour of men in 2019

The national average gender pay gap was **15.5% in favour of men**



**Ethnicity pay gap**

**12.3 % favourable to Black, Asian and Other Minority Ethnic employees**

The national average was **2.3% in favour of white employees**

**Caveat:** We know that this snapshot, taken on 5 April 2020, has been impacted by the number of employees on furlough and reduced pay because of the coronavirus pandemic. Our ethnicity pay gap reflects that we have a higher proportion of B.A.M.E. staff in some of our specialist management roles (e.g. I.T.), which are higher paid.

## Complaints

**387** From 1 April 2020 to 31 March 2021

### Main themes:

1. Poor communication
2. Negative experience
3. Concern about organisational decisions



# Governance Report: how we stay compliant with regulations



# Who we are

## Board of Trustees

Stephen leads the Board of Trustees. As Chair, he spends time getting to know the trustees on a personal and professional level. This enables him to draw their skills, knowledge and experience into meetings to enable active debate and engagement. He has regular meetings with the Chief Executive to build a close working relationship and ensure the strategy and actions agreed by the Board are implemented effectively.

**Stephen Hill OBE, Chair,**  
reappointed 17 September 2019

**Manish Shah, Vice Chair,**  
reappointed 23 September 2020

**Ali Harrison,**  
reappointed 17 September 2019

**Duncan Jones,**  
reappointed 17 September 2019

**Dr Emyr Roberts,**  
to 23 September 2020

**Sarah Weir OBE,**  
reappointed 23 September 2020

**Prof Gordon Wilcock,**  
to 23 September 2020

**Caroline Fawcett,**  
appointed 21 March 2019

**Andrew Lynch,**  
appointed 21 March 2019

**Hugh McKenna CBE,**  
appointed 17 September 2019

**Susan Allen OBE,**  
appointed 17 March 2021

**Prof Subrata Banerjee,**  
appointed 17 March 2021

**Judi Rhys MBE,**  
appointed 17 March 2021

## Executive Leadership team

As Chief Executive, Kate leads the Executive Leadership Team (ELT). She is responsible for putting the agreed strategy into action and for the day-to-day management of the Society. With support from the ELT, Kate is accountable for providing assurance to the Board on all aspects of the Society's performance.

**Kate Lee,**  
Chief Executive

**Alex Hyde-Smith,**  
Dir. Fundraising

**Chris Gottlieb,**  
Dir. Marketing & Communications

**Corinne Mills,**  
Dir. People & Organisational Development

**Robert Butler,**  
Dir. Finance & Corporate Resources

**Fiona Carragher,**  
Dir. Research & Influencing

**Zoe Campbell,**  
Interim Dir. Operations

**Helen Foster,**  
Dir. Operations (to 5 February 2021)

## Remuneration policy and CEO Pay

Trustees approve the salary for our Chief Executive and the organisational pay structures. The Society's pay framework is structured across eight distinct salary grades. Jobs are evaluated and tested against the sector average before being placed in a grade. We recognise that pay is important and the engagement survey flagged this as an area where our people would like to see improvement. The People Committee, Chaired by Ali Harrison, responded to this by focussing on the Dementia Advisor role and increasing the salary of this pool of trusted experts working with people with dementia.

The Society has a pay ratio of 9:1. This means in 2021 our highest paid employee, the Chief Executive, was paid £152,638, which is nine times more than a role within grade one of the pay structure.

**‘It was great that we could benchmark our Dementia Advisor roles and improve their salary to demonstrate their value and importance as trusted experts for the Society and for people affected by dementia.’**

Ali Harrison, Chair of the People Committee

### Trustees and ELT seek professional advice from:

#### 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)



# Organisational Purpose and Leadership

We had planned four Board meetings scheduled at our London office. As the pandemic hit, we quickly moved to shorter, monthly online meetings to focus on the short-term needs of the Society. Financial scenarios were reviewed to manage fluctuating income and to minimise expenditure. A small trustee working group met weekly with the CEO to keep an eye on the fast-moving world of furlough arrangements, virtual services and the wellbeing of the workforce. Trustees agreed the closure of the New Deal on Dementia strategy, which was due to run until 2022, and replaced it with a Bridging Plan focused on an 18-month period of crisis and redevelopment, moving into a new five year strategy from 2022.

**In this testing time, the Board complied with their duty to have due regard to the Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant and stayed true to the Society's objects:**



to relieve, 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.

There were 11 Board meetings and 23 committee meetings across the year. Trustees' attendance was 100% in all but two meetings. Across the year, trustees judged and presented at our People Awards and helped develop the compliance and risk strategic plan. They appeared in our weekly staff and volunteer briefing sessions, and several trustees directly supported people living with dementia as Companion Callers.

In developing our new values, the trustees and Executive worked together to understand each other's personal values and agree the type of values we should have. Trustees heard what people living with dementia thought our values were and importantly what they felt our values should be. The same question was asked of employees and external stakeholders. After internal and external testing, trustees approved our new values of determined to make a difference, trusted expert, better together, and compassionate, in December 2020. Since then, this language has become common in meetings and has been used to test decision making.

**'At the end of each Delivering Support Committee, we reflect on how these values have shaped our deliberations on services and safeguarding. To me the values mean that our services exist to improve the lives of those we serve; that we base our care and support on the best available evidence; that the quality of work is driven by co-operation and collaboration, and that we care for people the way we would wish to be cared for ourselves.'**

Hugh McKenna, Chair of the Delivering Support Committee

The Board of Trustees has six committees that support deeper conversation and scrutiny of issues. The committees have reacted to the changing needs of the Society, reviewing how research grants would be awarded via additional COVID-19 funding, accelerating the closure of offices, and setting aside funds to improve our technology infrastructure to allow our people to work from home - not only during the pandemic, but for the future too. The committees do not have approval powers; they discuss items and provide a summary for the Board to approve.

## Our committees are:

- Assurance, Audit and Risk
- Delivering Support
- Policy, Research and Communications
- People
- Finance and Performance
- Investment



# Integrity

**Safeguarding is a key trustee responsibility. Our Delivering Support Committee discusses ‘live’ incidents to understand what happened, why it happened and what could be changed to keep people safer in the future.**

The safeguarding team received 2,113 concerns in 2020/21, of which 1,501 were reported to a Local Authority. We improved our safeguarding training, which led to an increase in concerns being raised. This is particularly encouraging, as it has been difficult to observe safeguarding concerns due to the lack of face-to-face support during the pandemic.

We have also seen a rise in serious incidents we reported to the Charity Commission, up from four in 2019/20 to nine this year. These incidents related to use of data and safeguarding. We are open and responsive to the Commission’s questions; and where necessary, have undertaken internal investigations to learn from our mistakes. The Commission has not undertaken any regulatory action as a result of these reports.

**Our health and safety processes had a major overhaul to allow people to work in safe, COVID-19-secure environments.**

As home became the typical place of work, we created e-learning to help people understand how best to set up their desk and computer to meet legislation and reduce fatigue or risk of injury. We saw a dramatic reduction in health and safety concerns as fundraising events and services moved into the digital realm. We expect a return to higher levels next year and are proactively planning for the safe return to face-to-face activity.

**Streamlined Energy Carbon Reporting 2020/21**

With the impact of COVID-19 related office closures, a significant reduction in business travel, and our ongoing programme of permanent office closures, we saw a 42% reduction in carbon impact compared to 2019/20.

Alzheimer’s Society energy use by type, KWh used and KgCO2 equivalent

	Energy Supply (Electricity & Gas)		Vehicle and Public Transport	Carbon Impact
	KWh	KgCO2e	KgCO2e	KgCO2e
2019/2020	1,688,000	454,000	209,000	663,000
2020/2021	1,284,000	364,000	22,000	386,000
Variance	-24%	-20%	-89%	-42%

**Methodology**

In 2019-20 our carbon impact was presented using data from only those offices where the Society contracted directly with energy suppliers. This year we have presented figures covering our full offices portfolio, including landlord-managed properties. To ensure a like for like comparison, we have adjusted 2019/20 figures to reflect the total office portfolio in 2019/20. We believe that this approach better reflects the true carbon impact of our offices.

We have also adjusted the methodology to include the carbon impact from use of public transportation in our business travel. Notwithstanding this, the carbon impact of our corporate travel programme reduced by nearly 90% year on year, reflecting that travel almost completely stopped as we switched to home working and remote delivery of our frontline services.

Direct energy supply consumption and emissions are based on energy brokers’ breakdowns of energy supplied to offices. Other fuel type consumption is based on expenses claims and fleet vehicle mileage, and calculated back to consumption and emissions. Standard UK conversion factors have been used. Carbon emissions shown exclude carbon impact from supply chain.

**In 2021/22 we will:**

- Continue our programme of office closures, further reducing our overall carbon footprint.
- Work with our landlords to encourage further uptake of green energy tariffs where possible, and to improve the availability of timely consumption data.
- Encourage our staff and volunteers, where appropriate, to continue to use remote collaboration tools that reduce our need for travel.
- Work to further develop our carbon measurement approach to ensure it is a valuable management tool.

**Charity Commission Alert**

In June 2020, the Charity Commission issued an alert to large or complex, service-providing charities asking that we recognise and are aware of the risks that can result from governance or management failure. We reviewed the Commission’s inquiry report into the Royal National Institute of Blind People (RNIB) and mapped out our own improvement plan based on the governance recommendations. As a result, we increased efforts to make our people feel safe to speak up, we refreshed the responsibilities of our Board committees, provided a clear path for issues to flow from our Executive to the Board, and we changed the way we looked at risk. This review fed into our compliance and risk strategic plan.

**Use of settlement agreements to end an employment contract and employment tribunal claims.**

Following concerns raised through the media in early 2020 regarding compensation payments made by Alzheimer’s Society and claims around the use of non-disclosure agreements (NDAs), we were pleased to receive a clean bill of health following a Charity Commission investigation.

We have never signed, or asked an employee to sign, an NDA to stop them speaking out about any experience within the organisation. This would go against our values and the safe, inclusive culture we want to develop. In a limited number of cases, we agree two-way confidentiality clauses when terminating an employment contract. This only covers the details of the settlement and does not prevent anyone from speaking out about any bullying, harassment or discrimination. The employee always takes independent legal advice before entering any agreement.

In 2020/21 we refreshed our policy on the use of settlement agreements to terminate an employment contract, including the approval and reporting requirements at management and Board level, and continue to only use these as a last resort. On the very limited occasions where all other avenues have been exhausted, we may enter into an agreement if both parties agree it is the right solution. It can be more cost effective for us to pay for an agreement than spend time and money on lawyers, or it may be for other reasons, such as helping someone to leave quickly rather than them being very unhappy in their role. These are difficult decisions, and common to every large employer. Every payment is considered in significant detail and decisions are never made lightly.

During 2020/21, we didn’t terminate any employment contracts via the use of a settlement agreement.

Employees can also decide to pursue a claim via an employment tribunal. Defending a claim at tribunal incurs significant legal costs, time and resources, and they often take months to be heard. The use of a negotiated ‘COT3 Settlement Agreement’ via the Advisory, Conciliation and Arbitration Service (ACAS) is a way of resolving claims prior to the case being heard. Similar to the reasons set out above, this may be the most satisfactory way to resolve a situation, but again, this is very rare and not a decision taken lightly.

During 2020/21 the Society entered into two COT3 Settlement Agreements with compensation payments totalling £11,500.



# Decision making, risk and control

**When lockdown restricted our ability to raise funds, to deliver services and be in the office, the risks to the Society looked catastrophic and above the tolerance level of trustees.**



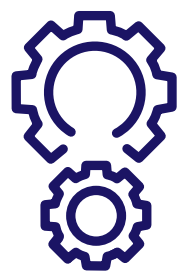
## Finance

In our worst case scenario, we projected a £45m fall in income. We drastically reduced our expenditure and stopped all non-essential activity. Our Emergency Appeal was launched, we renegotiated contracts and sped up our programme of office closures. Many of our people moved onto the furlough job retention scheme or took cuts to hours or pay, supporting the reduction in payroll. These measures were not sustainable in the long term but helped to protect us and lessen the effect of reduced income.



## Technology

In previous years we moved to a cloud based digital infrastructure in response to our technology risk. This meant we could deliver laptops to all our people, enabling home working. We recognise that some of our digital systems are not fit for purpose: they are out of date and lack technical support. The Board has set aside money from our reserves to update and modernise the digital applications we rely on. This work will help join up our data, enable more efficient working and strengthen our cyber security.



## Operations

We adapted our support offer as face-to-face services were limited. We increased capacity of our Dementia Support Line, made over 63,000 Companion Calls and offered expert information on coronavirus and dementia. We knew it would be more difficult to identify safeguarding concerns virtually. We centralised our safeguarding team and improved our safeguarding awareness and training for all our people. We recognise that commissioning budgets may be tight, given the large increase in Government debt, and this may impact the funding of our services.

## How do we manage our principal risks?

**Risks are managed across all levels of the Society. Trustees are accountable for the risks the Society takes. Strategic risks are considered by the Board every six months and by our Board committees each quarter.**

We monitor the ultimate impact of a risk and forecast how different actions can reduce the impact. Annually the Board decides how much risk it is willing to take across several areas. This allows the Executive to work within boundaries set by the trustees when making operational decisions and planning work.

This year has tested our risk management and we used it as an opportunity to adapt the way we capture risks. We reduced the number of risks the Board oversees from 27 to 12, specifically focussing on our response to the pandemic. Future risks will focus on the delivery of the new five-year strategy to launch in 2022.

## Fundraising

**We are registered with the Fundraising Regulator and have a commitment to following, reviewing, and consulting on the Code of Fundraising Practice. This 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 believe our supporters are investing in a shared vision of a better future. We must maintain their trust and give them the very best experience across every fundraising activity. Our internal guidance to fundraisers emphasises the individual motivations and the needs of our donors. We must respect their right to make their own decisions. It also includes practical advice on how to spot signs and provide support if a supporter may be in vulnerable circumstances.

When we use third party fundraisers, we ensure our partners complete mandatory 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. In 2021 we used BRC Promotions Limited as a third party fundraiser.

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 and email contact.

There have been no investigations into our fundraising practices or compliance issues raised by the Fundraising Regulator.

Across all our channels and activities, including stewardship and events management, we sent more than 23 million communications to our supporters and received 387 complaints (0.001671%). 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.



# Board effectiveness

**The Board of Trustees has up to 12 members led by the Chair of the Board. Up to 10 trustees are appointed through an open recruitment process and up to two trustee positions are set aside for people who already actively volunteer for the Society. They are elected through a vote that includes our pool of volunteers, Dementia Friends Champions, and former members who opted in to vote.**

This year we said farewell to two trustees, Professor Gordon Wilcock and Dr. Emyr Roberts (our Welsh representative). Our recruitment focussed on replacing their skills and increasing our diversity. We recognise that whilst our trustees have experience of dementia, they do not originate from the full spectrum of the diverse communities we work with and this needs to be addressed.

When trustees are recruited, we introduce them to the Society as a whole and help them form connections with our people. We make sure they know about their legal duties and check if they need any professional development to thrive in the role.

Our Board makes the ultimate decisions on items such as budget, strategy and our values. Our committees cannot agree things on behalf of the Board; they provide a platform for our Executive, trustees and independent members to discuss ideas in detail before recommending to the Board for approval. This gives an opportunity for reflection and review prior to a decision being made.

In line with the Charity Governance Code, we had planned an external Board evaluation this year. Due to COVID-19 this was put back a year and will be commissioned in 2021/22.

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.

# Equality, diversity and inclusion

**We believe everyone affected by dementia has the right to live their life the way they want to live it, whether living with the diagnosis or supporting someone who is. Core to that belief is that everyone has the right to be the person they are, to live without fear or prejudice regardless of race, age, gender, sexual orientation, faith and belief, or a disability, like dementia. Everyone should be able to make a full contribution to society the way they want to make it, and live in a world which demonstrates respect and values diversity. It is vital that in everything Alzheimer's Society does, it walks that talk.**

This year trustees signed off our eight principles to approaching diversity and inclusion work. The People Committee has shaped the Equality, Diversity and Inclusion (EDI) plan that will be the structure to these principles. The Chair of the Board and our Executive will be held responsible and accountable for progress on EDI targets. Recruitment of new trustees has successfully improved the ethnic mix of the Board as well as the gender balance, and we are keen to explore an opportunity for someone living with a dementia diagnosis to join the Board.



# Openness and accountability

## Statement of compliance with Section 172

Section 172 of the Companies Act is the duty to promote the success of the company.

We engage and communicate with our extensive network of supporter groups, including our network of people living with dementia, who feed into our work on a local and strategic level, and our Research Network when reviewing research projects. We strive to develop good relationships with all the relevant groups, organisations and individuals who have an interest in our charitable work.

The Chairs of the Employee Forum and the Volunteer Advisory Panel represent the voice of our people to the Board. This year they influenced Board decisions on how our people were supported through COVID-19 and how our people are recognised and rewarded.

Our rewards package goes further than a salary: it includes pension provision, life assurance, and a cash health plan. Trustees also put value in supporting the wellbeing of our people in recognition that work can be stressful and overwhelming at times. We provide an online wellbeing centre and free counselling for our people who need a little extra help. Successes are recognised via our People Awards, judged by people living with dementia, trustees and employees. They shine a light on those people who are absolute dynamite and have gone above and beyond for people living with dementia.

The Board has signed up to the Charity Governance Code and we have broken down this report into the headers of the Code. We are comfortable with our compliance with the Code and have highlighted areas to improve throughout the report. We will continue to listen, learn and improve.

## Research 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.

## 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 2020/21 amounted to £225,995, representing 0.2% of total income.

# 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 14 September 2021, 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



# Financial Statements

## A message from our Director of Finance and Corporate Resources

**I've worked in finance roles for almost three decades and last year was probably the most challenging and uncertain. Back in March 2020, the financial position looked extremely bleak. The stock markets were in freefall. The charity sector was ringing alarm bells with numerous large charities announcing income risk of 30% or more. None of us knew for certain how a global pandemic would play out.**

Our analysis suggested the Society could lose up to £45 million of income due to the impact of the pandemic on fundraising events and other activities. It suggested that we could run out of cash in just a few months, requiring us to temporarily borrow money to meet payroll and other commitments.

In response to the crisis, the Society acted swiftly and decisively. We paused all non-essential activity whilst ensuring that we continued to support people affected by dementia, whose needs were greater than ever. We identified cost savings initiatives which included the very difficult decision to make up to 300 colleagues redundant. We worked closely with our largest suppliers to negotiate payment holidays and cost reductions. The fundraising team quickly adapted and created some remarkable innovations, including the Emergency Appeal and virtual fundraising events. We left no stone unturned – we were determined that the Society would survive the crisis. We were resolute that the Society needs to be here for people with dementia for many years to come.

It was only in the Autumn of 2020 that we started to see all of our hard work paying off, and the Society's financial position becoming more certain. Towards the end of the year we were in a position to fund some research work that had been paused, and make other critical investments.

We emerge from the COVID-19 crisis in a strong financial position that will serve us well in the near and longer term. There remains significant risk and uncertainty ahead of us and we will continue to take a cautious approach to ensure our long term sustainability. These risks include the impact of a weaker housing market on legacies income, and the willingness of the general public to return to large fundraising events.

I am deeply grateful to the wonderful generosity of our supporters who gave us their time and money during this unprecedented crisis. I could not be more proud of how the Society responded to this challenge.



**Robert Butler**

Director of Finance and Corporate Resources

## Financial overview

We made significant changes to our original expenditure plans for 2020/21 to ensure that in the event the many risks we faced materialised, we would not be forced to use all our free reserves. We ended the year with expenditure of £87.1 million, reduced from a planned £120 million, as we internally braced for a very hard year.

Defying our best expectations, we ended the year with income of £111.1 million, following an enormous effort across the organisation and overwhelming support outside it. Following a sharp downturn in the previous year, our investment portfolio saw net gains of nearly £11 million.

**The combination of these results meant that we made a net contribution for the year of £34.9 million.**

## Our income

We owe our supporters an incredible debt of gratitude. Through a combination of a successful Emergency Appeal, a concerted effort to change how we raised funds as we adopted very new ways of working and living, and the support available from the government and other bodies, we ended the year with £111.1 million of income across the organisation. This is a decrease of £2.8 million compared to 2019/20 and is significantly higher than we thought was possible.

How we earned our income was very different from other years. We made use of furlough, the Government's Coronavirus Job Retention Scheme; we ran an Emergency Appeal to supplement income in areas where we knew we would struggle to fundraise such as mass participation and sporting events; and those events that we could run, we changed to adopt a 'virtual' approach. Much of this income is by its nature 'one-off' and not likely to repeat in future years.

Our contracted income continued to decline as we moved away from services where we believe other organisations may be better placed to deliver them. This was offset by just over £1 million of grant income from Government funds to deliver support services to vulnerable people, such as Companion Calls.

**Figure 1 on page 48 shows where our income came from this year.**

## Our expenditure

**This year we spent £87.1 million – much less than we planned before the pandemic – compared to £113.2 million in 2019/20.**

**How we spent our money is shown in detail in Figure 2 on page 49.**

In delivering cuts to our planned expenditure of £35 million, we had to make some big changes and some very difficult decisions. We made significant savings through change programmes to reduce our permanent staff numbers, including efficiency programmes and downsizing of some teams; we stopped all non-essential travel and contractor expenditure; we closed our offices – many permanently; were forced to cancel most external gatherings and events; and we issued fewer research grants.

Not all the savings we made are permanent, and we expect our expenditure to increase in 2021/22. When the economy reopens and people can travel more freely and safely, we will work to restore face-to-face services, visits to our offices, and running mass participation events.



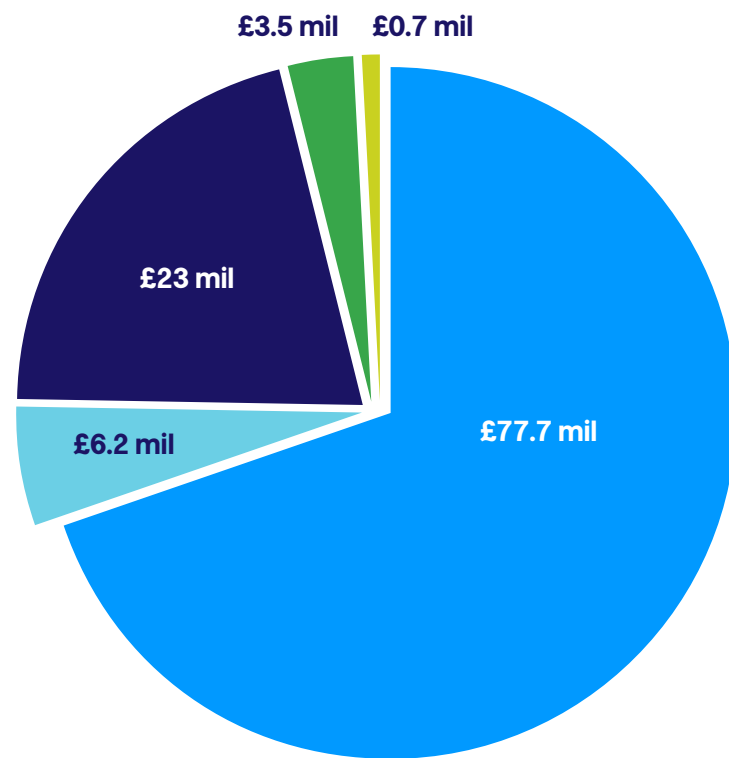


Figure 1. Income



**In 2020/21 we earned £111.1 million. This was from:**

#### **Donations and legacies – £77.7 million**

**Legacies – £27.8 million**

Income from people leaving us gifts in their will.

**Individual Giving – £12.3 million**

Income from our regular givers and lottery players.

**Corporate – £5.3 million**

Income from our corporate partners and supporters.

**Philanthropy – £7.6 million**

Gifts, grants and donations from trusts and major donors.

**Community Fundraising – £24.7 million**

Income from activities, events and other sources undertaken by our regional community fundraising teams.

#### **Other grants – £6.2 million**

Income from grants includes grants issued by the Government, public bodies, and other parties for specific purposes. This includes £4.5 million from the Government's Coronavirus Job Retention Scheme.

#### **Contracted income – £23 million**

Income from our contracts with local authorities to deliver dementia support services.

#### **Trading and other activities income – £3.5 million**

This includes sales from our online shop, Christmas cards, entries into events and raffles, licensing fees and royalties.

#### **Investment income – £0.7 million**

Income earned from our investment portfolio such as dividends from shareholdings.

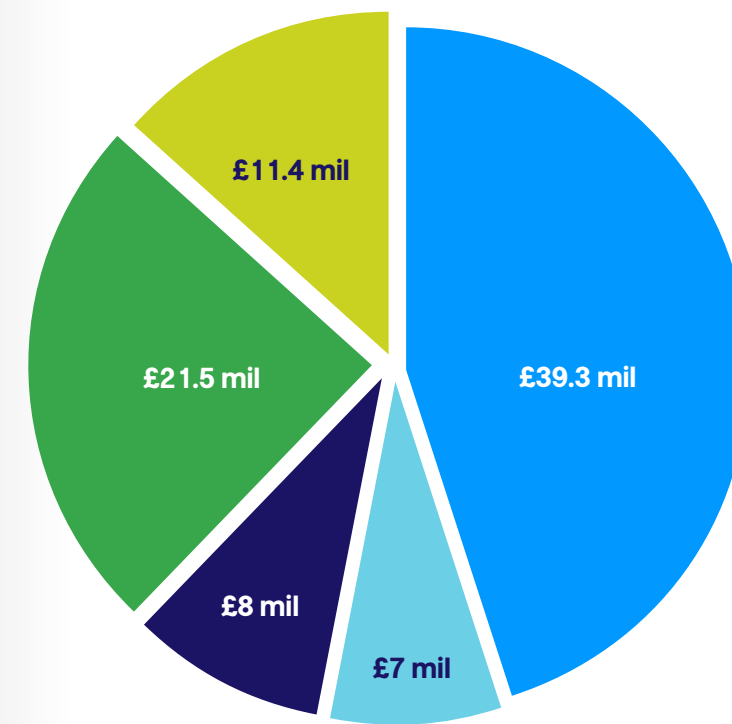


Figure 2. Expenditure



**In 2020/21 we spent £87.1 million. This was spent on:**

#### **Support – £39.3 million**

Activities to support people affected by dementia by delivering services and working with the health and social care system to improve dementia care. This includes the costs of services we run such as our Dementia Support Line and the costs incurred delivering our contracts with local authorities.

#### **Research – £7 million**

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

This includes a portfolio of active research projects, our contributions to the UK Dementia Research Institute (UK DRI), and our innovation programme – a way to develop and deliver solutions to the challenges of people affected by dementia quickly and effectively.

#### **Influencing – £8 million**

Activities to influence the health and social care agenda to highlight the inequalities faced by people affected by dementia in everyday living, particularly the inequalities faced by many in the healthcare system.

#### **Raising funds – £21.5 million**

These are the costs of our fundraising team and the activities they undertake such as running events, design and materials for promotional materials, our dedicated customer care service, and the services of our marketing and media partners who help to promote our fundraising activities to our supporters.

#### **Indirect costs and governance – £11.4 million**

These are the costs of running the Society including the pay costs of support staff in human resources, finance and corporate resources teams, estates costs, IT and technology running costs, and costs of the governance of the organisation such as audit and other professional fees. These costs are allocated to the above categories in Note 3 of our accounts.



## Our investments

**It is our policy to preserve and, where possible, increase the value of our assets by pursuing a risk assessed capital management plan. Our portfolio is managed by JP Morgan; their performance and investment decisions are internally governed by our Investment Committee.**

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.

We hold in an investment portfolio some of our free reserves as well as some of the money that we will eventually pay out to committed research projects. JP Morgan set a target return of RPI + 4% on any funds held in the investment portfolio, adjusted for planned draw downs.

Late in 2019/20, our portfolio value faced a significant shock as the global stock markets reeled from the uncertainties brought about by the pandemic and ended the year with net capital losses and investment income of (£1.3 million). During 2020/21 global stock markets saw a dramatic recovery and our net capital gains and investment income totalled £11.6 million.

## Our funds and financial health

We hold different types of reserves for different reasons: we hold restricted funds, where money is donated to us to spend on a specific activity, and we hold designated funds where we wish to take unrestricted funds to deliver significant or multi-year projects or commitments. Our unrestricted funds are primarily held to ensure we can continue to operate in a financially sustainable way, to protect us from having to make decisions that might damage the future of the Society if a financial risk materialises.

**The total value of our funds at the end of March 2021 was £66.7 million (2020: £31.8 million). These comprise:**

### General funds

These are the reserves remaining when restricted and designated reserves are excluded from the total amount. General reserves are held so that the charity can continue its operations in the event of an unforeseen shortfall in voluntary income or increase in costs.

We expect to face increased risks because of coronavirus. Consequently, this year we reviewed our reserves policy with a thorough consideration of the increased level of risk we perceive the Society could face and ensured that we assessed the liquidity of the reserves held to mitigate against financial risks.

Our trustees have assessed the risks we believe we might face in terms of our income and expenditure. We have assigned value ranges to these risks based on factors such as recent experience, scenario modelling, and benchmarking overall values to similar organisations in the sector.

Based on our calculations we estimate that we could face financial risks between £20 million and £32 million (this is representative of between 2.5 and 4 months of total planned organisation expenditure) that we might utilise reserves to cover. Our trustees believe, given the current economic and fundraising environment, that holding reserves to cover the higher end of the risk value is appropriate.

At 31 March 2021 we held £42.7 million in general funds. This is above the upper boundary of our £20 million to £32 million risk estimate. It is intended – depending on the level of risks that materialise in the coming year – that the £9 million funds above the £32 million upper boundary will be invested in developing and delivering our new strategy in the coming years. Management is developing plans for how this money might be spent, subject to approval the trustees.

### Designated funds

Designated funds are set aside by the trustees for a particular activity or investment. They represent our commitment to invest in areas we consider to be strategically or operationally important. We have four designated funds.

**These and their values at 31 March 2021 and prior year comparatives were:**

- Technology investment: £6.5 million (2020: £ nil). We have identified a need to modernise several of our systems to de-risk our operating environment and deliver significant improvements to our data capabilities.
- Investments in the UK DRI: £6.5 million (2020: £6.5 million). As part of our multi-year commitment to the UK DRI we have designated a fund to guarantee future years' expenditure dedicated to supporting key facets of the Institute's work that complement our own strategic priorities.
- Fundraising investment: £2.2 million (2020: £ nil). The pandemic has brought about a need for us to invest in strengthening and broadening our fundraising portfolio to provide better resilience to shocks and economic changes.
- Fixed assets: £2.6 million (2020: £3.6 million). This fund represents the value of the assets we use to help deliver and support our core activities.

### Restricted funds

Restricted funds represent amounts given to us and held for use in a particular activity as specified or agreed by donors. A breakdown of the purposes for which we hold these funds can be found in Note 14 of the accounts.

**At 31 March 2021 we had £6.3 million of restricted funds (31 March 2020: £4.0 million).**

### Financial Health

At 31 March 2021 we had net consolidated assets of £66.7 million. Of this, our analysis suggests we have a net liquid value of these assets of around £43 million (i.e. the value of the assets we would expect to be able to realise if we needed to liquidate these at short-notice). Much of this relates to our assets held as investments in registered stock markets (£43.7 million) and cash (£34.9 million) offset by creditors due within one year (£36.4 million). This liquid value of assets exceeds the £32 million upper boundary of our reserves cover requirement.

The trustees have reviewed the Society's financial position, reserves cover requirement, and income and expenditure expectations for the foreseeable future and believe that the charity is well placed to manage its operational and financial risks.

The trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the accounts have been prepared on the basis that the Society is a going concern.



## Consolidated statement of financial activities

For the year ended 31 March 2021

Incorporating an income and expenditure account

	Notes	Restricted funds £'000	Unrestricted funds £'000	2021 Group £'000	2020 Group £'000
<b>Income and endowments from</b>					
Donations and legacies	2a	9,521	72,752	<b>82,273</b>	82,835
Charitable activities	2c	1,584	23,005	<b>24,589</b>	25,016
Other trading activities	7c	4	3,519	<b>3,523</b>	5,149
Investment income	2d	–	730	<b>730</b>	888
<b>Total incoming resources</b>		11,109	100,006	<b>111,115</b>	113,888
<b>Expenditure on</b>					
Raising funds	3	22	23,307	<b>23,329</b>	32,125
Charitable activities	3	8,872	54,867	<b>63,739</b>	81,123
<b>Total</b>		8,894	78,174	<b>87,068</b>	113,248
<b>Operating surplus</b>		2,215	21,832	<b>24,047</b>	640
<b>Net gains/(losses) on investments</b>	7	–	10,829	<b>10,829</b>	(2,155)
<b>Net income/(expenditure)</b>		2,215	32,661	34,876	(1,515)
Transfer between funds	14	19	(19)	–	–
<b>Other recognised gains and losses</b>					
Net interest in joint venture operating result	7	–	12	<b>12</b>	(8)
<b>Net movement of funds</b>		2,234	32,654	<b>34,888</b>	(1,523)
Funds balance at 1 April 2020		4,034	27,783	<b>31,817</b>	33,340
<b>Funds balance at 31 March 2021</b>		6,268	60,437	<b>66,705</b>	31,817

## Consolidated balance sheet

As at 31 March 2021

	Notes	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
<b>Fixed assets</b>					
Tangible assets	6a	<b>2,489</b>	<b>2,489</b>	3,045	3,045
Intangible assets	6b	<b>94</b>	<b>94</b>	584	584
Investments	7a	<b>49,850</b>	<b>49,950</b>	38,194	38,294
Long-term cash deposits	7a	<b>13,700</b>	<b>13,700</b>	–	–
		<b>66,133</b>	<b>66,233</b>	41,823	41,923
<b>Current assets</b>					
Short-term investments and deposits	7b	<b>10,495</b>	<b>10,495</b>	873	873
Stock	8	<b>76</b>	–	86	–
Debtors	9	<b>20,786</b>	<b>20,971</b>	19,265	19,777
Cash at bank and in hand		<b>10,725</b>	<b>9,948</b>	6,161	5,522
		<b>42,082</b>	<b>41,414</b>	26,385	26,172
<b>Current liabilities</b>					
Creditors – amounts falling due within one year	10	<b>(36,380)</b>	<b>(36,388)</b>	(28,583)	(28,501)
Net current assets		<b>5,702</b>	<b>5,026</b>	(2,198)	(2,329)
Total assets less current liabilities		<b>71,835</b>	<b>71,259</b>	39,625	39,594
<b>Long-term liabilities</b>					
Creditors – amounts falling due after one year	10	<b>(3,481)</b>	<b>(3,481)</b>	(6,717)	(6,717)
Provision for liabilities and charges	11	<b>(1,649)</b>	<b>(1,649)</b>	(1,091)	(1,091)
<b>Net assets</b>		<b>66,705</b>	<b>66,129</b>	31,817	31,786
<b>Funds</b>					
<b>Restricted</b>	14	<b>6,268</b>	<b>6,268</b>	4,034	4,034
Designated funds: Dementia Research Institute		<b>6,500</b>	<b>6,500</b>	6,500	6,500
Designated funds: fixed assets		<b>2,583</b>	<b>2,583</b>	3,629	3,629
Designated funds: technology investment		<b>6,500</b>	<b>6,500</b>	–	–
Designated funds: fundraising investment		<b>2,200</b>	<b>2,200</b>	–	–
General funds		<b>42,654</b>	<b>42,078</b>	17,654	17,623
<b>Unrestricted</b>	14	<b>60,437</b>	<b>59,861</b>	27,783	27,752
<b>Total funds</b>		<b>66,705</b>	<b>66,129</b>	31,817	31,786

Total incoming resources includes £120.8 million (2020: £113.1 million) and net movement in funds includes £34.5 million inflow (2020: £1.4 million outflow) in respect of the Society.

The financial statements on pages 52 to 76 were approved and authorised for issue by the trustees on 14 September 2021 and signed on their behalf by:



**Stephen Hill, OBE**  
Chair of the Board



**Andrew Lynch**  
Trustee

The notes on pages 55 to 76 form part of these financial statements.  
Company Number 2115499.



## Consolidated cash flow statement

For the year ended 31 March 2021

	2021 Group £'000	2020 Group £'000
<b>Cash flows from operating activities</b>		
<b>Net cash provided by/(used in) operating activities</b>	<b>23,106</b>	<b>(2,066)</b>
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	730	888
Proceeds from the sale of property, plant and equipment	24	239
Purchase of property, plant and equipment	(146)	(2,237)
Proceeds from sale of investments	858	7,476
Purchase of investments	(1,686)	(2,363)
<b>Net cash (used in)/provided by investing activities</b>	<b>(220)</b>	<b>4,003</b>
<b>Cash flows from financing activities:</b>		
Repayments of borrowing	–	–
Cash inflows from new borrowing	5,000	–
Receipt of endowment	–	–
<b>Net cash provided by/(used in) financing activities</b>	<b>5,000</b>	<b>–</b>
<b>Change in cash and cash equivalents in reporting period</b>	<b>27,886</b>	<b>1,937</b>
Bank cash and cash equivalents at the beginning of the reporting period	6,161	3,922
Short term deposits at the beginning of the reporting period	873	1,175
<b>Total cash and short term deposits at the beginning of the reporting period</b>	<b>7,034</b>	<b>5,097</b>
<b>Bank cash and cash equivalents at the end of the reporting period</b>	<b>34,920</b>	<b>7,034</b>
<b>Net movements on funds</b>	<b>34,888</b>	<b>(1,523)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	1,097	1,103
Impairment of assets	7	860
(Gains)/losses on investments	(10,841)	2,163
Dividends, interest and rents from investment	(730)	(888)
Loss/(profit) on the sale of fixed assets	77	(172)
Decrease in stocks	10	1
Increase in debtors	(1,521)	(1,052)
Increase/(decrease) in creditors and provisions	119	(2,558)
<b>Net cash provided by/(used in) operating activities</b>	<b>23,106</b>	<b>(2,066)</b>

## Notes to the financial statements

For the year ended 31 March 2021

**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 Trustee 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 gain of £11,729 (restated 2020/21: loss of £10,973) 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 2021

### 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 we are informed 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 we are informed 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 £53.2 million, (2020 £24.3 million), investment assets at fair value through income and expenditure of £50.0 million (2020 £38.1 million) and financial liabilities at amortised cost of £33.4 million (2019 £31.9 million).



## Notes to the financial statements

For the year ended 31 March 2021

### 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 2021 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 2021.

CharITyshare Limited is expected to be wound up during 2021/22 via a Member Voluntary Liquidation process.

## Notes to the financial statements

For the year ended 31 March 2021

### 2. Income

a) Donations and Legacies	2021 Group £'000	2020 Group £'000
Legacies	27,839	28,815
Individual Giving	12,315	9,996
Corporate	5,262	3,975
Philanthropy	7,594	5,085
Coronavirus Job Retention Scheme	4,549	–
Community Fundraising	24,714	34,964
<b>Total Donations and Legacies</b>	<b>82,273</b>	<b>82,835</b>

During the year, the charity received £4.55m (2020: £nil) from the Government's Coronavirus Job Retention Scheme which contributed to recouping the payroll costs of furloughed employees.

#### b) Gift aid recovery

The consolidated SOFA includes £4.53m (restated 2020: £4.43m) 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	2021 Group £'000	2020 Group £'000
Bank and other interest	2	25
Income from fixed interest and listed equity investments	728	863
	<b>730</b>	<b>888</b>

e) Grants and contract income includes:	2021 Group £'000	2020 Group £'000
ABI Covid-19 Support Fund	157	–
Bill Brown's Charitable Settlement of 1989	–	8
Cecil and Hilda Lewis Charitable Trust	20	10
City Bridge Trust	12	60
Department of Health	40	32
Durham County Council	–	36
Gateshead Metropolitan Borough Council	–	2
Gordon Gilby	–	32
Knowsley Metropolitan Council and Knowsley Care Trust	–	14
Leicester City Council	526	78
Margaret Giffen Charitable Trust	–	25
Monmouthshire County Council	72	–
National Lottery Community Fund	500	–
People's Postcode Lottery	670	550
Sheffield CCG	151	–

e) Grants and contract income includes:	2021 Group £'000	2020 Group £'000
Stockport NHS	–	10
The CM Lowe Charitable Trust	–	2
The February Foundation (formerly The C Charitable Trust)	75	50
The Foster Wood Foundation	10	10
The General Charities of the City of Coventry	–	15
The Utley Foundation	21	–
Welsh Government	65	90

The Department of Health provided a revenue core grant for the sum of £40k in 2020/21, the grant is used to fund part of the salary costs of the Country 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 £2.368m of lottery income received for the year ended 31 March 2021 (2020: £2.037m).



## Notes to the financial statements

For the year ended 31 March 2021

### 3. Resources expended

	Fundraising £'000	New Deal on Support £'000	New Deal on Research £'000	New Deal on Society £'000	2021 Group total £'000	2020 Group total £'000
Activities undertaken directly	21,451	39,297	1,549	7,961	70,258	91,524
Grant funding of activities (note 4)	-	-	5,419	-	5,419	6,474
<b>Direct costs</b>	<b>21,451</b>	<b>39,297</b>	<b>6,968</b>	<b>7,961</b>	<b>75,677</b>	97,998
<b>Indirect costs (including governance)</b>	1,878	8,284	182	1,047	11,391	15,250
<b>Total costs</b>	<b>23,329</b>	<b>47,581</b>	<b>7,150</b>	<b>9,008</b>	<b>87,068</b>	113,248

The direct costs of £76m are 87% of the total expenditure of £87m. This calculation supports the figure of 87 pence of every pound earned this year on raising funds, generating awareness and improving the lives of people with dementia.

#### Basis of indirect cost allocation

The indirect costs of the organisation are allocated to service departments based on staff numbers; these consist of IT, central premises, human resources, finance, governance and corporate resource costs.

Fundraising costs include the trading costs of subsidiaries.

Activities undertaken directly for the New Deal on Support were:	2021 Group £'000	2020 Group £'000
Dementia support and advisers	25,553	26,078
Side by side	1,270	2,614
Support groups	1,430	2,591
Information provision	1,863	2,461
Advocacy	237	405
Befriending	-	9
Day care	1,790	2,918
Home care	-	392
Other services	6,173	9,977
Care staff costs attributable over multiple activities	981	976
	<b>39,297</b>	48,421

Governance costs were:	2021 Group £'000	2020 Group £'000
Crowe – Audit costs	74	71
Crowe – Other costs	4	6
Board of Trustees	-	16
Company secretarial	68	105
Information Governance	88	256
AGM and other governance meetings	-	19
Internal audit and strategic support	28	34

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. Due to the COVID-19 pandemic, trustee and other governance meetings were held remotely and no costs were incurred.

Net expenditure for the year This is stated after charging:	2021 Group £'000	2020 Group £'000
<b>Depreciation</b>	<b>1,097</b>	1,103
<b>Remuneration paid to external auditor:</b>		
Audit work	86	84
Other services	5	7
<b>Operating lease rentals:</b>		
Property	2,710	3,533
Vehicles and equipment	58	61

External audit fees and fees for other services include VAT.

## Notes to the financial statements

For the year ended 31 March 2021

### 4. Grant giving

Grants awarded during the financial year include: Research grants to institutions:	2021 Group £'000	2020 Group £'000
<b>By Society:</b>		
ABBUK	416	-
Brighton and Sussex Medical School	75	-
Cambridge Public Health	289	-
Dementia Research Institute	1,000	2,000
De Montfort University	-	2
Exeter College of Education	817	-
Imperial College London	-	91
Lancaster University	-	101
Lincoln University	-	93
Nottingham Trent University	291	-
University College London	1,198	1,024
University of Bath	92	-
University of Belfast	-	2
University of Bristol	-	227
University of Cambridge	23	179
University of Cardiff	85	85
University of Dublin	75	-
University of East Anglia	-	8
University of Edinburgh	523	111
University of Exeter	-	99
University of Glasgow	6	-
University of Hertfordshire	-	316
University of Leeds	85	2
University of Manchester	-	497
University of Newcastle	-	956
University of Oxford	-	237
University of Portsmouth	5	-
University of Plymouth	-	2
University of Salford	84	-
University of Sheffield	-	117
University of Southampton	3	85
University of Stirling	85	-
University of Sussex	-	225
University of the West of England	-	4
University of West Scotland	257	-
University of Worcester	-	91
Watford General Hospital	7	41
Underspend on projects written back	(17)	(121)
<b>Total Society Research grants</b>	<b>5,399</b>	<b>6,474</b>

Grants awarded during the financial year include: Research grants to institutions:	2021 Group £'000	2020 Group £'000
<b>By Foundation:</b>		
Alzheimer's Research UK	20	50
<b>Total grants</b>	<b>5,419</b>	<b>6,524</b>

Support costs allocated to grant making activities were £182k (2020: £233k).

### 5. Staff costs

	2021 Group £'000	2020 Group £'000
Gross wages and salaries	44,909	52,489
Employer's National Insurance	4,081	4,761
Pension contributions	2,815	3,243
Redundancy costs	969	467
	<b>52,774</b>	<b>60,960</b>

At 31 March, £39k redundancy costs for 2021 remained unpaid (2020: £nil unpaid).

During the year, the charity made changes to the workforce to enable the organisation to survive the pandemic and this resulted in staff being made redundant, hence the lower year-on-year wages and salaries cost, higher redundancy costs, and lower staffing numbers below.

#### 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:	2021 Group		2020 Group	
	Full Time no.	Part Time no.	Full Time no.	Part Time no.
Fundraising	260	10	287	6
New deal on Support	684	710	841	828
New deal on Society	137	18	172	20
New deal on Research	23	2	28	3
<b>Total number</b>	<b>1,104</b>	<b>740</b>	<b>1,328</b>	<b>857</b>



## Notes to the financial statements

For the year ended 31 March 2021

### 5. Staff costs (continued)

The number of employees in total emolument bands (excluding pension contributions) in excess of £60,000 were as follows:	2021 no.	2020 no.
£60,001 – £70,000	9	21
£70,001 – £80,000	26	23
£80,001 – £90,000	2	4
£90,001 – £100,000	2	1
£100,001 – £110,000	–	2
£110,001 – £120,000	3	3
£120,001 – £130,000	–	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 Executive Leadership Team, comprised of the Chief Executive Officer and the Directors of Finance & Corporate Resources, Fundraising, Research & Influencing, People & Organisational Development, Operations, and Marketing & Communications for the year was £1,109k (2020: £1,326k including Employers NI).

#### Members of the Board

None (2020: 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 1 (2020: 9) Trustees during the year totalling £390 (2020: £10,872).

#### Role of volunteers

During 2020/21, the Society recorded contributions to its work made by 7,499 volunteers. 93% of these contributed to services or fundraising activities; the others helped with research, campaigning or administration. The fall in the number of volunteers from the previous year was due to the impact of the pandemic on the Society's activities, and operational decisions around the services the Society offers which are volunteer delivered.

### 6a. Tangible fixed assets – Group and Society

	Freehold property £'000	Leasehold improvements £'000	Furniture & fittings £'000	Office and computer equipment £'000	Total £'000
<b>Cost</b>					
As at 1 April 2020	157	3,197	913	1,480	5,747
Additions	–	11	–	135	146
Disposals	–	(260)	(127)	(277)	(664)
Transfers	–	–	–	(82)	(82)
<b>As at 31 March 2021</b>	<b>157</b>	<b>2,948</b>	<b>786</b>	<b>1,256</b>	<b>5,147</b>
<b>Depreciation</b>					
As at 1 April 2020	–	1,048	678	976	2,702
Charge for the year	–	358	124	397	879
Disposals	–	(209)	(90)	(277)	(576)
Transfers	–	–	–	(347)	(347)
<b>As at 31 March 2021</b>	<b>–</b>	<b>1,197</b>	<b>712</b>	<b>749</b>	<b>2,658</b>
<b>Net book value</b>					
As at 31 March 2020	157	2,149	235	504	3,045
<b>As at 31 March 2021</b>	<b>157</b>	<b>1,751</b>	<b>74</b>	<b>507</b>	<b>2,489</b>

### 6b. Intangible fixed assets – Group and Society

	Computer software £'000	Assets Under Construction £'000	Total £'000
<b>Cost</b>			
As at 1 April 2020	665	860	1,525
Additions	–	–	–
Disposals	–	(860)	(860)
Transfers	82	–	82
<b>As at 31 March 2021</b>	<b>747</b>	<b>–</b>	<b>747</b>
<b>Amortisation</b>			
As at 1 April 2020	81	860	941
Charge for the year	218	–	218
Disposals	–	(860)	(860)
Transfers	347	–	347
Charges for Impairment	7	–	7
<b>As at 31 March 2021</b>	<b>653</b>	<b>–</b>	<b>653</b>
<b>Net book value</b>			
As at 31 March 2020	584	–	584
<b>As at 31 March 2021</b>	<b>94</b>	<b>–</b>	<b>94</b>

Included within transfers is a correction of the reclassification of b/f depreciation for £299k included in Office & Computer Equipment but should have been included in Computer Software.

## Notes to the financial statements

For the year ended 31 March 2021

### 7. Investments

(a) Fixed asset investments	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Opening valuation 1 April	38,193	38,293	45,470	45,570
Additions	15,386	15,386	2,363	2,363
Disposals	(858)	(858)	(7,485)	(7,485)
Realised gains/(losses) on disposals during year	2,924	2,924	5,107	5,107
Unrealised gains/(losses) on valuation	7,905	7,905	(7,262)	(7,262)
<b>Closing valuation 31 March</b>	<b>63,550</b>	<b>63,650</b>	38,193	38,293

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Equity Investments listed on a recognised stock exchange	31,981	31,981	22,323	22,323
Fixed Interest Investments listed on a recognised stock exchange	11,737	11,737	11,629	11,629
Alternative Asset investments listed on a recognised stock exchange	6,013	6,013	4,131	4,131
Investments held as cash	13,700	13,700	–	–
Investment in subsidiary and associated undertakings	–	100	–	100
Share of assets in joint venture	1,002	1,002	960	960
Share of liabilities in joint venture	(883)	(883)	(850)	(850)
<b>Total</b>	<b>63,550</b>	<b>63,650</b>	38,193	38,293
Investment assets in the UK	34,473	34,573	17,650	17,750
Investment assets outside the UK	29,077	29,077	20,543	20,543
<b>Total</b>	<b>63,550</b>	<b>63,650</b>	38,193	38,293

All of the investments at 31 March 2021 and 31 March 2020 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 £23,850,000 (2020: GBP £14,950,539), under forward rate contracts at 31st March 2021. All contracts matured at 28 April 2021 and are included within total investments at a market value of £140,996, (2020: (£797,969)) at 31 March 2021.

#### 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 £118,700 (restated 2020: £106,971).

This joint venture is accounted for in accordance with Charities SORP and FRS 102 under the gross equity method.

(b) Short-term investments and deposits	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Short-term investments and deposits in cash and cash equivalents held by:				
JP Morgan Current Account	5,376	5,376	756	756
HSBC UK	5,002	5,002	1	1
C Hoare & Co	117	117	117	117
	<b>10,495</b>	<b>10,495</b>	874	874

#### (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 2020/21, £20k grants were made to Alzheimer's Society's research programme (2020: £50k) and to Alzheimer's Research UK £20k (2020: £50k).

Profit and loss accounts for the year ended 31 March 2021	Alzheimer's Trading Limited £'000	The Alzheimer's Foundation for Research £'000	2021 Total £'000	2020 Total £'000
Turnover	898	–	898	1,124
Donations and legacies	–	392	392	66
Cost of sales	(629)	–	(629)	(673)
<b>Gross profit</b>	<b>269</b>	<b>392</b>	<b>661</b>	<b>517</b>
Distribution expenses	(35)	–	(35)	(44)
Administration expenses	(36)	–	(36)	(52)
Charitable activities	–	(40)	(40)	(100)
Governance costs	–	(5)	(5)	(5)
Net profit/(loss)	198	347	545	316
Payment to the Society under gift aid	(198)	–	(198)	(355)
<b>Surplus/(deficit) – retained in subsidiaries</b>	<b>–</b>	<b>347</b>	<b>347</b>	<b>(39)</b>
<b>Balance sheets at 31 March 2021</b>				
Stock	76	–	76	86
Debtors	40	359	399	113
Cash at bank and in hand	752	25	777	640
Creditors – amounts falling due within one year	(768)	(5)	(773)	(707)
<b>Net assets</b>	<b>100</b>	<b>379</b>	<b>479</b>	<b>132</b>
<b>Financed by:</b>				
Ordinary share capital	100	–	100	100
Unrestricted funds	–	379	379	32
<b>Total funds</b>	<b>100</b>	<b>379</b>	<b>479</b>	<b>132</b>

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, and are dormant.



## Notes to the financial statements

For the year ended 31 March 2021

### 8. Stock

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Finished goods and goods for re-sale	76	–	86	–

### 9. Debtors

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Trade debtors	1,756	1,493	2,501	2,388
Prepayments	1,521	1,521	1,523	1,523
Accrued income	17,146	17,137	14,315	14,315
Other debtors	363	364	926	926
	20,786	20,515	19,265	19,152
Amounts due from subsidiary undertaking	–	456	–	625
	20,786	20,971	19,265	19,777

Accrued income includes income receivable of £947,160 (2020: £489,426) for gift aid recovery.

### 10. Creditors

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
<b>Amounts falling due within one year:</b>				
Research grant creditors	17,991	17,991	19,440	19,440
Trade creditors	4,035	3,984	2,185	2,103
Other taxes and social security	2,435	2,435	1,615	1,615
Loan facility drawn down	5,000	5,000	–	–
Other creditors	1,375	1,368	1,453	1,453
Accruals	1,940	1,906	2,422	2,422
Deferred income	3,604	3,604	1,468	1,468
	36,380	36,288	28,583	28,501
Amounts due to subsidiary undertaking	–	100	–	–
	36,380	36,388	28,583	28,501
<b>Amounts falling due after one year:</b>				
Research grant creditors	3,481	3,481	6,717	6,717
<b>Research grant creditors are payable:</b>				
Within one year	17,991	17,991	19,440	19,440
Between one and two years	2,693	2,693	5,870	5,870
Between two and five years	788	788	847	847
<b>Total research grant creditors</b>	<b>21,472</b>	<b>21,472</b>	<b>26,157</b>	<b>26,157</b>

Included in creditors are amounts due for research grants to the joint venture, ABBUK, of £415,829 (2020: £736,006) and amounts due to the Dementia Research Institute (UKDRI) Limited of £1,000,000 (2020: £2,000,000).

### 11. Provisions for liabilities and charges

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Balance at 1 April	1,091	1,091	371	371
Amounts provided for during the year	539	539	830	830
Amounts released to resources expended during the year	19	19	(110)	(110)
	1,649	1,649	1,091	1,091

Provisions include the estimated cost of repairing dilapidations in properties currently rented at the end of their leases, redundancy costs, ThankQ costs, and employee tribunal costs.

### 12. Deferred income

	2021 Group £'000	2021 Society £'000	2020 Group £'000	2020 Society £'000
Balance at 1 April	1,468	1,468	1,885	1,885
Amounts provided for during the year	3,604	3,604	1,468	1,468
Amounts released to resources expended during the year	(1,468)	(1,468)	(1,885)	(1,885)
	3,604	3,604	1,468	1,468

Deferred income represents income relating to multi-year contract payments and performance related grants 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.

## Notes to the financial statements

For the year ended 31 March 2021

### 14. Funds

Note	At 1 April 2020 Group £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains and losses £'000	At 31 March 2021 Group £'000
<b>Restricted funds:</b>						
<b>Government of Wales – Geographic Rest Funds</b>						
Dementia Friends and DFC	(a)	–	65	(64)	–	1
		–	65	(64)	–	1
<b>Other funders</b>						
Research		2,321	3,272	(2,527)	–	3,066
Care services		67	4,944	(3,935)	67	1,143
Geographically restricted funds		1,498	1,215	(1,097)	(44)	1,572
Other		148	1,613	(1,271)	(4)	486
		4,034	11,044	(8,830)	19	6,267
<b>Total restricted funds</b>		4,034	11,109	(8,894)	19	6,268
Total designated funds		10,129	8,846	(1,192)	–	17,783
Total general funds		17,654	91,160	(76,982)	(19)	42,654
<b>Total unrestricted funds</b>		27,783	100,006	(78,174)	(19)	60,437
<b>Total funds</b>		31,817	111,115	(87,068)	–	66,705

Designated funds include £2.6m (2020: £3.6m) which represent the Society's investment in tangible and intangible assets which are not immediately realisable; £6.5m (2020: £6.5m) designated to be invested in the UK Dementia Research Institute (DRI), £6.5m (2020: £nil) designated to be invested in technology; and £2.2m (2020: £nil) designated to be invested in fundraising.

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

During the year the Society was in receipt of £27k (2020: £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 £65k 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 2020 Group £'000	Incoming resources £'000	Resources expended £'000	At 31 March 2021 Group £'000
<b>Dementia Friends and Dementia Friendly Communities</b>	–	65	(64)	1
	–	65	(64)	1

### 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:

	2021 Land and buildings £'000	2021 Other £'000	2020 Land and buildings £'000	2020 Other £'000
<b>Operating leases payments due:</b>				
Within one year	1,741	20	1,701	22
In two to five years	5,432	68	5,226	43
After five years	650	–	1,319	–
	7,823	88	8,246	65

#### b) Capital commitments not yet contracted for

There were no capital commitments at the year end (2020: none).

### 16. Analysis of group net assets between funds

	Tangible and intangible assets £'000	Investments £'000	Net current assets £'000	Creditors due after 1 year £'000	Total £'000
<b>2020–21</b>					
Restricted funds	–	–	6,268	–	6,268
Designated funds	2,583	–	15,200	–	17,783
General funds	–	63,550	(15,766)	(5,130)	42,654
	2,583	63,550	5,702	(5,130)	66,705

	Tangible and intangible assets £'000	Investments £'000	Net current assets £'000	Creditors due after 1 year £'000	Total £'000
<b>2019–20</b>					
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



## Notes to the financial statements

For the year ended 31 March 2021

### 17. Consolidated statement of financial activities

For the period ended 31 March 2020

Incorporating an income and expenditure account

	Notes	Restricted funds £'000	Unrestricted funds £'000	2020 Group Total £'000
<b>Incoming and endowments from</b>				
Donations and legacies	2a	7,670	75,165	<b>82,835</b>
Charitable activities	2b	296	24,720	<b>25,016</b>
Other trading activities	7c	25	5,124	<b>5,149</b>
Investment income	2d	–	888	<b>888</b>
<b>Total incoming resources</b>		<b>7,991</b>	<b>105,897</b>	<b>113,888</b>
<b>Expenditure on</b>				
<b>Costs of generating funds</b>				
Raising funds	3	72	32,053	<b>32,125</b>
Charitable activities	3	8,792	72,331	<b>81,123</b>
<b>Total</b>		<b>8,864</b>	<b>104,384</b>	<b>113,248</b>
<b>Operating surplus/(deficit)</b>		<b>(873)</b>	<b>1,513</b>	<b>640</b>
Net losses on investments		–	(2,155)	<b>(2,155)</b>
<b>Net expenditure</b>		<b>(873)</b>	<b>(642)</b>	<b>(1,515)</b>
Transfers between funds		(25)	25	<b>–</b>
<b>Other recognised gains and losses</b>				
Net interest in joint venture operating result		–	(8)	<b>(8)</b>
Net movement of funds		(898)	(625)	<b>(1,523)</b>
Funds balance at 1 April 2019		4,932	28,408	<b>33,340</b>
<b>Funds balance at 31 March 2020</b>		<b>4,034</b>	<b>27,783</b>	<b>31,817</b>

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

### 18. Funds

For the period ended 31 March 2020

	At 1 April 2019 Group £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains and losses £'000	At 31 March 2020 Group £'000
<b>Restricted funds</b>						
<b>Government of Wales – Geographic Rest Funds</b>						
Dementia Friends and DFC	–	90	(90)	–	–	–
	–	90	(90)	–	–	–
<b>Other funders</b>						
Research	3,107	3,847	(4,633)	–	–	<b>2,321</b>
Care services	453	1,966	(2,352)	–	–	<b>67</b>
Geographically restricted funds	1,340	1,700	(1,542)	–	–	<b>1,498</b>
Other	32	363	(247)	–	–	<b>148</b>
Wolfston Foundation	–	25	–	(25)	–	–
	4,932	7,901	(8,774)	(25)	–	<b>4,034</b>
<b>Total restricted funds</b>	<b>4,932</b>	<b>7,991</b>	<b>(8,864)</b>	<b>(25)</b>	<b>–</b>	<b>4,034</b>
<b>Total designated funds</b>	<b>10,465</b>	<b>2,156</b>	<b>(2,222)</b>	<b>(270)</b>	<b>–</b>	<b>10,129</b>
<b>Total general funds</b>	<b>17,943</b>	<b>103,741</b>	<b>(102,162)</b>	<b>295</b>	<b>(2,163)</b>	<b>17,654</b>
<b>Total unrestricted funds</b>	<b>28,408</b>	<b>105,897</b>	<b>(104,384)</b>	<b>25</b>	<b>(2,163)</b>	<b>27,783</b>
<b>Total funds</b>	<b>33,340</b>	<b>113,888</b>	<b>(113,248)</b>	<b>–</b>	<b>(2,163)</b>	<b>31,817</b>

### 19. Related Party Transactions

In 2020/21, Alzheimer's Society charged £43k (2020: £43k) to Alzheimer's Trading Ltd for the provision of staff and the purchase of goods. The balance owed to Alzheimer's Society at 31st March 2021 was £621k (31st March 2020: £633k). Alzheimer's Society collected legacy income on behalf of The Alzheimer's Foundation, to the value of £39k (2020: £38k). The balance owed to The Alzheimer's Foundation at 31st March 2021 was £100k (31st March 2020: £8k).

As at 31 March 2021, ABBUK owed the Society £nil (2020: £5k).

Alzheimer's Society agreed funding of £2m to the UK DRI Limited for 2020/21. This amount has been recognised as a grant in 2020/21 and was paid in 2020/21.

There are no other related party transactions to report.

Notes to the financial statements  
For the year ended 31 March 2021

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 funding held by the partners is shown below:

Remaining grant funding schedule	31 March 2021 £'000	31 March 2020 £'000
Alzheimer's Society	294	434
DHSC	803	1,186
Welsh Government	115	170
PHANI	80	119

Costs committed by funders	31 March 2021 £'000	31 March 2020 £'000
Alzheimer's Society	140	23
DHSC	383	64
Welsh Government	55	9
PHANI	38	6

As at 31 March 2021, £1,555k had been received in the Society’s bank accounts from the Welsh Government (£180k), DHSC (£1,250k) and PHANI (£125k) in total since the beginning of the project , and this amount is held in a separate account as the Society is acting as an agent.  
As at 31 March 2021, £719,458 had been spent against the £2,011,750 from the funding schedule above since the beginning of the project.  
The Society recognised its own contribution for grant commitments amounting to £457k in respect of JPND in 2018/19.

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 2021 which comprise the Consolidated Statement of Financial Activities (incorporating an income and expenditure account), Charity and Consolidated Balance Sheets, Consolidated Cash Flow Statement 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 2021 and of the group’s 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

In auditing the financial statements, we have concluded that the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.  
  
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company’s or the group’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.  
  
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. 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.  
  
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 this gives rise to a material misstatement in the financial statements themselves. 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 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:

- adequate and proper accounting records have not been kept; or
- the 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 45 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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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](http://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.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income, grant and contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Assurance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

*N. Hashemi*

1 October 2021

**Naziar Hashemi**

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

# Thank you

**A heartfelt thank you to all our partners and supporters, who helped achieve more for people affected by dementia in 2020/21, including:**

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