

**Alzheimer's Research UK**

**(A company limited by guarantee and not having a share capital)**

**Annual Report and Financial Statements**

**Year Ended**

**31 March 2019**



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## Our year in numbers

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Thanks to our incredible supporters, 2018/19 was a record-breaking year for Alzheimer's Research UK.

Together, we:

- Invested a total of **£19.8m** in groundbreaking research, supporting 88 research projects across all forms of dementia - more than we've invested in any previous year.
- Progressed **21** pioneering drug discovery projects in our Drug Discovery Institutes.
- Pledged to commit a landmark **£250m** to dementia research by 2025.
- Launched Make Breakthroughs Possible, our most ambitious awareness campaign yet, reaching more than **19m** people with a message of hope and determination.
- Recruited a team of more than **2,000** runners to take on the iconic Virgin Money London Marathon as part of the Dementia Revolution - a special year-long collaboration with Alzheimer's Society.
- Launched 'No time to lose: An action plan for dementia', with our online petition calling on government to increase investment in dementia research generating **34,500** signatures and demonstrating widespread public support.
- Helped nearly **1,500** people register their interest in taking part in research through the national Join Dementia Research service.
- Asked **2,631** people across the UK about their perceptions of dementia and research as part of our first Dementia Attitudes Monitor. The Monitor will be repeated biennially, allowing us to track attitudes and shaping the action we take.
- Distributed more than **260,000** free health information booklets, helping people to understand the diseases that cause dementia and how they can reduce their risk.
- Brought together more than **500** delegates and **27** expert speakers at our twentieth annual Research Conference in Harrogate.

## Introduction from our Chairman and Chief Executive

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Today, nearly 50 million people around the world are living with dementia. Sadly, this number is set to triple by 2050.

But it doesn't have to be this way. Dementia is not a natural part of ageing - it's caused by brain diseases, and history has shown that through research, diseases can be overcome.

As the fastest-growing medical research charity in the UK, we're in the best possible position to change the future. This was a record-breaking year for Alzheimer's Research UK, with income from voluntary donations reaching an incredible £36.7m, a clear signal that public support for dementia research is stronger than ever.

Your support has enabled us to achieve several important milestones this year.

We launched a new phase II clinical trial to test whether a medicine called Sativex® could help reduce agitation for people with Alzheimer's disease, the most common form of dementia. We celebrated 20 years of pioneering projects, collaborations and discoveries through our unique Research Network and our researchers made over 200 new discoveries about dementia.

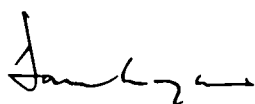
And we launched our Dementia Attitudes Monitor, giving us a detailed picture of the UK's perceptions of dementia. The Monitor revealed that although more than half of the UK public know someone who has been diagnosed with dementia, one in five adults still believe that it's an inevitable part of getting older.

So confronting misconceptions across society remains as important as ever.

That's why this year, we launched Make Breakthroughs Possible; our most ambitious awareness campaign yet. It's why we joined forces with Alzheimer's Society to deliver the Dementia Revolution, using the Virgin Money London Marathon to tell the stories of those personally affected by dementia. And it's why we stepped up our activity to engage hard-to-reach groups, working with South Asian communities to encourage people to talk openly about dementia.

Though we still have a long way to go, we hope that the achievements detailed in this report fill you with the same sense of hope that drives all of us at Alzheimer's Research UK.

With your support, we will make breakthroughs possible.



David Mayhew CBE  
Chairman



Hilary Evans  
Chief Executive

President's foreword

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We're now more than five years on from the first G8 Dementia Summit, where we set goals to develop a disease-modifying therapy, improve care and increase awareness by 2025. And we can be proud of the progress made; from advancing our understanding of disease risk factors, to establishing vital research ventures, like the UK Dementia Research Institute.

It has been a record period for the charity in terms of income and growth, with voluntary donations up by 122% over the past four financial years. Our success is thanks to every single one of our amazing supporters – and we must all take pride in the fact that this year we have funded more groundbreaking research than ever before.

Thanks in particular to the highly committed members of our Pioneers' Circle – a group set up last year to bring together and recognise the extraordinary contributions of key supporters.

Despite all this, there's still a vast amount to be done, starting with detecting the diseases that cause dementia much earlier. These brain diseases can begin up to two decades before symptoms such as memory problems or changes in behaviour appear. For future medicines to be most effective, we must be intervening much sooner in the disease.

I'm proud that Alzheimer's Research UK is at the forefront of this early diagnosis movement. By harnessing technology and big data, I strongly believe we can revolutionise the way brain diseases are detected.

Recent commitments in this field are promising. The UK government has set aside up to £79m to support recruitment of 5 million volunteers to develop new diagnostic tests. The largest study of its kind (10 times the size of the UK's world-leading Biobank) this will be an invaluable resource for science, researchers and tackling diseases. Meanwhile, global funders, such as Bill Gates, have invested heavily in research to bring forward the point of diagnosis.

Over the coming year, we will bring together leading international academics, technology companies, and clinical experts to combine existing data on the earliest stages of diseases, like Alzheimer's, to create the biggest data resource of its kind. Analysis of this data will enable us to identify the very earliest signals of brain diseases, giving future treatments the head start they need.

It's a momentous year for our Drug Discovery Alliance (DDA) too, which bridges the gap between cutting-edge science happening at universities and drug development expertise in pharmaceutical companies.

With 21 drug discovery projects underway at the Universities of Oxford, Cambridge and University College London, and the DDA's quinquennial review to assess advances being made, the Alliance is ensuring that findings from academic research are translated into potential treatments as quickly as possible.

I'm confident that if we keep up this momentum, working alongside others across the globe who share our ambition, we will, one day, live in a world free from dementia.



The Rt Hon David Cameron  
President

## What we do

Alzheimer's Research UK is Europe's leading dementia research charity, dedicated to investigating the causes of this heartbreaking condition, and developing ways to prevent, treat and ultimately, cure all forms of the condition.

Dementia's impact is devastating – not just for the person affected, but for those around them. Caused by complex brain diseases that destroy brain cells, dementia ultimately leaves people unable to think, move or communicate with the people they love. No-one survives dementia, yet.

But we exist to make breakthroughs in research possible.

Our scientists have been behind some of the most important discoveries in the past 25 years; identifying key genes, molecules and proteins that drive diseases like Alzheimer's, and are already paving the way towards future treatments. Their work is taking us closer to our vision of a world free from the fear, harm and heartbreak of dementia.

The challenge:

- Dementia is the UK's leading cause of death.
- One in three people born this year will develop dementia during their lifetime.
- More than half of people in the UK know someone who has been diagnosed with a form of dementia, typically a family member such as a grandparent or parent.
- The number of people living with dementia in the UK is set to rise to over one million by 2025.
- Dementia costs the UK economy £26bn every year.

## Our mission

It's over 100 years since Alzheimer's disease, the most common cause of dementia, was first described. But tragically, the prognosis for someone diagnosed with dementia today is little better than it was then. People deserve more, and that's why it's our mission to bring about the first life-changing treatments for dementia.

Thankfully, researchers across the world have transformed our understanding of these diseases over the past century, taking us ever closer to that goal.

To achieve it, we're channelling our energy in four key areas:

### 1. Building understanding

The diseases that cause dementia are complex. The more we understand about these diseases, the better treatments we will develop – so we're providing our scientists with the resources to carry out crucial discovery science that will lead us to a breakthrough. There's also a need to improve understanding of dementia across society. In recent years we've seen the spotlight turn on dementia, and today the condition is no longer ignored as it once was. But misunderstanding is still rife, with the condition too often considered an inevitable part of ageing that we can do nothing about. If we want to build a social movement that will improve the lives of people with dementia, we need to make sure people know that dementia is caused by brain diseases, and that diseases can be overcome through research.

### 2. Improving diagnosis

With many overlapping symptoms that develop slowly, often appearing years after the disease begins to take hold, diseases like Alzheimer's can be hard to diagnose early and accurately. And sadly, doctors are only able to make a diagnosis today at a time when significant damage to the brain has already been done. If we can improve the way a diagnosis is made, we can help more people to access support and existing treatments, and offer opportunities for people to take part in research. Crucially, by learning how to diagnose earlier, we can pave the way for future treatments that enable people to lead happier, healthier and more independent lives for longer.

### 3. Reducing risk

The risk factors for dementia are still not fully understood, but we know that our risk of developing dementia is influenced by our age, our genes and our lifestyle. So as well as spearheading research to transform our understanding of dementia risk, we're working to reach as many people as possible with information about how they might reduce the risk of developing the condition. Every individual's risk of dementia is different. But if we can help more people to take measures that could lower their risk – measures like eating healthily, and staying physically, mentally and socially active – we could see fewer people developing dementia in the future.

### 4. Developing treatments

It's a heartbreaking fact that today, there are few treatment options for someone diagnosed with dementia. Although some treatments can help with some of the symptoms for a time, they are limited in their scope and do not work for all forms of dementia. We believe this is simply not good enough. So we have built new initiatives devoted to changing this – like our Drug Discovery Alliance, which is now working on over 21 active drug discovery projects. With this focus, we're working not just to find treatments that will improve symptoms, but treatments that could tackle the underlying disease, keeping people connected to their families, their worlds and themselves.

#### **"We must keep the conversation going"**

**Urvashi Desai's husband Bhupendra was diagnosed with frontotemporal dementia at the age of 56. Now one of our 130 media volunteers, Urvashi is using her experiences to overcome stigma and improve understanding of dementia.**

"My husband is my soulmate. Bhupendra and I have been married for 32 years and I love him dearly.

Sadly, Bhupendra was diagnosed with frontotemporal dementia in 2011 at the age of 56, but looking back, his symptoms started to show several years earlier.

His diagnosis hit me and my sons hard – my sons idolise him and he's my best friend. We are so close so it's difficult going through things without him. It can be lonely sometimes.

The nature of his condition means he no longer understands 'social norms' and can no longer speak English. We communicate in Gujarati and even that is pretty difficult for him as he doesn't know the words for different objects. I remember early on, before his diagnosis, we once went shopping and I asked him to pass me a packet of crisps and he struggled to work out what I wanted.

Despite his diagnosis, Bhupendra still retains his kind, calm spirit. He still loves to welcome people into our home and likes to host parties, with my help. He enjoys having lots of friends and family round as we have always welcomed people into our home.

I've found the social isolation surrounding Bhupendra's dementia hard. I've even been asked not to bring my husband to important family events and get-togethers as he has lost his inhibitions and is no longer able to work out what he should and shouldn't say in such situations.

There is so much stigma surrounding dementia, especially rare dementias like frontotemporal dementia, so awareness is key. We must keep the conversation going. That is why I am passionate about helping Alzheimer's Research UK raise much-needed awareness of the diseases that cause dementia."

## STRATEGIC REPORT OUR IMPACT IN 2018/19

Thanks to our amazing supporters, this was a truly record-breaking year.

Between April 2018 and March 2019, our income from voluntary donations reached an incredible £36.7m, enabling us to commit £25m to our charitable activities, of which £19.8m was invested in groundbreaking dementia research – more than ever before.

At Alzheimer's Research UK, we believe in the power of research to change the future. Our research strategy is aimed at building understanding of the diseases that cause dementia, improving our ability to diagnose these diseases, finding ways to reduce risk and developing life-changing new treatments.

We will achieve these goals not just through **funding and delivering the very best research** taking place in labs across the UK and overseas, but by **challenging misconceptions** about dementia, and **forging global collaborations** that bring together the people and organisations that will accelerate progress towards breakthroughs.

### FUNDING AND DELIVERING RESEARCH

Between April 2018 and March 2019 we invested £19.8m in groundbreaking research, supporting 88 projects across all forms of dementia.

#### Long-term commitments

Through providing long-term funding to four major research initiatives; our Drug Discovery Alliance, the Dementia Consortium, the Dementia Discovery Fund and the UK Dementia Research Institute - we are working to radically boost the impact of dementia research and accelerate progress towards breakthroughs.

Our Drug Discovery Alliance unites three dedicated Drug Discovery Institutes at the Universities of Cambridge and Oxford and University College London. Led by drug discovery experts in partnership with world-leading academic researchers, this ambitious initiative bridges the gap between discovery science taking place in universities across the UK and drug development expertise in pharmaceutical companies. The Alliance is fast-tracking the development of new treatments and breaking new ground by seizing on the most promising drug targets emerging from university research.

Teams in the three institutes are now working on a portfolio of 21 drug discovery projects for treatments that cover a broad range of forms of dementia. There are multiple potential drugs approaching the final stages of preclinical testing, which if successful will proceed towards clinical trials.

Our leadership of the Dementia Consortium brings together university researchers, charities and pharmaceutical companies. This year, the Consortium was further strengthened by Johnson & Johnson Innovation and Takeda joining AbbVie, Astex Pharmaceuticals, Eisai, Lilly, MSD and partner research organisation Evotec. Together, we are providing academic researchers with the funding, industry expertise and project management resources they need to capitalise on new drug targets for the treatment of diseases that cause dementia.

Ongoing Dementia Consortium projects include two targeting the immune system in Alzheimer's and Parkinson's disease, and a third investigating the role of a protein called TDP-43 that builds up in the brains of people with frontotemporal dementia.

Launched in October 2015 with Alzheimer's Research UK as a founding investor, the Dementia Discovery Fund (DDF) makes early stage venture capital investments to fast-track the search for new treatments for dementia.



In June 2018, the DDF closed its fundraising at US\$350m, making it the world's largest venture capital fund dedicated to a single disease area. The Fund has now attracted investment from philanthropists and organisations across the world and has built an initial investment portfolio of 16 drug discovery companies and projects, predominantly in the UK and US.

While he was Prime Minister, our President David Cameron set out the Challenge on Dementia 2020, which called for a national dementia research institute that would connect, catalyse and transform the UK's research efforts.

Work officially began at the UK Dementia Research Institute (UK DRI) in 2017, with the opening of its 'hub' centre at University College London. Since then, five 'spoke' centres across the UK have opened their doors, establishing collaborative research groups to answer the biggest questions in dementia research.

This year, the UK DRI announced a new Health and Care Technology centre at Imperial College London that will complement the work taking place at the six research centres. The new centre will use a range of approaches, from artificial intelligence and robotics to sleep monitoring, to empower people with dementia to live safely and independently in their own homes.

The rapidly growing UK DRI team includes more than 300 scientists working on 50 programmes focused on understanding the diseases that cause dementia, looking for ways to detect and tackle disease processes, and unravelling the factors that affect our risk.

### **Vital research discoveries**

Alzheimer's Research UK funded scientists made more than 200 important discoveries in 2018/19. Below are just a few of the highlights.

#### **Biggest ever map of human brain with Alzheimer's published**

A team of researchers led by Dr Richard Unwin at The University of Manchester, mapped the levels of over 5,825 different proteins across six regions of the brain, generating a massive 24,024 data points. With our funding, the researchers have made the map freely available online, helping other scientists to identify processes that could be targeted by new drugs in the future.

#### **Short-wave ultrasound pulses could enable new treatments**

One of the reasons Alzheimer's disease is so difficult to treat is that drugs are often blocked by a protective membrane known as the blood brain barrier. Dr James Choi and his team at Imperial College London found that they were able to gently pry open this barrier in mice using rapid short-wave pulses of ultrasound. His team's work could lead to new techniques for delivering drugs in people, revolutionising treatment for Alzheimer's disease, brain cancers, and other brain disorders.

#### **Improved understanding of anti-inflammatory treatments**

Dr Delphine Boche and her team at the University of Southampton highlighted fundamental changes in brains with features of Alzheimer's that take place during the later stages of disease. Their findings demonstrate how inflammation of the brain can change as the disease progresses and that anti-inflammatory treatments may have different effects depending on when they are given.

#### **A new target for dementia treatments**

One of the key changes in the brain caused by Alzheimer's disease is the loss of the chemical connection points between nerve cells. The loss of these connections is strongly associated with memory problems and disrupted thought processes, however our understanding of the mechanisms underpinning these changes remains limited. Prof Tara Spire-Jones and her team at the University of Edinburgh identified changes in mitochondria, the main energy source of a cell. This suggests that a disrupted energy supply could contribute to a loss of nerve cells, pointing to a potential new target for future treatments.

## Milestone moments

This year saw California-based biotechnology company Alektor, the first company the Dementia Discovery Fund invested in, take a potential new medicine for Alzheimer's disease into phase I clinical trials. The drug targets a protein called TREM2 and is built on a landmark discovery made by Alzheimer's Research UK Fellow Rita Guerriero in 2012.

In February we announced the second clinical trial to be funded through our Global Clinical Trials Fund. The phase II trial, taking place at King's College London, will test whether a cannabis-based medicine called Sativex® could help reduce agitation in people affected by Alzheimer's disease.

This year saw the 20-year anniversary of the Alzheimer's Research UK Research Network – a forum linking more than 2,000 dementia scientists at 15 different centres across the UK. Since its launch in 1998, we've invested £11m in the Network, enabling early career researchers to purchase 64 vital pieces of equipment, allowing scientists to test 353 promising new ideas through Pump Priming grants, supporting 60 events to foster collaboration and helping 526 people travel to share their latest findings with scientists across the globe.

## Forging new partnerships

Collaborating with other organisations who share our strategic aims and commitment to making breakthroughs possible is essential to find life-changing treatments as quickly as possible.

In 2018/19 we joined forces with Formula One legend Sir Jackie Stewart to launch the Race Against Dementia Fellowships. This unique grant scheme provides outstanding early career scientists with funding up to £500,000, as well as development opportunities including a mentorship scheme, to fast-track their progress towards becoming independent research scientists.

In response to growing evidence linking dementia and hearing loss, we partnered with Action on Hearing Loss to co-fund two innovative research projects. One is looking at the links between hearing impairment, cognitive decline and dementia in older adults and the second is studying whether exposure to noise could accelerate a decline in memory and thinking in Alzheimer's disease.

Following a successful partnership with Fight for Sight last year, we jointly funded further clinical research into dementia and visual impairment. This project is using sophisticated genetic analysis methods to determine whether a type of glaucoma is a risk factor for Alzheimer's disease, or vice versa. If a link is proven, researchers may be able to identify glaucoma patients who have an increased risk of developing Alzheimer's before symptoms of the disease begin.

In addition, we've joined with the Association of Medical Research Charities and 23 other medical research charities to launch a platform called AMRC Open Research. This online open access publishing platform allows researchers to immediately publish any research outputs or data, so that anyone can access and benefit from them.

## Our Research Conference

More than 500 delegates came together in Harrogate for our annual Research Conference – a popular and well-established fixture on the calendar for dementia researchers across the UK and further afield.

Following a video greeting from our celebrated supporter Stephen Fry, Prof John O'Brien opened the conference with a presentation on his work creating a toolkit to support doctors when diagnosing dementia with Lewy bodies.

Over the course of the two-day event, delegates had the opportunity to hear from 27 expert speakers, attend 175 different poster presentations on advances being made across the field and meet with fellow researchers to share their latest findings.

## Looking to the future

We continue to build on our strong foundations in discovery science through the UK Dementia Research Institute and the translation of key discoveries into drug discovery programmes. This coming year will see our Drug Discovery Alliance undergo its first quinquennial review to assess advances being made and enable us to address any barriers that could be impeding progress.

We also begin an exciting new programme with global partners to address the current lack of drugs to alleviate psychiatric symptoms associated with different stages of dementia. As many of the treatments available for young people experiencing psychiatric difficulties are not recommended for older people, our efforts will focus on the development of treatments for this key group.

In addition to continued investment to take us closer to life-changing treatments, we will continue to progress our work to improve early diagnosis of the diseases that cause dementia by uniting leading funders and research institutions across the globe. Being able to detect diseases like Alzheimer's before symptoms begin gives us the best chance of intervening early, at a point that will make the greatest difference to people's lives.

Finally, through our varied and flexible grant schemes, we will continue to support the very best ideas and scientists, while responding to emerging breakthroughs in the field.

## COLLABORATING TO SPEED UP PROGRESS

### Making the case for increased government funding

In Autumn 2018, we launched 'No time to lose: An action plan for dementia', setting out the five actions we believe government must take to accelerate progress in dementia research. We presented the action plan at the Conservative and Labour party conferences, with Barbara Keeley MP, Shadow Minister for Mental Health and Social Care, speaking at our launch event at the Labour conference.

The cornerstone of 'No time to lose' is a call for government to increase yearly investment in dementia research to just 1% of the total annual cost of dementia by 2025. That would mean committing £320m a year by 2025 compared to £83.1m spent in 2018.

Our 'Just 1%' petition generated 34,500 signatures, demonstrating widespread support for increased investment. It triggered an official response from the Department of Health and Social Care and discussion on dementia research funding in the House of Commons.

### A strong united voice

We work with governments, funders, industry and people affected by dementia to maintain a thriving research sector that will deliver breakthroughs for people living with this devastating condition.

In summer 2018, we worked with the All Party Parliamentary Group on Dementia on their inquiry into dementia and disability, sharing the views and experiences of more than 350 of our supporters as part of the call for evidence.

As international collaboration is critical to accelerating progress towards life-changing treatments, we joined forces with other medical research charities to ensure a united voice on the impact of Brexit on the dementia research sector. This includes our ability to attract and retain world-class researchers and influence important international studies.

We continued to advise Health Innovation Manchester and life sciences industry collaborative the Dementia Industry Group, ensuring that the experiences of those personally affected by dementia shape the development of a new early detection and diagnosis pathway in Greater Manchester, enabling people to access the support they need sooner.

## **Preparing for the first life-changing treatment**

We know that research happening today will bring about the first treatment to slow, stop or cure the diseases that cause dementia. It's essential we prepare for when future treatments become available so we can get it to those who need it as quickly as possible.

In 2018, we launched the Dementia Access Taskforce, bringing together representatives from government, the National Institute for Health and Care Excellence (NICE), the NHS, pharmaceutical companies and people affected by dementia to collectively develop plans.

The taskforce's work focuses on three areas: early and accurate diagnosis, value and affordability of dementia treatments, and finally introducing new treatments and the impact of doing so on the health system. We also co-convened a group of European health ministers, healthcare funders, patient groups, medical experts, and pharmaceutical companies to help prepare healthcare systems outside the UK to deliver future medicines for Alzheimer's disease.

We recognise that many of the challenges of delivering new treatments on the NHS are not unique to dementia. This is why we co-chair the Charity Medicines Access Coalition with Cancer Research UK. The coalition is a group of 10 charities working together to find long-term solutions to ensure that new medicines are affordable to patients and the NHS. Through membership, we are now able to participate in the NICE methods review process, feeding into how new medicines are appraised.

## **Looking to the future**

Following the success of our Just 1% campaign, we will be formally calling for more investment into dementia research as part of the government's next Comprehensive Spending Review, which will inform departmental budgets for years to come.

We will work closely with government on reviewing the Prime Minister's Challenge on Dementia 2020, ensuring that we set ambitious targets to drive progress.

We will also embark on more firsts in 2019/20. We will launch a detailed survey to further develop our understanding of what the public want from future treatments and deliver our first conference for clinicians, strengthening links between the dementia research community and those tasked with diagnosing and managing the condition.

## **CONFRONTING MISCONCEPTIONS ACROSS SOCIETY**

### **Providing vital health information**

Alzheimer's Research UK plays a crucial role in providing the public with accurate and up-to-date information about dementia and the research taking place.

In 2018/19, we:

- provided more than 260,000 free health information booklets to households and communities across the UK.
- ensured the 569,000 visitors to our website with questions about dementia could find all the answers they need.
- handled over 4,100 enquiries to our Dementia Research Infoline, offering guidance and reassurance at a time when people need it most.
- helped nearly 1,500 people register their interest in taking part in research through the national Join Dementia Research service, taking the total number of volunteers registered to more than 40,000.

We also expanded our programme of work to ensure high-quality information about dementia is accessible to, and appropriate for, those whose first language is not English. In addition to translating our leaflet 'A quick guide to dementia' into Chinese (this core resource is now available in Arabic, Bengali, Chinese, English, Gujarati, Polish, Punjabi, Urdu and Welsh), we worked with South Asian community groups to co-produce a film aimed at raising awareness of dementia in these communities.

## **Our awareness campaigns**

Alzheimer's disease and other forms of dementia are now the leading cause of death in the UK. Yet society's response to these diseases lags behind the efforts that have transformed lives affected by cancer and HIV/AIDS.

That's why, on the eve of World Alzheimer's Day in September, we launched Make Breakthroughs Possible, our most ambitious awareness campaign yet. At the heart of the campaign was a message of hope and determination: dementia is

caused by physical diseases, and history has shown that diseases can be overcome. Through research, we will make breakthroughs possible.

The campaign was brought to life through a powerful film voiced by Game of Thrones actress Lena Headey. The film acted as a rallying cry for change and started countless conversations about the progress being made through research. In the weeks following its launch, the campaign reached 19m people with its important message.

Make Breakthroughs Possible followed our successful Dementia Uncovered campaign fronted by actor Simon Pegg. This campaign urged people to watch and share a film that uses a 3D printer to visualise the destructive nature of Alzheimer's, showing that the disease physically shrinks the brain at four times the rate of normal ageing. The film, created in partnership with Ricoh Europe, has been watched more than 2.4m times and backed by 99 celebrities across social media.

## **Engaging the public with dementia research**

We delivered more than 40 public events during the year, spreading awareness of the scale of the challenge dementia presents, the progress being made in labs across the world, and the message that research can and will overcome the condition.

Central to our public events calendar are our Research Network public meetings, with 15 held during the year. These events are growing in size, with the majority now attracting over 100 attendees to find out more about the research taking place in their area.

We continued to explore new ways to engage the public with our work, speaking to thousands of people at major public events over the summer including Latitude Festival and Bournemouth Air Festival. Another first was using craft-based activities to engage with young people at science festivals, including Edinburgh International Science Festival, Cheltenham Science Festival and New Scientist Live. Ahead of British Science Week in March, we developed hands-on activities to help school children to learn more about the brain, for inclusion in educational activity packs which were downloaded more than 87,000 times.

And we set up the Inspire Fund, our first ever grant scheme to support innovative projects that engage people of all ages with dementia and the research taking place, with an incredible 124 applications received in March.

## **Overthrowing outdated attitudes**

Shaping attitudes towards dementia is critical if we are to make breakthroughs in research possible. That's why in June, we launched our Dementia Attitudes Monitor; a comprehensive survey of more than 2,300 adults across the UK. The first study of its kind, the Monitor will be repeated biennially, allowing us to track the UK's attitudes towards dementia, shape the action we take and inform government and industry now and in the future.

The Wave 1 report revealed that despite more than half of the UK public having been affected by dementia, understanding of the diseases that cause the condition remains low. Just half (51%) of the public recognise that dementia can cause death and only a third realise it's possible to reduce their risk of developing the condition. More encouragingly, the Monitor showed widespread support for the early detection of diseases like Alzheimer's and highlighted an opportunity to encourage greater public involvement in research.

A major focus of our communications activity in 2018/19 was the Dementia Revolution - a special one-year campaign leading up to the 2019 Virgin Money London Marathon. After joining forces with Alzheimer's Society and being named Charity of the Year for the iconic event, we've used the Dementia Revolution as a platform to tell the stories of those personally affected by dementia. We've challenged enduring myths surrounding the condition and encouraged runners to help raise as much money as possible towards our target of £3.5m to support research at the UK Dementia Research Institute.

A whole host of celebrity supporters lent their support to the campaign, including Ray Winstone, Candice Brown and Scott Mitchell, husband of national treasure Dame Barbara Windsor who was diagnosed with Alzheimer's disease in 2014. Scott's leadership of the 'Barbara's Revolutionaries' team, formed of friends of Barbara's who worked alongside her on the set of EastEnders, helped us generate more than 3,000 mentions in the media during the year. This meant that dementia and the stories behind the condition had the potential to be seen by 2.4 billion people, making the Dementia Revolution one of our most talked about campaigns of all time.

## Reaching people in the media and online

This year we've seen continued growth in interest around dementia and the work of Alzheimer's Research UK. As a leading commentator on dementia and progress in dementia research, we've been featured in the news over 5,588 times, with the potential to help 3.8 billion people better understand dementia and research. This ranges from stories about sleep and dementia to heartfelt features on supporters sharing the realities of the condition and their hopes for the future.

## Looking to the future

We will continue to build on the success of our awareness campaigns like Make Breakthroughs Possible and Dementia Uncovered, looking at new and creative ways to engage the wider public with dementia research. This will include a new evolution of our award-winning #ShareTheOrange campaign, which has already reached more than 22 million people with the message that dementia is caused by physical brain diseases.

Building on our work to engage the public with dementia, we will award the first grants through our Inspire Fund and deliver a range of public engagement events and activities around our annual Research Conference in Cardiff in March 2020.

And we will launch our first ever training resource for health and social care professionals who work closely with people who have dementia. *The Lived Experience of Dementia* uses our *A Walk Through Dementia* virtual reality app to put healthcare professionals in the shoes of people with dementia, helping them develop enhanced relationships with the people they care for. We will continue to work closely with Bournemouth University and Health Education England to ensure the resource is available to all those who may benefit from it.

## OUR SUPPORTERS

We rely on donations to be able to carry out our work and in 2018/19, we received an incredible £36.7m in voluntary donations - more than ever before.

From substantial gifts from corporate partners to hard-earned sponsorship money from individual fundraisers, we don't take a single pound for granted. More information about our approach to fundraising and our Supporter Charter can be found on page 19.

## Our generous donors

Our supporter base continued to grow in 2018/19, with more than 42,000 generous people now making monthly donations.

Philanthropists, charitable trusts and foundations invested over £9m in our work during the year. We are extremely grateful for the increasing level of support from this group and we are delighted to have benefited from three seven-figure

**Report of the Trustees for the year ended 31 March 2019 (continued)**

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donations. To recognise these extraordinary contributions and galvanise the support of key supporters, we were thrilled to launch the Pioneers' Circle under the leadership of our President the Rt Hon David Cameron.

We are so grateful to the 220 people who left us gifts in their Wills and to everyone who chose to support us in memory of a loved one. Legacy gifts totalled more than £10.8m during the year, with over £1.7m in donations received to honour those who have passed away.

### **Corporate partnerships**

We are immensely grateful to the fantastic companies and organisations who supported our work in 2018/19. Our corporate partners raised a total of £3.3m and helped to transform the way people think about dementia by amplifying our Make Breakthroughs Possible and Dementia Uncovered awareness campaigns. Our partners also support us through access to resources, expertise and communications channels that deliver enormous additional value to our work.

We were delighted to welcome The Perfume Shop to our Pioneers' Circle and would like to say a huge thank you to Virgin Money and CYBG colleagues who raised over £330,000 for our Dementia Revolution campaign during the year.

### **Our fantastic fundraisers**

Every year, we're amazed by the number of people who choose to fundraise for us. 2018/19 was no exception, with more than 11,000 people taking on a wide variety of personal challenges.

A major effort was recruiting a team of 2,000 runners to join the Dementia Revolution by taking on the 2019 Virgin Money London Marathon.

More runners than ever before signed up for the London Landmarks Half Marathon (400), and our local run, the Cambridge Half Marathon (230), and nearly 5,000 supporters got involved with our virtual event Running Down Dementia. This award-winning event, a collaboration with parkrun UK, challenged supporters to cover 100km or more over the summer and raised £350,000 - £100,000 more than last year.

Aside from running, more than 1,200 people saddled up for Cycle Down Dementia, covering either 300 or 1,000 miles between November and January, 438 people took part in a Mighty Quiz and 192 daredevils chose to skydive to support us.

And our network of Regional Fundraising Officers established 10 new Fundraising Groups in 2018/19, taking our total to 30. These voluntary groups, covering the length and breadth of the UK, are central to our community fundraising activity, with members working tirelessly to grow our profile in their local area in addition to fundraising for the charity.

### **Looking to the future**

We will continue to help our supporters plan for the future, working with regional solicitors to deliver a series of seminars and fact sheets on Will writing and legacy giving, while raising awareness of the impact that these gifts will have in protecting our children, grandchildren and future generations from dementia.

We have another exciting year ahead developing our relationships with existing corporate partners and welcoming new ones who share our vision. This includes establishing a new partnership with Iceland Foods who have committed to raise an incredible £1m over two years.

And we will continue to work closely with parkrun UK, with the partnership predicted to achieve a huge milestone during the year: £1m raised.

### **"My epic four-year trek to support dementia research"**

**After witnessing the devastating effects of dementia on both of her husband Mark's parents, supporter Karen Penny is taking on a challenge of truly epic proportions.**

"Having always loved walking, and living on the beautiful Gower peninsula in South Wales, the idea for my fundraising challenge seemed obvious... to me at least!

I'm currently undertaking a 20,000 mile non-stop trek around the entire coast of the UK and Ireland in support of Alzheimer's Research UK. I originally thought that the journey would take me up to four years. However I've made such good progress so far that I might have to reduce that estimate a bit.

So why have I embarked on such an epic challenge? Well, having seen first-hand the tragic effects of dementia on both of my husband Mark's lovely parents – dad Kingsley and mum Alma – I simply wanted to do as much as possible to raise awareness of this awful condition and the diseases that cause it. Alzheimer's Research UK is determined to find the first life-changing treatment for dementia by 2025, so I am determined to raise as much money as I can to help.

Since setting off from my home in January 2019, and having originally set out expecting to camp (I carry a tent and all of my supplies in a rucksack on my back), I have been absolutely bowled over by the kindness of everyone that I have met on my route. People offer me cups of tea and meals; they accompany me for a day on my walk; they donate generously to my fundraising and they even offer me a bed for the night.

So far I've stayed everywhere from the spare room in family homes, B&Bs and barns to campsites, castles and even a bird hide! I was also very honoured in Dublin to be given a scroll marking my achievement, presented by the Lord Mayor, no less!

As I've walked I've had so many moving conversations with people who want to share their own families' stories of living with dementia. This, as well as being away from my husband, my parents and my son, for long stretches of time, has really brought home to me the importance of family. If I can contribute to making sure that in future, families won't have to go through the distress of living with dementia, then my aching legs, sore feet and occasionally drenched clothes will all have been worthwhile!"

## **FINANCIAL REVIEW**

### **Headline figures from our Financial Statements show:**

- Overall the charity's financial performance was the strongest of any financial year to date, with a total income of £38.5m.
- At £25m, our commitment to charitable activities was greater than ever before.
- We invested £19.8m in pioneering research.

### **In summary**

In 2018, our accounting period was shortened to seven months to allow us to align our future reporting periods with the UK Dementia Research Institute, resulting in the financial year being revised from 31 August to 31 March. As a result, this report does not intend to compare directly against the prior period.

Alzheimer's Research UK has continued to grow in line with its expectations and has delivered a record-breaking performance with total income reaching £38.5m. This has allowed the charity to commit £25m to our charitable activities aimed at making breakthroughs possible.

This performance could not have been possible without our kind and generous supporters, and the fantastic efforts of employees who share our vision.



Report of the Trustees for the year ended 31 March 2019 (continued)

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**Our income**

Total income for the 12-month period was £38.5m, of which income from donations was £36.7m, including gifts in Wills which contributed £10.8m. Investment income contributed £0.9m.

**Our expenditure**

Alzheimer's Research UK was able to commit £25m towards charitable activities, of which £19.8m was invested in research.

**Our funds**

Total funds held at the reporting date were £7.4m. Of this £3.1m was held in restricted funds, and £5.6m was set aside in designated funds. The General Fund has a negative balance of £1.3m. Alzheimer's Research UK continues to recognise its pledge to the UK Dementia Research Institute, and therefore continues to set aside funds towards this. It is also recognised that we are able to continue to fund other research in a timely manner, in the knowledge that the General Fund is expected to return to a positive position in the next financial year. Details on the purpose and expected timescale of use of the designated fund are disclosed in note 16 to the accounts.

**Our reserves policy**

Our reserves policy is guided by the way in which research commitments are recognised as liabilities in our financial statements.

Generally, research expenditure is recognised once the grant has been offered to the applicant at which point a commitment is deemed to exist. Drug Discovery Alliance commitments are recognised at the point that satisfactory progress has been achieved following a detailed scientific review performed by the Alzheimer's Research UK Drug Discovery Alliance Advisory Group and communicated to the facility. Research expenditure is generally recognised before the corresponding income is received. This makes it difficult for Alzheimer's Research UK to maintain a pre-determined level of general reserves.

The Trustees are mindful of the relatively long-term nature of grant liabilities, the often-significant delays between recognising research commitments in the accounts and making payments to recipients, and the considerable diversity of Alzheimer's Research UK's fundraising activities and asset portfolio when setting the reserves policy.

Consequently, the level of the general fund is not an appropriate measure of the financial position and stability of the organisation. The Trustees therefore give careful consideration to the charity's liquidity before entering into new financial obligations.

In order to provide flexibility to respond to charitable expenditure requirements, but without putting the charity financially at risk, the reserves policy is that we should maintain cash and readily realisable assets sufficient to fund between twelve and twenty-four months outstanding grants plus six months total operating costs. At 31 March 2019 our liquidity, included as current assets, was sufficient to cover defined operating costs plus 12 months of outstanding grants.

**Our investment policy**

As set out by its constitution, Alzheimer's Research UK has complete discretion to invest money which is not immediately required for expenditure. The performance of the investments, which are prudently managed by Quilter Cheviot, is overseen by the Investment Sub Committee which reports to the Board of Trustees. The objective of our investment activity is to ensure that capital investments provide long term gains that are significantly more than returns from holding cash, whilst generating income to be used towards our charitable objectives.

The return on our investments over the period covered by this report has exceeded market returns on comparable investments. It is the ethical policy of Alzheimer's Research UK specifically to exclude investments in the tobacco industry.

## Report of the Trustees for the year ended 31 March 2019 (continued)

## Risks and uncertainties

Regular monitoring and reporting of potential risks through our risk register allows them to be properly managed and mitigated, with procedures in place to respond in the event of a major risk occurring. The risk register is formally reviewed and assessed every quarter; and is reviewed at Audit and Risk Committee meetings three times a year and by the Board of Trustees annually. Employees are encouraged to draw attention to any concerns or incidents to assist the charity in managing any risks promptly and appropriately.

Alzheimer's Research UK is a dynamic, fast-moving charity experiencing a period of rapid growth as we strive to achieve our vision. We promise to be pioneering, change-making, agile and relentless in pursuit of our bold ambitions, and it is important that these values are underpinned by a robust approach to risk management and governance.

A full review of the charity's risk management process and risk strategy took place in 2018 and a summary of the principal risks currently identified, together with the actions taken to manage these risks, is below.

Risk	Management strategy
IT security threats	Alzheimer's Research UK constantly monitors threats to IT security, implementing necessary security measures to ensure a robust defence of our networks is in place.
Changing regulatory landscape	Our employees closely monitor the regulatory landscape, including guidance from and requirements set by the Fundraising Regulator, changes to the Code of Fundraising Practice, and changes to data protection law, to ensure full compliance with all regulatory and legislative changes affecting our work.
Financial fraud	We have robust policies and procedures in place to protect against internal or external fraud, including strict rules on the authorisation of bank payments and transfers.
Adverse market conditions causing potential investment losses	We remain alert to the potential impact on our work if unforeseen market conditions lead to a fall in the value of our investment portfolio. To manage this risk, we employ the services of a qualified investment broker to manage this portfolio, with this work carefully overseen by the Investment Sub Committee. Our portfolio is deemed as low risk.

## OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Alzheimer's Research UK is a charitable company limited by guarantee and does not have a share capital. In the event of the charitable company being wound up, each member has guaranteed to contribute £1. As at 31 March 2019, there were 10 Trustees. Currently, the maximum number of Trustees is 20. The Directors and Trustees are listed on page 53. We are a registered charity regulated by the Charity Commission for England and Wales and by the Office of the Scottish Charity Regulator (OSCR).

The Executive Team report to Trustees on income, expenditure and activities throughout the year and in writing ahead of each Trustee meeting (five times a year), as well as through regular discussion with the Chairman of the Trustees. Governance costs are modest and reflect the close link between staff and Trustees, who work with the volunteer Grant Review Board (GRB) and other advisory boards to select grant applications, funding as many of the strongest as possible, as well as reviewing the progress of key research initiatives. Alzheimer's Research UK is very grateful to Simmons and Simmons, the Royal Society for Public Health and PHD Media who provide rooms in London for Trustee meetings and sub-committee meetings.

Reference and Administrative details are set out on pages 53 to 55 of this report.

### **Governing document**

The objects of the charity, as set out in the Articles of Association, are to preserve and protect the health of the public. This is undertaken by endorsing or assisting the promotion of research into the causal mechanisms of neurodegenerative diseases, with the aim of treating or preventing Alzheimer's disease, dementia and other conditions having a similar or related cause and to disseminate the results of such research; and to advance the education of the public into the symptoms, causes and treatment of dementia and other conditions having a similar or related cause.

### **Trustees' appointment and training**

New Trustees are appointed through a recruitment campaign, depending on the experience and key skills needed. New Trustees are interviewed by the Chair along with others from the Board and Executive team as needed, and are formally approved at the Alzheimer's Research UK Board meeting.

Trustees are appointed for an initial term of one year. Thereafter, a Trustee may be elected by the Trustees for up to three subsequent terms of up to three years, provided that no person may serve as a Trustee for more than ten years. Trustees may require a Trustee to retire at any time by unanimous agreement (save for up to two dissenters).

In view of the regular Trustee meetings, the Trustees have agreed to dispense with a formal Annual General Meeting as permitted by the Companies Act.

On appointment, new Trustees are provided with a Trustee handbook and given a formal induction with senior staff at Alzheimer's Research UK's offices. The Trustee handbook includes the charity's Articles of Association, as well as key governance documentation. Trustees are also given key guidance from the Charity Commission – CC3 The Essential Trustee. Ongoing training is provided for Trustees as relevant throughout their term.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The public benefits from our work through the advances made as a result of our world-class research and through our educational materials, website and campaigning to improve awareness and understanding of dementia.

### **Related parties**

Alzheimer's Research Trading Limited (company number: 3880026) is a wholly-owned trading subsidiary of Alzheimer's Research UK; it commenced trading on 1 September 2011. The principal activity of the subsidiary company during 2018/19 was the retailing of gifts and merchandise through an online shop and the sale of Christmas cards and calendars.

Alzheimer's Brain Bank UK is a registered charity (number 1114578) and a company limited by guarantee (number 5762960) and has no share capital. It has two members, Alzheimer's Research UK and Alzheimer's Society (registered charity number 296645). The main objectives of Alzheimer's Brain Bank UK are to protect and promote the health of the public. This is undertaken by establishing, promoting and maintaining banks of brain tissue for research into the causes, prevention, treatment and cure of Alzheimer's disease and associated neurodegenerative diseases through the Brains for Dementia Research (BDR) programme, which launched in 2007. Since its launch, over 840 people have generously donated their brains through the scheme and more than 30,000 tissue samples have been sent out to dementia researchers across the world.

The UK Dementia Research Institute (UK DRI Limited - Company No. 11045257, Charity No. 1179589) is a joint £290m investment by founding funders the Medical Research Council, Alzheimer's Society and Alzheimer's Research UK. The UK DRI breaks new ground by bringing together world-leading expertise in biomedical, care and translational dementia research in a national institute. The institute will grow to be made up of 700 scientists carrying out a rich, varied and integrated programme of research. The institute will carry out research relevant to all forms of dementia, including Alzheimer's disease, Parkinson's disease, frontotemporal dementia, vascular dementia and Huntington's disease.

## Report of the Trustees for the year ended 31 March 2019 (continued)

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### Volunteers

We have an increasing number of volunteers supporting us in a variety of ways, including:

- Sharing their personal experiences of dementia with the media.
- Joining our network of Campaigners to ensure that dementia research remains a political priority.
- Volunteering through our Fundraising Groups, raising vital funds for our work.
- Volunteering to support administrative needs across the organisation.
- Attending fundraising events to cheer on supporters and/or collect funds.
- Reviewing new material or activities, or acting as a sounding board for new ideas.
- Helping us to maintain and develop our health information as lay and expert information reviewers.
- Acting as Community Speakers to raise awareness about dementia and research in their communities.

Our Grant Review Board (GRB) and Clinical Trials Advisory Panel (CTAP) members are all volunteers as are our external expert reviewers. Our GRB and CTAP are a distinguished group of some of the world's leading dementia research experts who review grant applications before making recommendations for funding to our Trustees. Our Patrons, Trustees and President all carry out their roles on a voluntary basis.

Throughout 2018/19 we have also been actively recruiting a Clinical Policy Advisory Panel including experts from the areas of neurology, psychiatry, geriatrics, pharmacy, epidemiology and psychology and a Policy Involvement Panel of people affected by dementia to help us build evidence to drive policy and increase decision-makers' awareness of the impact of dementia.

In addition, an advisory panel has been convened to assess applications to the Inspire Fund. This panel is made up of representatives with experience of dementia, dementia research or public engagement and are giving their time on a voluntary basis.

### Remuneration

To achieve our ambitions as the UK's leading dementia research charity, we strive to attract the best people with the right skills, knowledge and experience to steer our work. Across the charity, remuneration levels are set in accordance with the responsibilities of the role, with annual salary reviews taking into account individual performance over the past year. Salaries are benchmarked using survey data from the charitable sector. All salary increases are calibrated across the charity and approved by the Remuneration Committee. We do not have a bonus scheme in place and Trustees are not remunerated.

### Our approach to fundraising

Our Fundraising team works carefully with third parties who are experts in telephone and face-to-face fundraising, and who feel as passionately about dementia research as we do. Working with agencies allows us to raise vital funds in the most cost-effective way, and we closely manage the work they do on our behalf. Through our Supporter Charter, we promise to make the best use of every donation we receive, to keep our supporters informed about our work and to treat their information with respect.

In 2018/19 our fundraising appeals, including direct mail, telephone calls, face-to-face conversations and online/social media advertisements, had a reach of 48m people, with our fundraising activity generating just 168 complaints during the same period.

Over the past year we have worked with Listen Fundraising and DTV Optimise, who provide telephone fundraising for us, Appco UK, who carry out door-to-door and private site fundraising on our behalf, and private site fundraisers REAL Fundraising. Alzheimer's Research UK is a member of the Fundraising Regulator, and we carefully select the agencies we work with, only choosing partners who meet the standards we and the regulator expect, and who have clear policies in place to protect vulnerable people. We closely manage the work these agencies carry out on our behalf, ensuring that fundraisers are trained by charity staff at the start of campaigns, with refresher training delivered where a campaign runs

**Report of the Trustees for the year ended 31 March 2019 (continued)**

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for more than three months. Our Trustees also take an active interest in this area of work, with a member of our Board taking the time to visit our agencies and stay up to date with their work.

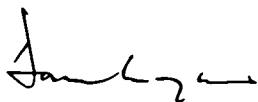
We take very seriously the quality and compliance of our fundraisers, monitoring activity consistently at set frequencies. For telephone campaigns, calls are regularly reviewed to ensure best practice, and monthly visits to agency premises are used to provide real-time feedback. Callers may ask for a donation no more than three times during a call, in line with best practice. Door-to-door fundraisers representing the charity do not operate in 'no cold calling zones', and do not approach houses obviously occupied by vulnerable individuals or displaying 'no cold caller' signs.

Our Vulnerable Persons policies exist to ensure that Alzheimer's Research UK staff, and any fundraisers who work on our behalf, are alert to the signs that a person may not have the capacity to make an informed decision about donating. If a fundraiser identifies that they may be communicating with a vulnerable person, a donation will not be requested.

In so far as each of the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Report of the Trustees prepared under the Charities Act 2011, which also contains all information required in a Directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 3 July 2019 and signed on behalf of the Trustees by



**DAVID MAYHEW CBE, CHAIRMAN**

**Statement of Trustees' responsibilities**

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The Trustees (who are also Directors of Alzheimer's Research UK for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether the standards applicable under FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The Trustees are responsible for keeping proper and adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Independent Auditor's Report to the Trustees and Members of Alzheimer's Research UK**

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**Opinion**

We have audited the financial statements of Alzheimer's Research UK (the 'charity') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated and Charity Statements of Financial Activities incorporating an income and expenditure account, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Cash Flow Statements 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 FRS 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 parent charitable company's affairs as at 31 March 2019; and of the group's and the parent charitable company's incoming resources and application of resources, including their 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

**Independent Auditor's Report to the Trustees and Members of Alzheimer's Research UK (continued)**

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; 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 statement of trustees' responsibilities set out on page 21 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

CLAIRE SUTHERLAND (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

19 September 2019

RSM UK AUDIT LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



## Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 2019 Total £	Period ended 31 March 2018 Total £ (note 23)
<b>Income from:</b>					
Donations and legacies	4	27,499,162	9,193,192	36,692,354	17,341,348
Charitable activities		114,305	327,828	442,133	259,666
Other trading & income generating activities		224,654	-	224,654	134,006
Investments	5	907,824	-	907,824	437,383
Net income in joint venture operations		-	269,160	269,160	47,779
<b>Total income</b>		<b>28,745,945</b>	<b>9,790,180</b>	<b>38,536,125</b>	<b>18,220,182</b>
<b>Expenditure on:</b>					
Raising funds		11,095,734	-	11,095,734	6,385,043
Charitable activities	6	20,244,369	4,710,195	24,954,564	15,513,481
<b>Total expenditure</b>		<b>31,340,103</b>	<b>4,710,195</b>	<b>36,050,298</b>	<b>21,898,524</b>
Net realised gains/(losses) on investments	10	161,206	-	161,206	50,757
Unrealised gains/(losses) on investments	10	526,739	-	526,739	(678,040)
<b>Total net gains/(losses) on investments</b>		<b>687,945</b>	<b>-</b>	<b>687,945</b>	<b>(627,283)</b>
<b>Net income/(expenditure) before transfers</b>		<b>(1,906,213)</b>	<b>5,079,985</b>	<b>3,173,772</b>	<b>(4,305,625)</b>
Transfers between funds		2,565,427	(2,565,427)	-	-
<b>Net movement in funds</b>		<b>659,214</b>	<b>2,514,558</b>	<b>3,173,772</b>	<b>(4,305,625)</b>
<b>Reconciliation of funds:</b>					
Funds balance at 1 April		3,598,516	584,915	4,183,431	8,489,056
<b>Funds balance at 31 March</b>	<b>15, 16</b>	<b>4,257,730</b>	<b>3,099,473</b>	<b>7,357,203</b>	<b>4,183,431</b>

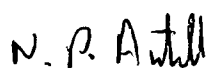
## Charity statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 2019 Total £	Period ended 31 March 2018 Total £ (note 23)
<b>Income from:</b>					
Donations and legacies	0	27,532,494	9,193,192	<b>36,725,686</b>	17,341,348
Charitable activities		114,305	327,828	<b>442,133</b>	258,615
Other trading & income generating activities		158,041	-	<b>158,041</b>	80,514
Investments	5	907,824	-	<b>907,824</b>	437,383
<b>Total income</b>		<b>28,712,664</b>	<b>9,521,020</b>	<b>38,233,684</b>	<b>18,117,860</b>
<b>Expenditure on:</b>					
Raising funds		11,077,030	-	<b>11,077,030</b>	6,368,042
Charitable activities	6	20,237,279	4,710,195	<b>24,947,474</b>	15,511,896
<b>Total expenditure</b>		<b>31,314,309</b>	<b>4,710,195</b>	<b>36,024,504</b>	<b>21,879,938</b>
Net realised gains/(losses) on investments	10	161,206	-	<b>161,206</b>	50,757
Unrealised gains/(losses) on investments	10	526,739	-	<b>526,739</b>	(678,040)
<b>Total net gains/(losses) on investments</b>		<b>687,945</b>	<b>-</b>	<b>687,945</b>	<b>(627,283)</b>
<b>Net income/(expenditure) before transfers</b>		<b>(1,913,700)</b>	<b>4,810,825</b>	<b>2,897,125</b>	<b>(4,389,361)</b>
Transfers between funds		2,565,427	(2,565,427)	-	-
<b>Net movement in funds</b>		<b>651,727</b>	<b>2,245,398</b>	<b>2,897,125</b>	<b>(4,389,361)</b>
<b>Reconciliation of funds:</b>					
Funds balance at 1 April		3,583,445	449,956	<b>4,033,401</b>	8,422,762
<b>Funds balance at 31 March</b>	15, 16	<b>4,235,172</b>	<b>2,695,354</b>	<b>6,930,526</b>	<b>4,033,401</b>

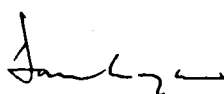
**ALZHEIMER'S RESEARCH UK**
**Consolidated balance sheet as at 31 March 2019**

	Note	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Fixed assets</b>			
Tangible assets	9a	626,296	626,674
Intangible assets	9b	42,200	72,732
Investments	10	14,571,827	13,361,513
		<u>15,240,323</u>	<u>14,060,919</u>
<b>Current assets</b>			
Stocks	11	8,470	11,118
Debtors	12	7,095,849	5,253,045
Investments	10	15,021,658	14,068,005
Cash at bank and in hand		2,374,361	2,164,852
		<u>24,500,338</u>	<u>21,497,020</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(23,716,289)</u>	<u>(21,439,809)</u>
<b>Net current assets</b>		<u>784,049</u>	<u>57,211</u>
<b>Total assets less current liabilities</b>		<u>16,024,372</u>	<u>14,118,130</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(8,667,169)</u>	<u>(9,934,699)</u>
<b>Total assets less total liabilities</b>		<u>7,357,203</u>	<u>4,183,431</u>
<b>Funds</b>			
Restricted funds	15	3,099,473	584,915
Unrestricted funds			
General funds	16	(1,331,151)	(2,602,255)
Designated funds	16	5,588,881	6,200,771
		<u>7,357,203</u>	<u>4,183,431</u>

The financial statements on pages 24 to 52 were approved and authorised for issue by the Board of Trustees on 3 July 2019.



N Antill  
Trustee



D Mayhew CBE  
Trustee

The notes on pages 30 to 52 form part of these financial statements.

	Note	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Fixed assets</b>			
Tangible assets	9a	626,296	626,674
Intangible assets	9b	42,200	72,732
Investments	10	14,187,708	13,246,554
		<u>14,856,204</u>	<u>13,945,960</u>
<b>Current assets</b>			
Debtors	12	7,072,254	5,276,779
Investments	10	15,021,658	14,068,005
Cash at bank and in hand		2,365,366	2,109,089
		<u>24,459,278</u>	<u>21,453,873</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(23,717,787)</u>	<u>(21,431,733)</u>
<b>Net current assets</b>		<u>741,491</u>	<u>22,140</u>
<b>Total assets less current liabilities</b>		<u>15,597,695</u>	<u>13,968,100</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(8,667,169)</u>	<u>(9,934,699)</u>
<b>Total assets less total liabilities</b>		<u>6,930,526</u>	<u>4,033,401</u>
<b>Funds</b>			
Restricted funds	15	2,695,354	449,956
Unrestricted funds			
General funds	16	(1,353,709)	(2,617,326)
Designated funds	16	5,588,881	6,200,771
		<u>6,930,526</u>	<u>4,033,401</u>

The financial statements on pages 24 to 52 were approved and authorised for issue by the Board of Trustees on 3 July 2019.

N.P. Antill

N Antill  
Trustee

D Mayhew

D Mayhew CBE  
Trustee

The notes on pages 30 to 52 form part of these financial statements.

## Consolidated cashflow statement for the year ended 31 March 2019

		Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Cashflows from operating activities</b>			
Net cash provided by/(used in) operating activities	a	688,187	(1,949,511)
<b>Cashflow from investing activities</b>			
Investment income		907,824	437,383
Purchase of property, plant and equipment		(241,238)	(490,683)
Purchase of intangible fixed assets		(1,200)	(35,644)
Proceeds from sales of investments		3,603,960	5,777,994
Purchase of investments		(4,748,024)	(4,043,637)
Net cash provided by/(used in) investing activities		(478,678)	1,645,413
<b>Change in cash and cash equivalents in reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		2,164,852	2,468,950
Cash and cash equivalents at the end of the reporting period	b	2,374,361	2,164,852
<b>Reconciliation of expenditure to net cashflow from operating activities</b>			
		2019 £	2018 £
<b>a. Net cash provided by operating activities</b>			
Net movement in funds		3,173,772	(4,305,625)
<b>Adjustments for:</b>			
Depreciation and amortisation charges		273,348	154,604
Loss on disposal of fixed assets		-	3,726
(Gains)/losses on investments		(687,945)	627,283
Dividends and interest from investments		(907,824)	(437,383)
(Increase)/decrease in stocks		2,648	(5,459)
(Increase)/decrease in debtors		(1,842,804)	(345,574)
Increase/(decrease) in creditors		1,008,950	2,374,400
(Increase)/decrease in value of joint venture investment		(269,160)	(47,779)
(Gains)/losses on programme related investments		(62,798)	32,296
		688,187	(1,949,511)
<b>b. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		2,374,361	2,164,852

The notes on pages 30 to 52 form part of these financial statements.

## Charity cashflow statement for the year ended 31 March 2019

		Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Cashflows from operating activities</b>			
Net cash provided by/(used in) by operating activities	a	734,955	(1,955,386)
<b>Cashflow from investing activities</b>			
Investment income		907,824	437,383
Purchase of property, plant and equipment		(241,238)	(490,683)
Purchase of intangibles		(1,200)	(35,644)
Proceeds from sales of investments		3,603,960	5,777,994
Purchase of investments		(4,748,024)	(4,043,637)
Net cash provided by/(used in) investing activities		(478,678)	1,645,413
<b>Change in cash and cash equivalents in reporting period</b>			
Cash and cash equivalents at the beginning of the reporting period		2,109,089	2,419,062
Cash and cash equivalents at the end of the reporting period	B	2,365,366	2,109,089
<b>Reconciliation of expenditure to net cashflow from operating activities</b>			
		2019 £	2018 £
<b>a. Net cash provided by operating activities</b>			
Net movement in funds		2,897,125	(4,389,361)
<b>Adjustments for:</b>			
Depreciation and amortisation charges		273,348	154,604
Loss on disposal of fixed assets		-	3,726
(Gains)/losses on investments		(687,945)	627,283
Dividends and interest from investments		(907,824)	(437,383)
(Increase)/decrease in debtors		(1,795,475)	(318,547)
Increase/(decrease) in creditors		1,018,524	2,371,996
(Gains)/losses on programme related investments		(62,798)	32,296
		734,955	(1,955,386)
<b>b. Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		2,365,366	2,109,089

The notes on pages 30 to 52 form part of these financial statements.

**1. Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Alzheimer's Research UK is an incorporated charity, limited by guarantee, domiciled and registered in England and Wales, which constitutes a Public Benefit entity as defined by FRS 102. The address of its registered office is set out on page 55. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Monetary amounts in these financial statements are rounded to the next whole £1 except where otherwise indicated and these financial statements are presented in sterling, which is also the functional currency of the Charity.

**Fund accounting**

The Charity maintains various types of funds as follows:

**Restricted funds**

Restricted funds represent grants, donations and legacies received which are allocated by the donor for specific purposes.

**Unrestricted funds**

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the Charity. This also includes designated funds which represent amounts that have been set aside for specific purposes at the discretion of the Trustees.

**Fund transfers**

Transfers between restricted and unrestricted funds represent restricted income received where expenditure has already been provided for.

**Basis of consolidation**

The financial statements comprise the assets, liabilities and funds, and the Statement of Financial Activities of Alzheimer's Research UK and its subsidiary. The financial statements also include the Charity's share of the profits or losses from joint ventures in the consolidated Statement of Financial Activities and its share of the net assets is included in the consolidated Balance Sheet.

**Income**

All income is recognised in the Statement of Financial Activities when the conditions for receipt have been met and there is reasonable probability of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

**Donated services and goods**

Services donated to the Charity are recognised as income in the year when received at the equivalent of open market value.

Assets given in kind for conversion into cash and subsequent application by the Charity are recognised as income in the accounting period when receivable.

**Donations**

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Donations are accounted for at the point when the Charity is entitled to the income, there is probability of receipt and the monetary value can be measured with sufficient reliability.

**Investment income**

Investment income is accounted for when receivable. Tax recoverable relating to investment income is accounted for in the same period as the related income.

**Legacies**

Legacies are included in the Statement of Financial Activities when the Charity is legally entitled to the distribution and the amount can be determined with accuracy and it is probable that the legacy will be received. Reversionary interests involving a life tenant are not recognised.

**1. Accounting policies (continued)****Expenditure**

All expenditure is accounted for on an accruals basis. The costs of raising funds represent expenditure incurred in general fundraising activities.

Charitable activities represent expenditure incurred in issuing grants to academic institutions for research purposes, providing information about dementia and advocating for dementia research.

Support costs are attributed to the costs of raising funds and charitable activities using a percentage based upon the direct expenditure allocation.

**Research commitments**

Research commitments are accounted for as expenditure in the Statement of Financial Activities when there is a constructive obligation based on a formal offer to the recipient. Where the promise of financial support is not binding on the Trustees, such intentions may be accounted for by a transfer to a designated fund. The present value of future commitments to research has been considered at a discount rate of 2.9% (2018: 2.6%) and the resulting potential discounting is not considered to be material to the overall value of the commitment, or to the net movement in funds on a recurrent basis.

**Tangible fixed assets**

Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided to write off the cost of all assets over their expected useful lives as follows:

Fixtures and office equipment	- 20% - 33% straight line
Leasehold improvements	- over the period of the lease

**Intangible fixed assets**

Intangible fixed assets costing more than £500 are capitalised and included at cost.

Amortisation is provided to write off the cost of all assets over their expected useful lives as follows:

Computer software	- 20% - 33% straight line
-------------------	---------------------------

The amortisation charge is included within support costs and allocated on the basis of expenditure incurred.

**Investments**

Investments in the investment portfolio are stated at market value, using quoted bid price. Realised and unrealised gains and losses are shown separately in the appropriate section of the Statement of Financial Activities. The composition of investments is reviewed annually and split between fixed and current depending upon the nature of the investment category, and any intentions to realise within 12 months from the reporting date.

The investment in the subsidiary is included in the balance sheet at cost, less any provision for impairment in value. The investments in the joint ventures are accounted for under the gross equity method.

The programme related investment is included in the balance sheet at fair value based on the balance sheet of the fund invested in with gains taken as an increase to income from charitable activities and losses taken as an increase to expenditure on charitable activities.

**Stocks**

Stocks are included at the lower of cost and net realisable value.

**Pensions**

The Charity operates a defined contribution pension scheme for its employees. Obligations for contributions to the defined contribution pension scheme are charged to the Statement of Financial Activities in the year in which they become payable.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.



**1. Accounting policies (continued)****Creditors**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

**Financial Instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method, apart from listed investments and the programme related investments, which are held at fair value, derived as noted within the investments accounting policy. Further details of financial instruments are shown in note 24.

**Leases**

The annual rental of all operating leases is charged to the Statement of Financial Activities on a straight-line basis over the lease term. Rent free periods and other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight-line basis over the lease term.

**Going concern**

The use of the going concern basis of accounting is considered to be appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group or Charity to continue as a going concern.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees Report and incorporated Strategic Report on pages 5 to 20. The group currently has significant liquid resources which are equivalent to the research commitments which have been made and are payable over the next five years. There are no borrowings. It is the purpose of the group to raise as much money as possible for purposes of funding research. The amount which is committed to research depends on the income raised and commitments are made bearing in mind the requirements of the reserves policy.

Detailed projections are produced for the next five years which together with availability of detailed financial information enables the assessment of the level of research commitments which can be made.

The Trustees are confident with the investments in infrastructure which have been made that the income levels set in the strategic plan can be met which will enable a significant increase in amounts committed to research.

**Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are not considered to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

*Critical areas of judgement*

The Trustees do not consider that there are any critical areas of judgement applied in the preparation of these financial statements.

**Comparatives**

In 2018, our accounting period was shortened to seven months to allow us to align our future reporting periods with the UK Dementia Research Institute, resulting in the financial year being revised from 31 August to 31 March. As a result, the results of this financial year do not compare directly against the prior period.

**2. Net income/(expenditure) for the year**

	Year ended 31 March 2019	Period ended 31 March 2018
	£	£
Net income/(expenditure) for the year is stated after charging:		
Audit services - Charity and group audit services	22,400	21,700
- Trading subsidiary audit services	2,100	2,100
- Tax compliance services	3,130	2,820
- Tax advisory services	-	3,900
- Other services	-	4,100
Depreciation of tangible fixed assets	241,616	139,043
Amortisation of intangible fixed assets	31,732	15,561
Payments under operating leases - land and buildings	373,547	112,578
Payments under operating leases - plant and machinery	24,112	9,863

**3. Information regarding employees and trustees**

	Year ended 31 March 2019	Period ended 31 March 2018
	Number	Number
<b>Group and Charity</b>		
Charitable activities	42	39
Fundraising	81	71
Support services	23	20
	<u>146</u>	<u>130</u>
	£	£
Salaries	6,008,179	2,910,873
National insurance	613,691	301,815
Other pension costs	280,031	162,173
	<u>6,901,901</u>	<u>3,374,861</u>

The number of employees whose emoluments have exceeded £60,000 (based on a 12 month period for 2018) in the year were:

	Number	Number
£60,001 - £70,000	6	5
£70,001 - £80,000	2	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£150,001 - £160,000	1	1

All of the above individuals are members of the defined contribution pension scheme. Included within creditors at the year-end is £39,158 (2018: £40,459) of outstanding pension contributions. Trustees are not remunerated nor reimbursed for their expenses.

The total employment costs of the Executive Team which is comprised of the Chief Executive, Chief Scientific Officer, Executive Director of Fundraising and Executive Director of Operations and Finance were £577,924 (2018: £320,842).

Redundancy/termination costs of £nil (2018: £74,623) were recognised in the period. Of this £nil was unpaid at 31 March 2019 (2018: £74,623).

**3. Information regarding employees and trustees (continued)**

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable by the Charity charged to expenditure amounted to £280,031 (2018: £162,173).

**4. Donations and legacies**

			Total Year ended 31 March 2019	Total Period ended 31 March 2018
Group	Unrestricted funds £	Restricted funds £	£	£
Charitable trusts	1,956,934	3,493,263	5,450,197	2,476,398
Legacy income	10,638,951	209,409	10,848,360	4,715,332
Other donations	14,770,832	5,490,520	20,261,352	9,238,653
Donated services	132,445	-	132,445	910,965
	<u>27,499,162</u>	<u>9,193,192</u>	<u>36,692,354</u>	<u>17,341,348</u>
<b>Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Charitable trusts	1,956,934	3,493,263	5,450,197	2,476,398
Legacy income	10,638,951	209,409	10,848,360	4,715,332
Other donations	14,804,164	5,490,520	20,294,684	9,238,653
Donated services	132,445	-	132,445	910,965
	<u>27,532,494</u>	<u>9,193,192</u>	<u>36,725,686</u>	<u>17,341,348</u>

Details of the use of volunteers within the charity can be found in the Trustees' Report on page 19.

**5. Investment income**

	Year ended 31 March 2019	Period ended 31 March 2018
Group and Charity	£	£
Bank deposits	9,716	4,248
Dividend income	898,108	433,135
	<u>907,824</u>	<u>437,383</u>

**6. Expenditure on charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Group				
Dementia research	15,304,459	4,491,781	19,796,240	13,101,644
Information and advocacy	4,939,910	218,414	5,158,324	2,411,837
	<u>20,244,369</u>	<u>4,710,195</u>	<u>24,954,564</u>	<u>15,513,481</u>

**6. Expenditure on charitable activities (continued)**

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Charity</b>				
Dementia research	15,298,834	4,491,781	19,790,615	13,100,324
Information and advocacy	4,938,445	218,414	5,156,859	2,411,572
	<u>20,237,279</u>	<u>4,710,195</u>	<u>24,947,474</u>	<u>15,511,896</u>

**7. Support costs**

				Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>	<b>Raising Funds £</b>	<b>Research £</b>	<b>Information &amp; Advocacy £</b>		
Human resources	253,719	452,668	117,952	824,339	312,174
Premises	236,277	421,549	109,842	767,668	386,723
Finance	59,433	106,036	27,631	193,100	93,984
Corporate	73,857	131,770	34,335	239,962	151,124
IT & office costs	137,101	244,606	63,737	445,444	240,772
Depreciation & amortisation	84,132	150,103	39,113	273,348	163,694
Governance	145,415	259,439	67,603	472,457	165,081
	<u>989,934</u>	<u>1,766,171</u>	<u>460,213</u>	<u>3,216,318</u>	<u>1,513,552</u>
<b>Charity</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Human resources	253,473	452,863	118,003	824,339	312,174
Premises	236,047	421,731	109,891	767,669	386,723
Finance	59,376	106,082	27,642	193,100	93,984
Corporate	73,785	131,827	34,351	239,963	151,124
IT & office costs	136,968	244,711	63,765	445,444	240,772
Depreciation & amortisation	84,050	150,168	39,129	273,347	163,694
Governance	141,699	253,164	65,968	460,831	165,081
	<u>985,398</u>	<u>1,760,546</u>	<u>458,749</u>	<u>3,204,693</u>	<u>1,513,552</u>

Support costs have been allocated on the basis of direct expenditure incurred.

**8. Grant giving**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>		
New research commitments entered into during the year for dementia research	17,356,855	11,583,353
Release of provisions no longer required	(414,787)	(12,889)
Support costs allocated to grant giving	1,511,529	859,809
	<u>18,453,597</u>	<u>12,430,273</u>
Grant giving charged to the Statement of Financial Activities	1,088,001	626,152
Other research costs	254,642	45,219
Support costs allocated to Dementia research	<u>19,796,240</u>	<u>13,101,644</u>
Dementia research charged to the Statement of Financial Activities		

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

## 8. Grant giving (continued)

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Charity</b>		
New research commitments entered into during the year for dementia research	17,356,855	11,583,353
Release of provisions no longer required	(414,787)	(12,889)
Support costs allocated to grant giving	1,507,143	859,809
	<u>18,449,211</u>	<u>12,430,273</u>
Grant giving charged to the Statement of Financial Activities	18,449,211	12,430,273
Other research costs	1,088,001	624,832
Support costs allocated to Dementia research	253,403	45,219
	<u>19,790,615</u>	<u>13,100,324</u>
Dementia research charged to the Statement of Financial Activities	19,790,615	13,100,324

All grants are paid to institutions. An analysis of grant-funded research by host institution with details of the grants awarded during the period, forming part of these audited financial statements, can be found below:

	Total Year ended 31 March 2019 £	Total Period ended 31 March 2018 £
Alzheimer's Brain Bank UK	44,000	-
Aston University	-	70,341
Cardiff University	77,457	48,507
Beth Israel Deaconess Medical Centre	30,099	-
UK DRI Limited	2,000,000	1,000,000
Durham University	1,998	1,180
Imperial College London	310,598	-
International Centre for Genetic Engineering & Biotechnology	-	80,606
Jewish Home of San Francisco	-	10,846
King's College London	783,059	379,696
Medical Research Council	39,742	338,939
National Philanthropic Trust	500,000	-
Newcastle University	523,786	49,832
Queen's University Belfast	271,743	-
Canadian Institutes of Health Research	12,096	-
European Brain Research Institute	49,300	-
Foundation Carlo Besta Neurological Institute	8,236	-
reMYND	2,806	-
Royal Veterinary College	-	59,880
The Open University	-	49,876
The Academy of Medical Sciences	2,000	-
University College London	3,024,840	3,712,705
University of Bath	-	397,466
University of Birmingham	57,000	-
University of Bristol	333,883	227,213
University of Cambridge	3,462,508	2,289,540
University of Cambridge School of Clinical Medicine	608,833	-
University of Dundee	82,000	-
University of East Anglia	47,993	59,074
University of Edinburgh	826,913	1,600
University of Exeter	755,602	74,926
Subtotal	<u>13,856,492</u>	<u>8,852,227</u>

**8. Grant giving (continued)**

Brought forward	<b>13,856,492</b>	<b>8,852,227</b>
University of Exeter Medical School	<b>18,250</b>	-
University of Manchester	<b>423,212</b>	1,996
University of Northampton	<b>719</b>	-
University of Oxford	<b>2,411,325</b>	2,000,000
University of Sheffield	<b>277,884</b>	151,376
University of Southampton	<b>227,807</b>	577,754
University of South Florida	<b>61,666</b>	-
University of Western Ontario	<b>79,500</b>	-
	<b>17,356,855</b>	<b>11,583,353</b>

**9a. Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>Fixtures &amp; office equipment £</b>	<b>Total £</b>
<b>Group and Charity Cost</b>			
At 1 April 2018	1,138,213	391,353	1,529,566
Additions	107,806	133,432	241,238
Disposals	-	(120,644)	(120,644)
<b>At 31 March 2019</b>	<b>1,246,019</b>	<b>404,141</b>	<b>1,650,160</b>
<b>Depreciation</b>			
At 1 April 2018	650,372	252,520	902,892
Charge for the year	164,337	77,279	241,616
Disposals	-	(120,644)	(120,644)
<b>At 31 March 2019</b>	<b>814,709</b>	<b>209,155</b>	<b>1,023,864</b>
<b>Net book value</b>			
<b>At 31 March 2019</b>	<b>431,310</b>	<b>194,986</b>	<b>626,296</b>
At 31 March 2018	487,841	138,833	626,674

All tangible fixed assets are held for charitable purposes.

**9b. Intangible fixed assets**

	Computer software £	Total £
<b>Group and Charity</b>		
<b>Cost</b>		
At 1 April 2018	150,868	150,868
Additions	1,200	1,200
<b>At 31 March 2019</b>	<b>152,068</b>	<b>152,068</b>
<b>Amortisation</b>		
At 1 April 2018	78,136	78,136
Charge for the year	31,732	31,732
<b>At 31 March 2019</b>	<b>109,868</b>	<b>109,868</b>
<b>Net book value</b>		
<b>At 31 March 2019</b>	<b>42,200</b>	<b>42,200</b>
At 31 March 2018	72,732	72,732

**10. Investments**

	Investment portfolio £	Programme related investment £	Shares in subsidiary £	Share of Joint venture £	Total Year ended 31 March 2019 £	Total Period ended 31 March 2018 £
Market value						
1 April 2018	26,746,292	548,267	20,000	134,959	27,449,518	29,795,675
Additions	4,640,369	107,655	-	-	4,748,024	4,043,637
Disposals	(3,603,960)	-	-	-	(3,603,960)	(5,777,994)
Realised and unrealised investment gains/(losses)	687,945	62,798	-	269,160	1,019,903	(611,800)
<b>Market value at 31 March 2019</b>	<b>28,470,646</b>	<b>718,720</b>	<b>20,000</b>	<b>404,119</b>	<b>29,613,485</b>	<b>27,449,518</b>
Group	28,470,646	718,720	-	404,119	29,593,485	27,429,518
Charity	28,470,646	718,720	20,000	-	29,209,366	27,314,559
<b>Cost at 31 March 2019</b>	<b>25,903,188</b>	<b>825,712</b>	<b>20,000</b>	<b>404,119</b>	<b>27,153,019</b>	<b>25,318,116</b>

Shares held under the heading investment portfolio and the programme related investment are recognised at their fair value, other investments are valued at cost.

**10. Investments (continued)**

Composition of investment portfolio	Year ended 31 March 2019 £	Period ended 31 March 2018 £
UK Corporate bonds	9,567,310	9,658,784
Overseas Corporate bonds	916,883	923,892
UK Gilts	2,964,795	2,054,705
Cash deposits	3,938,876	2,592,162
UK alternative investments	3,966,388	4,473,838
UK equity investments	4,107,486	4,177,596
Non-UK equity investments	3,008,908	2,865,315
	<b>28,470,646</b>	<b>26,746,292</b>

Presentation of investments	Year ended 31 March 2019 Group £	Year ended 31 March 2019 Charity £	Period ended 31 March 2018 Group £	Period ended 31 March 2018 Charity £
Fixed asset investments	14,571,827	14,187,708	13,361,513	13,246,554
Current investments	15,021,658	15,021,658	14,068,005	14,068,005
	<b>29,593,485</b>	<b>29,209,366</b>	<b>27,429,518</b>	<b>27,314,559</b>

**Programme related investments**

The Dementia Discovery Fund ('DDF' or 'the Fund') was launched in October 2015 and is managed by SV Health Managers LLP (Registered in England OC308829). The goal of the DDF is finding innovative drugs with the potential to cure, or provide a disease modifying treatment, for dementia or its symptoms by 2025.

Alzheimer's Research UK committed a 4.69 % share of the investment. Original partners in the Fund were Biogen New Ventures Inc., Eli Lilly and Company Limited, Glaxo Group Limited, Johnson & Johnson - JIDC, Inc., Pfizer Limited, Takeda Ventures Inc. and The Secretary of State for Health, with a total original partnership commitment of £70,227,465.

**Joint venture investment**

Alzheimer's Brain Bank (ABBUK) is a company limited by guarantee (number 5762960) and a registered charity (number 1114578). It has two members, Alzheimer's Research UK and Alzheimer's Society. 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 associate neurodegenerative diseases and disorders. The Charity owns a 50% share in ABBUK and its share of the net assets is £117,945 (2018: £128,799) comprising of £1,349,123 (2018: £1,778,501) current assets, £806,812 (2018: £803,697) current liabilities and £424,366 (2018: £846,005) long term liabilities. Alzheimer's Research UK's share of income from donations for the year totalled £2,009 (2018: £1,379,329), its share of charitable expenditure is £12,863 (2018: £1,337,710) bringing Alzheimer's Research UK's share of the net result to a deficit of £10,854 (2018: surplus £41,619). This joint venture is accounted for in accordance with FRS 102 and the Charities SORP under the gross equity method.

UK DRI Limited is a company limited by guarantee (number 11045257). It has three members, Alzheimer's Research UK, Alzheimer's Society and Medical Research Council. The Charity owns a 33.3% share in UK DRI Limited and its share of the net assets is £286,174 (2018: £6,160) comprising of £8,489,839 (2018: £8,371,646) current assets, £6,716,665 (2018: £8,365,486) current liabilities and £1,487,000 (2018: £nil) long term liabilities. Alzheimer's Research UK's share of income from donations for the year totalled £5,662,657 (2018: £8,371,646), its share of charitable expenditure is £5,382,643 (2018: £8,365,486) bringing Alzheimer's Research UK's share of the net result to £280,014 (2018: £6,160). This joint venture is accounted for in accordance with FRS 102 and the Charities SORP under the gross equity method.



**10. Investments (continued)****Subsidiary company**

Alzheimer's Research Trading Limited, registered company number 3880026, is a wholly owned subsidiary of Alzheimer's Research UK whose taxable profits are donated to its parent. The registered address of the Company is the same as the charity. The trading company receives income from the sale of merchandise with each sale helping to support our cause.

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
Income	77,954	54,543
Expenditure	(38,896)	(19,450)
Profit for the year	<u>39,058</u>	<u>35,093</u>
Fixed assets	5,250	7,000
Net current assets/(liabilities)	<u>42,558</u>	<u>35,082</u>
	<u>47,808</u>	<u>42,082</u>
Financed by:		
Ordinary share capital	20,000	20,000
Shareholder's funds	<u>27,808</u>	<u>22,082</u>
	<u>47,808</u>	<u>42,082</u>

**11. Stocks**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>		
Merchandise and products	<u>8,470</u>	<u>11,118</u>

## Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

**12. Debtors**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>		
Trade debtors	5,503	25,408
Other debtors	400,964	356,253
Charities Aid Foundation	127,901	58,700
Accrued income and prepayments	6,561,481	4,812,684
	<u>7,095,849</u>	<u>5,253,045</u>
	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Charity</b>		
Trade debtors	5,503	25,408
Other debtors	366,816	297,712
Amounts due from group undertakings	10,553	82,275
Charities Aid Foundation	127,901	58,700
Accrued income and prepayments	6,561,481	4,812,684
	<u>7,072,254</u>	<u>5,276,779</u>

**13. Creditors: amounts falling due within one year**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>		
Trade creditors	681,403	1,695,556
Accruals	1,091,053	379,405
Other taxes and social security	184,538	163,277
Other creditors	39,218	40,459
Research commitments	21,720,077	19,161,112
	<u>23,716,289</u>	<u>21,439,809</u>
	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Charity</b>		
Trade creditors	681,403	1,695,325
Accruals	1,086,901	376,885
Other taxes and social security	190,248	157,952
Other creditors	39,158	40,459
Research commitments	21,720,077	19,161,112
	<u>23,717,787</u>	<u>21,431,733</u>

As at the balance sheet date, the Charity has entered into agreements with 3 universities with regard to the Drug Discovery Institutes, to provide maximum funding of £30 million over a period of 5 years. Of this, £21m has been committed to date. The on-going commitment will be part of an independent, thorough systematic review, and future funding levels will be recommitted on an annual basis. These have not been included in the financial statements as they are not considered to meet the accounting framework definition of a liability. Commitments in the coming years will be funded out of future grants, donations and legacies.

**13. Creditors: amounts falling due within one year (continued)**

As at the balance sheet date, the Charity has entered into an agreement with UK DRI Limited, to provide maximum funding of £50 million over a period of 10 years to 2027-28. Of this, £3m has been committed to date. The ongoing commitment will be part of a thorough systematic review, and future funding levels will be recommitted on an annual basis. These have not been included in the financial statements as they are not considered to meet the accounting framework definition of a liability. Commitments in the coming years will be funded out of future grants, donations and legacies.

**14. Creditors: amounts falling due after more than one year**

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group and Charity</b>		
Research commitments	8,566,397	9,934,699
Rent accrual	22,815	-
Other creditors	77,957	-
	<u>8,667,169</u>	<u>9,934,699</u>
	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Ageing of long-term liabilities</b>		
1 - 2 years	5,773,814	5,845,441
2 - 3 years	2,247,527	3,251,340
3 - 4 years	505,590	693,620
4 - 5 years	140,238	144,298
	<u>8,667,169</u>	<u>9,934,699</u>
	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Reconciliation of research commitments</b>		
Balance brought forward	29,095,811	24,827,851
New commitments entered into	17,356,855	11,583,353
Commitments no longer required	(414,787)	(12,889)
Amounts spent in the period	(15,751,405)	(7,302,504)
	<u>30,286,474</u>	<u>29,095,811</u>

## 15. Movement in and allocation of restricted funds – Group and Charity

Description	As at 31 March 2018 £	Income £	Expenditure £	Transfers £	As at 31 March 2019 £
<b>Research</b>					
ADDI	-	500,000	(500,000)	-	-
Brain Bank	-	483,824	(483,824)	-	-
Clinical Research Fellowship	-	21,000	-	(21,000)	-
Dementia Consortium	266,146	270,810	(46,891)	(15,924)	<b>474,141</b>
Drug Discovery Institutes	-	2,154,530	(2,035,000)	(119,530)	-
Equipment Grants	-	153,131	-	(153,131)	-
Interdisciplinary Research Grants	-	15,284	-	(15,284)	-
MCDN	-	64,098	-	(64,098)	-
Network Accelerate Scheme	-	111,358	-	(111,358)	-
Network Centre	-	64,341	(20,000)	(44,341)	-
Other	-	4,047	(2,325)	(1,722)	-
PhD	-	389,889	(100,000)	(201,041)	<b>88,848</b>
Pilot Projects	-	204,855	(350)	(201,026)	<b>3,479</b>
Programme Grants	-	692,809	(244,661)	(448,148)	-
PCRF	-	55	-	(55)	-
Race Against Dementia	-	2,000,000	-	-	<b>2,000,000</b>
Research Fellowship Grants	-	96,339	(96,339)	-	-
Senior Research Fellowship	-	492,820	(1,000)	(491,820)	-
Tau Consortium	-	152,026	(152,026)	-	-
UK DRI Limited	-	1,388,110	(711,161)	(676,949)	-
<b>Non-research</b>					
Investigator of the Year Award	10,850	25,000	(25,000)	-	<b>10,850</b>
BAME - Community project	95,231	-	(31,677)	-	<b>63,554</b>
Conference 2019	-	72,954	(72,954)	-	-
Conference prize giving	1,250	-	(250)	-	<b>1,000</b>
Infoline	-	110,570	(110,570)	-	-
European Research Grant	72,649	13,170	(32,337)	-	<b>53,482</b>
Sci Comms	3,830	40,000	(43,830)	-	-
<b>Charity restricted funds</b>	<b>449,956</b>	<b>9,521,020</b>	<b>(4,710,195)</b>	<b>(2,565,427)</b>	<b>2,695,354</b>
Joint venture investments	134,959	269,160	-	-	<b>404,119</b>
<b>Group restricted funds</b>	<b>584,915</b>	<b>9,790,180</b>	<b>(4,710,195)</b>	<b>(2,565,427)</b>	<b>3,099,473</b>

**Restricted funding**

*Research* - The majority of the restricted income received is to fund scientific research into dementia which may be through providing funding for a PHD student, a pilot project, a programme grant or any other method of scientific research.

*Joint venture investments* – The restricted fund represents the investment in joint ventures as detailed in note 10.

*Other* - Restricted income is also received to fund other charitable activities. This may include funding for running the infoline, producing a leaflet, developing the website or any other method of providing information or advocating.

**15. Movement in and allocation of restricted funds – Group and Charity (continued)****Restricted fund transfers**

The transfer from the restricted fund to the unrestricted fund represents income received during the year which carries donor imposed conditions to be expended upon specific projects. The cost of these projects has been recognised through the Statement of Financial Activities in a prior period when the commitment was originally made and therefore when the income is received it is transferred to the unrestricted fund to follow the treatment of the expenditure when it was recognised.

Funds with restricted balances at the balance sheet date:

***Dementia Consortium***

The Dementia Consortium brings together nine charitable and pharmaceutical industry partners (Alzheimer's Research UK, LifeArc, AbbVie, Astex, Lilly, Eisai, Johnson & Johnson Innovation, Evotec, MSD and Takeda) to fund research projects that will accelerate development of therapies for dementia. The funding partners envisage committing up to £4.5m in milestone-based research projects.

***Race Against Dementia***

Income raised in 2018-19 to fund four individual fellowships for £500,000 each. Expenditure is expected to be fully committed by 31 March 2021.

***David Hague Early Career Investigator of the Year Award***

The David Hague Early Career Investigator of the Year Award, worth £25,000 in research expenses with a £1,500 personal prize, is presented each year to the most outstanding early career researcher in the field of biomedical dementia research.

***BAME Community Project***

This work, funded in 2017-18 by £20,462 from MACE and £75,000 from The Morrisons Foundation, helped us to engage with black, Asian and minority ethnic (BAME) communities to find out what they know about dementia, what they would like to know and in what formats they would like the information. We worked with Community Health and Learning Foundation (CHLF) who arranged focus groups for us in the Loughborough and Leicester area. The outcome was our 'Quick guide to dementia', a pocket-sized introduction to the condition which was translated into Arabic, Bengali, Gujarati, Punjabi and Urdu.

***Conference prize giving***

Income raised in previous years of £2,250 has been restricted to fund a prize of £250 per year for the most effective presentation at the Alzheimer's Research UK annual conference.

***European Research Grant***

Income received for the purpose of investigating the use of big data to understand more about dementia and dementia diagnosis.

## 15. Movement in and allocation of restricted funds – Group and Charity (continued)

## Prior year

Description	As at 31 August 2017 £	Income £	Expenditure £	Transfers £	As at 31 March 2018 £
<i>Research</i>					
Brain Bank	-	24,000	-	(24,000)	-
Dementia Consortium	360,095	100,939	(169,648)	(25,240)	<b>266,146</b>
Drug Discovery Institutes	-	1,789,063	-	(1,789,063)	-
Equipment Grants	-	2,500	-	(2,500)	-
Interdisciplinary Research Grants	-	11,393	-	(11,393)	-
MCDN	-	25,260	-	(25,260)	-
Network Accelerate Scheme	-	221,246	(50)	(221,196)	-
Network Centre	-	99,817	-	(99,817)	-
Network Co-operative Grants	-	7,690	-	(7,690)	-
Other	-	25	-	(25)	-
PhD	-	68,150	-	(68,150)	-
Pilot Projects	-	39,510	-	(39,510)	-
Programme Grants	-	172,283	-	(172,283)	-
Research Fellowship Grants	-	57,000	-	(57,000)	-
Senior Research Fellowship	-	132,563	-	(132,563)	-
Tau Consortium	-	223,962	(184,370)	(39,592)	-
UK DRI Limited	-	200,771	(200,771)	-	-
<i>Non-research</i>					
Investigator of the Year Award	35,850	-	(25,000)	-	<b>10,850</b>
BAME – Community project	14,850	95,462	(15,081)	-	<b>95,231</b>
Conference 2018	-	154,144	(154,144)	-	-
Conference prize giving	1,500	-	(250)	-	<b>1,250</b>
Infoline	-	56,834	(56,834)	-	-
European Research Grant	82,868	-	(10,219)	-	<b>72,649</b>
Sci Comms	-	4,500	(670)	-	<b>3,830</b>
<b>Charity restricted funds</b>	<b>495,163</b>	<b>3,487,112</b>	<b>(817,037)</b>	<b>(2,715,282)</b>	<b>449,956</b>
Joint venture investments	-	47,779	-	87,180	<b>134,959</b>
<b>Group restricted funds</b>	<b>495,163</b>	<b>3,534,891</b>	<b>(817,037)</b>	<b>(2,628,102)</b>	<b>584,915</b>

## 17. Analysis of assets and liabilities between funds

	Designated Funds £	General Funds £	Restricted Funds £	Total £
<b>Group</b>				
<b>Fixed assets</b>				
Tangible fixed assets	-	626,296	-	626,296
Intangible fixed assets	-	42,200	-	42,200
Investments	5,588,881	8,578,827	404,119	14,571,827
<b>Current assets</b>				
Stocks	-	8,470	-	8,470
Debtors	-	7,095,849	-	7,095,849
Current asset investments	-	13,021,658	2,000,000	15,021,658
Cash at bank and in hand	-	1,679,007	695,354	2,374,361
<b>Creditors</b>				
Due within one year	-	(23,716,289)	-	(23,716,289)
Due in more than one year	-	(8,667,169)	-	(8,667,169)
<b>Group</b>	<b>5,588,881</b>	<b>(1,331,151)</b>	<b>3,099,473</b>	<b>7,357,203</b>
Charity: allocated on the same basis as the group figures	5,588,881	(1,353,709)	2,695,354	6,930,526
<b>Prior year</b>				
	Designated Funds £	General Funds £	Restricted Funds £	Total £
<b>Group</b>				
<b>Fixed assets</b>				
Tangible fixed assets	-	626,674	-	626,674
Intangible fixed assets	-	72,732	-	72,732
Investments	6,200,771	7,025,783	134,959	13,361,513
<b>Current assets</b>				
Stocks	-	11,118	-	11,118
Debtors	-	5,253,045	-	5,253,045
Current asset investments	-	14,068,005	-	14,068,005
Cash at bank and in hand	-	1,714,896	449,956	2,164,852
<b>Creditors</b>				
Due within one year	-	(21,439,809)	-	(21,439,809)
Due in more than one year	-	(9,934,699)	-	(9,934,699)
<b>Group</b>	<b>6,200,771</b>	<b>(2,602,255)</b>	<b>584,915</b>	<b>4,183,431</b>
Charity: allocated on the same basis as the group figures	6,200,771	(2,617,326)	449,956	4,033,401

**18. Taxation**

The income and gains of the charity are exempt from corporation tax to the extent they are applied to its charitable objectives.

**19. Commitments under operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
<b>Other</b>		
Within one year	20,500	10,723
Between one and five years	82,000	-
After five years	4,153	-
	<u>106,653</u>	<u>10,723</u>
<b>Land and buildings</b>		
Within one year	411,840	180,966
Between one and five years	1,441,440	400,400
After five years	-	50,050
	<u>1,853,280</u>	<u>631,416</u>

**20. Related party transactions**

A management fee of £11,341 (2018: £nil) and loan interest of £nil (2018: £nil) was charged to Alzheimer's Research Trading Limited during the year. Alzheimer's Research Trading Limited is a trading subsidiary of Alzheimer's Research UK. At the year-end a balance of £10,553 (2018: £82,775) was due to Alzheimer's Research UK from the subsidiary.

During the year, £497,488 (2018: £356,177) was paid in respect of the Brains for Dementia Research Project (Alzheimer's Brain Bank UK) and at the year-end there is a commitment to the project of £18,250 (2018: £nil). Alzheimer's Brain Bank UK is a Joint Venture between Alzheimer's Research UK and Alzheimer's Society.

Total donations made during the year by Trustees were £115,100 (2018: £97,992), and sales totalling £nil (2018: £169) were made to Trustees.

During the year, purchases of £nil (2018: £10,282) and sales of £nil (2018: £6,000) were made to/from Simmons & Simmons LLP. G Dennison was a Trustee during the year and is a partner at Simmons & Simmons. Pro bono support with a value of £40,183 (2018: £54,381) was also received. At the year-end a balance of £6,000 (2018: £6,000) was outstanding.

**21. Contingent liability**

The Charity is a member of a VAT group with Alzheimer's Research Trading Limited, all members have joint and several liabilities. At 31 March 2019, the amounts owed to the VAT group by Alzheimer's Research Trading Limited totalled £nil (2018: £5,325).

**22. Capital commitments**

At 31 March 2019, the Group and Charity had capital commitments for the purchase of financial computer software of £85,159 (2018: £nil).



**23. Consolidated and Charity Statements of Financial Activities**

As required under FRS102, the following tables show the split of comparative information between funds for the period ended 31 March 2018 for Group and Charity:

<b>Group</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2018 Consolidated Total £</b>
<b>Income from:</b>			
Donations and legacies	13,929,755	3,411,593	<b>17,341,348</b>
Charitable activities	184,147	75,519	<b>259,666</b>
Other trading & income generating activities	134,006	-	<b>134,006</b>
Investment income	437,383	-	<b>437,383</b>
Net income in joint venture operations	-	47,779	<b>47,779</b>
<b>Total income</b>	<b>14,685,291</b>	<b>3,534,891</b>	<b>18,220,182</b>
<b>Expenditure on:</b>			
Raising funds	6,385,043	-	<b>6,385,043</b>
Charitable activities	14,696,444	817,037	<b>15,513,481</b>
<b>Total expenditure</b>	<b>21,081,487</b>	<b>817,037</b>	<b>21,898,524</b>
<b>Net realised gains/(losses) on investments</b>	<b>50,757</b>	<b>-</b>	<b>50,757</b>
<b>Unrealised gains/(losses) on investments</b>	<b>(678,040)</b>	<b>-</b>	<b>(678,040)</b>
<b>Total net gain/(loss) on investments</b>	<b>(627,283)</b>	<b>-</b>	<b>(627,283)</b>
<b>Net (expenditure)/ income before transfers</b>	<b>(7,023,479)</b>	<b>2,717,854</b>	<b>(4,305,625)</b>
Transfers between funds	2,628,102	(2,628,102)	-
<b>Net movement in funds</b>	<b>(4,395,377)</b>	<b>89,752</b>	<b>(4,305,625)</b>
<b>Reconciliation of funds:</b>			
Funds balance at 1 September	7,993,893	495,163	<b>8,489,056</b>
<b>Funds balance at 31 March</b>	<b>3,598,516</b>	<b>584,915</b>	<b>4,183,431</b>

## 23. Consolidated and Charity Statements of Financial Activities (continued)

Charity	Unrestricted Funds £	Restricted Funds £	2018 Consolidated Total £
<b>Income from:</b>			
Donations and legacies	13,929,755	3,411,593	17,341,348
Charitable activities	183,096	75,519	258,615
Other trading & income generating activities	80,514	-	80,514
Investment income	437,383	-	437,383
<b>Total Income</b>	<b>14,630,748</b>	<b>3,487,112</b>	<b>18,117,860</b>
<b>Expenditure on:</b>			
Raising funds	6,368,042	-	6,368,042
Charitable activities	14,694,859	817,037	15,511,896
<b>Total expenditure</b>	<b>21,062,901</b>	<b>817,037</b>	<b>21,879,938</b>
Net realised gains/(losses) on investments	50,757	-	50,757
Unrealised gains/(losses) on investments	(678,040)	-	(678,040)
<b>Total net gain/(loss) on investments</b>	<b>(627,283)</b>	<b>-</b>	<b>(627,283)</b>
<b>Net (expenditure)/income before transfers</b>	<b>(7,059,436)</b>	<b>2,670,075</b>	<b>(4,389,361)</b>
Transfers between funds	2,715,282	(2,715,282)	-
<b>Net movement in funds</b>	<b>(4,344,154)</b>	<b>(45,207)</b>	<b>(4,389,361)</b>
<b>Reconciliation of funds:</b>			
Funds balance at 1 September	7,927,599	495,163	8,422,762
<b>Funds balance at 31 March</b>	<b>3,583,445</b>	<b>449,956</b>	<b>4,033,401</b>

**24. Financial instruments**

The carrying amount of financial instruments at 31 March were:

	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Group</b>		
<b>Financial assets</b>		
Debt instruments measured at amortised cost	5,314,665	3,974,553
Instruments measured at fair value through Statement of Financial Activity	25,654,609	24,789,577
<b>Total</b>	<b>30,969,274</b>	<b>28,764,130</b>
<b>Financial liabilities</b>		
Measured at amortised cost	32,159,703	31,129,070
	Year ended 31 March 2019 £	Period ended 31 March 2018 £
<b>Charity</b>		
<b>Financial assets</b>		
Debt instruments measured at amortised cost	5,291,070	3,998,287
Instruments measured at fair value through Statement of Financial Activity	25,250,490	24,702,397
<b>Total</b>	<b>30,561,560</b>	<b>28,700,684</b>
<b>Financial liabilities</b>		
Measured at amortised cost	32,155,551	31,126,320

## Trustees (Directors and Members)

Chairman	D L Mayhew CBE
Other Trustees	<p>N Antill  C Carter  S Cramer CBE  M Cooper  G Dennison  Dr R Evenett  C Van Den Brul MBE  Dr R McKernan CBE FMedSci (appointed April 2018)  Prof RJ Howard (appointed April 2018)  Dr F Marshall (stepped down May 2018)  Prof JW Fawcett (stepped down June 2018)</p>
Company Secretary	<p>P Dunn (appointed April 2018)  H Bester (stepped down April 2018)</p>
President	The Rt Hon David Cameron
Executive Team	<p>Hilary Evans, Chief Executive  Philip Dunn, Executive Director of Finance and Operations  Dr David Reynolds, Chief Scientific Officer (resigned March 2019)  Ian Wilson, Executive Director of Fundraising and Communications</p>

## Grant Review Board

Prof Johannes Attems	Prof Simon Mead
Dr Delphine Boche	Dr Wendy Noble
Prof David Brooks	Dr Michael O'Neill
Prof Michael Coleman	Prof Bettina Platt
Prof Siddharthan Chandran	Dr Jill Richardson
Dr Alexander Gerhard	Prof Patricia Salinas
Prof Lesley Jones	Prof Tara Spires-Jones
Dr David Llewellyn	Dr John-Paul Taylor
Dr Katie Lunn	Prof Stephen Wharton
Dr Jody Mason	Dr Robert Williams

**Clinical Trials Advisory Panel**

Prof Jane Armitage  
Prof Nick Fox  
Prof Chris Frost  
Prof Karl Herholz  
Prof Nicola Lautenschlager  
Dr Iracema Leroi  
Dr Vincenzo Libri

Prof Colin Masters  
Prof John O'Brien  
Prof Peter Passmore  
Prof Craig Ritchie  
Prof David Rubinsztein  
Dr Peter Watson  
Dr Shahid Zaman

**Alzheimer's Research UK Drug Discovery Alliance Advisory Group**

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Dr Karl Gibson  
Dr Todd Golde  
Dr Mike O'Neill  
Prof Pamela Shaw  
Dr Ian Waddell

**Clinical Policy Advisory Panel**

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Dr Bob Barber  
Dr Daniel Blackburn  
Dr Liz Coulthard  
Prof Chris Fox  
Prof Nick Fox  
Dr Neil Graham  
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Prof David Llewellyn  
Dr Ian Maidment  
Prof Simon Mead  
Dr Cath Mummery  
Prof Peter Passmore  
Dr Ross Paterson  
Prof Jonathan Schott  
Dr Ash Venkataraman  
Dr Emma Wolverson

**Inspire Fund Review Committee**

Jules Burns  
Jenni Chambers  
Prof Sebastian Crutch  
Tim Parry  
Sue Strachan  
Magnus Temple  
Caroline van den Brul

Legal and administrative details (continued)

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**Address**

3 Riverside, Granta Park, Cambridge, CB21 6AD

**Legal Status**

The Charity was formed as a trust under a Trust Deed dated 4 August 1992 and became a company limited by guarantee on 10 December 1998. It is governed by its Memorandum and Articles of Association.

**Registered Charity number**

1077089

**Office of the Scottish Charity Regulator number**

SC042474

**Company number**

3681291

**Auditors**

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

**Bankers**

Lloyds TSB Bank plc, Business Service Centre, Castle Park, Cambridge, CB3 0AR

Bank of Scotland, 600 George Road, Edinburgh, EX11 3XP

Barclays Bank plc, 9 - 11 St Andrew's Street, Cambridge, CB2 3AA

**Solicitors**

Withers LLP, 16 Old Bailey, London, EC4M 7EG

Taylor Vinters, Merlin Place, Milton Road, Cambridge, CB4 0DP

**Investment Advisor**

Quilter Cheviot, 1 Kingsway, London, WC2E 9RA

***Thank you***

*None of our work would be possible without the support of thousands of people up and down the country. We would like to say a huge thank you to everyone who chose to support us in 2018/19. Your donations, however large or small, are taking us further towards our mission of bringing about the first life-changing treatment for dementia.*