

Annual Report 2017

and Financial Statements



**Alzheimer's
Research
UK**

The Power to Defeat Dementia



1 in 3

children born this year
will develop dementia
during their lifetime.
Research can change this.

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Legal and administrative details

TRUSTEES (DIRECTORS AND MEMBERS)

Chairman DL Mayhew CBE

Other Trustees

N Antill
C Carter
S Cramer CBE
M Cooper
G Dennison (appointed 26 April 2017)
Prof JW Fawcett
Dr R Evenett
Dr F Marshall
B Townsley CBE
C van den Brul MBE (appointed 26 April 2017)

Company Secretary

P Dunn

President

The Rt Hon David Cameron

Executive Team

Hilary Evans, Chief Executive
Philip Dunn, Executive Director of Finance and Operations
Dr David Reynolds, Chief Scientific Officer
Ian Wilson, Executive Director of Fundraising and Communications

OUR PATRONS

Prof Gustav Born FRS
Lindsay Duncan CBE
Sir Richard Eyre CH CBE
Jan Morgan
The Baroness Susan Greenfield CBE
The Lord Robertson of Port Ellen KT GCMG Hon FRSE PC
The Baroness Jay of Paddington PC
Sir Cliff Richard OBE
The Baroness Perry of Southwark
June Spencer CBE
Dr Thomas Stuttaford OBE
Sir Malcolm Walker CBE
Prof John Hardy PhD FMedSci FRS

GRANT REVIEW BOARD

Prof Tara Spires-Jones (Incoming Chair)
Prof Stuart Pickering-Brown (Outgoing Chair)
Prof Johannes Attems
Dr Delphine Boche
Prof David Brooks
Prof Siddharthan Chandran
Dr Michael Coleman
Dr Alexander Gerhard
Prof Lesley Jones
Dr David Llewellyn
Dr Katie Lunnon

GRANT REVIEW BOARD (continued)

Dr Jody Mason
Prof Simon Mead
Dr Wendy Noble
Dr Michael O'Neill
Prof Bettina Platt
Dr Jill Richardson
Prof Patricia Salinas
Dr John-Paul Taylor
Prof Stephen Wharton
Dr Robert Williams

CLINICAL TRIALS ADVISORY PANEL

Prof Jane Armitage
Prof Nick Fox
Prof Chris Frost
Prof Karl Herholz
Dr Les Huson
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

Prof John Atack
Dr Karl Gibson
Prof Todd Golde
Dr Michael O'Neill
Prof Dame Pamela Shaw
Dr Ian Waddell

SCIENTIFIC ADVISORY BOARD OF THE ALZHEIMER'S RESEARCH UK STEM CELL RESEARCH CENTRE

Dr Sally Temple (Chair)
Prof Sir Simon Lovestone
Prof Karen Duff
Dr Brad Hyman

PREVENTION AND RISK REDUCTION PANEL

Dr Mark Espeland
Prof John Gallagher
Prof Eric Larson
Dr Edo Richard
Prof Nikolaos Scarmeas
Prof Tara Spires-Jones
Prof Kristine Yaffe

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, 15 Bene't Street, Cambridge, CB2 3PZ

SOLICITORS

Withers LLP, 16 Old Bailey, London EC4M 7EG
Taylor Vinters, Merlin Palce, Milton Road, Cambridge CB4 0DP

INVESTMENT ADVISORS

Quilter Cheviot, 1 Kingsway, London, WC2E 9RA



Chairman's and CEO's Report

Alzheimer's Research UK exists for one reason: to create a world free from the fear, harm and heartbreak of dementia. With **850,000 people living with dementia** today in the UK alone, and nearly 47m people worldwide, the urgency we feel in pursuing that vision has never been greater. But while we push ahead with our work, our Annual Report offers the chance to reflect on how far we've come and what our inspiring supporters have helped us to achieve over the past year.

This year, Alzheimer's Research UK celebrated 25 years since our formation and it's been an incredible year. In 2016/17, donations to the charity rose by an unprecedented 44%, making us the fastest growing medical research charity in the UK and contributing to a 38% increase in our overall income. This growth in support is a testament not only to the number of people affected by this devastating condition, but to the strength of our vision and the clarity of our focus on research to change lives. Those donations are put to good use, allowing us to invest £17.6m in our charitable activities and also set aside a further £7m into a designated fund towards the UK Dementia Research Institute (UK DRI). Thanks to our supporters, we are funding an ambitious programme of transformative research, working collaboratively to accelerate scientific progress, and building crucial public understanding about the condition and its impact.

It has now been over 15 years since the last treatment was introduced in the UK to help with the symptoms of dementia. Today, we still lack a treatment that can change the course of the diseases that cause dementia, and arguably, many of the symptomatic treatments that do exist today are not effective enough. But we believe we can do better. That's why this year we focused our sights on a bold, clear mission, to bring about the first life-changing treatment for dementia by 2025.

It's an ambitious target for an ambitious charity, and we're already making good progress. Over the past year alone, we have been able to:

- Invest £14.4m in new research to build our understanding of dementia, improve diagnosis, reduce the risk of the condition and develop much-needed new treatments. In addition, we have been able to set aside a further £7m into a designated fund as the first significant step towards our

pledge to the UK DRI. As a founding charity partner of the country's biggest ever initiative in dementia research, we have this year set in motion work at the UK DRI. Six centres of research have now been established to carry out this work, with a strong focus on understanding the early disease processes that drive Alzheimer's and other dementias. We have pledged £50m to the DRI over the next 10 years.

- Award £2.4m through the Mike Gooley Trailfinders Charity Prevention and Risk Reduction Fund to four innovative research studies to transform our understanding of dementia risk factors and potential prevention strategies.
- Contribute to more than 100 new scientific discoveries, each one bringing new treatments and preventions for dementia a step closer.
- Secure commitments for government investment in research following a campaign to keep dementia on the political agenda during and after the general election.
- Reach more people than ever before with our thought-provoking campaigns and awareness activities, including Santa Forgot, our first ever Christmas campaign that won critical acclaim. Our work to improve public understanding has prompted thousands to show their support for dementia research, and further challenged enduring misconceptions around the condition.

We saw setbacks, too: the dementia community suffered a blow when a phase 3 clinical trial of the Alzheimer's drug, solanezumab, failed to show benefits for people with the disease. But this disappointment did not deter us from the challenge ahead, and we acted quickly to help the field take stock of the results, convening

a productive international roundtable discussion with leading experts – including the makers of the drug – on future directions for research. Meanwhile as our understanding of the diseases that cause dementia continues to increase, we are confident that future research will produce a life-changing treatment.

You can learn more about these developments and other initiatives throughout this report.

None of this progress would have been possible without our incredible supporters, whose passion and commitment is a daily inspiration to us. We have seen more people than ever join our ranks this year,

and their donations and fundraising challenges have helped us continue to grow the funds available to invest in our charitable activities, allowing us to be ever more ambitious in our pursuit of a world free from dementia. We are hugely grateful to every one of our supporters, and we owe it to them to ensure that we keep striving for the next breakthrough.

DAVID MAYHEW CBE
CHAIRMAN

HILARY EVANS
CHIEF EXECUTIVE OFFICER



A word from our President



When I joined Alzheimer's Research UK one year ago, I knew that I wanted to continue the work I began as Prime Minister when I launched the first **Dementia Challenge**. I was inspired by the prospect of helping take on some of the biggest battles in the fight against dementia. A year later, that determination has only grown stronger, and as President of Alzheimer's Research UK, I've been honoured to play a part in the achievements you will read about within these pages.

The arguments for supporting dementia research are as pertinent as ever, and cannot be ignored. The sheer number of people affected is reason enough to act, with one in three children born today facing dementia in their lifetime unless research can deliver answers. Dementia already costs the UK economy more than cancer and heart disease combined – a situation that's only going to get worse without new treatments.

But it's the personal impact of dementia that drives me, and all of us at Alzheimer's Research UK, to keep pursuing our mission to bring about the first life-changing treatment.

In the week that I resigned as Prime Minister, I visited a care home in my constituency where a woman with dementia grabbed my hand and stared into my eyes. Although she was surrounded by her loving family, I could see as I looked back at her that she didn't know where she was, much less who was with her.

It was a moment that brought home to me, not for the first time, the desperate sadness of this devastating condition. No-one should have to experience this heartbreak, and I firmly believe that in my lifetime, research can turn the tide on dementia.

In my first year I've had the honour of meeting Alzheimer's Research UK's staff, supporters and fundraisers, as well as people affected by dementia. Their passion and commitment to the cause is clear, and I am proud to be playing a part in the fight, helping to raise awareness of the challenge ahead and bring together the people who can help us defeat dementia.

Whatever prompted you to pick up this Report – whether you've supported Alzheimer's Research UK in the past, or you're considering getting involved in the fight against dementia – I hope you will remember one thing as you read it. Nothing this charity does could be achieved without the backing of people like you. Behind every success, there are thousands of people who have played a crucial part in taking us to where we are today. With your help, we know that we can go even further.

Thank you for your support.

The Rt Hon David Cameron
PRESIDENT, December 2017





Report of the Trustees

for year ended 31 August 2017

With dementia now the **UK's leading cause of death**, we can no longer ignore the challenge the condition poses to our society. In fact, of the top 10 causes of death in the world, dementia is the only one without effective treatments to slow or stop it.

As a leading global charity, Alzheimer's Research UK has funded a total £92.1m of pioneering research since our inception 25 years ago thanks to our dedicated supporters. Our research programme spans the globe, and joins together leading centres of excellence across the UK and beyond, with our scientists working across the spectrum of research from bench to bedside. This year we've been able to invest £14.4m in the most innovative dementia science and also set aside £7m into a designated fund for the UK Dementia Research Institute. We are building on the success of previous years and funding research with real promise to change the lives of people with dementia.

We are putting all of our energies into achieving this mission, funding the best research with the greatest potential to change lives, bringing together the people and organisations who will help us get there, and speaking out to challenge the misconceptions that have held research back in the past.

No other dementia charity has our singular focus. Our relentless pursuit of this mission, underpinned by rigorous governance and administration, is what sets us apart, and our supporters know that by joining our fightback against dementia they are helping to power research that will change lives.

OBJECTIVES AND ACTIVITIES

The difference we aim to make

Dementia is the greatest medical challenge we face today. Caused by diseases, most commonly Alzheimer's, it's a condition that robs people of their ability to think, reason and remember, and is now the UK's leading cause of death. As the condition progresses it rips apart families and friendships, forcing people to watch their loved ones deteriorate over months and years. Other conditions that were once considered a death sentence have now been tamed – but there are no dementia survivors, yet. Alzheimer's Research UK exists to change this.

We believe in the power of research to defeat dementia. Although great strides have been made in understanding the diseases that cause dementia, sadly today, there is still nothing doctors can offer to someone with dementia that will slow or stop the underlying disease. This has to change, and that's why our mission is to bring about the first life-changing treatment for dementia by 2025.

Objectives for the year and strategies to achieve them

In the 25 years since Alzheimer's Research UK was founded, we have come a long way. Thanks to research, we now know more than ever about the diseases that cause dementia, and today the challenge is to harness that knowledge and turn breakthroughs from research into new treatments that can change the outlook for people with dementia. To achieve our mission, we are focusing our efforts on four key objectives:

- To build understanding about dementia.
- To improve diagnosis.
- To reduce the risk of dementia.
- To develop new treatments.

We are tackling this challenge in three ways: by funding and delivering pioneering research, by collaborating to speed up global scientific progress, and by confronting misconceptions across society. The strategies we use to achieve our objectives are outlined over the following pages, along with the achievements made against each objective during 2016/17.

Delaying the onset of dementia by
5 years
would mean one third fewer people living with the condition by 2030.

Public benefit

We 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.

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 August 2017, there were 11 Trustees. Currently, the maximum number of Trustees is 20. The Directors and Trustees are listed on page 4. 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 reports to the Trustees approximately monthly in writing (when there is no Trustee meeting in the month) on income and activities and 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 Withers LLP Solicitors, the Royal Society for Public Health, Credit Agricole and PHD Media who provide rooms in London for Trustee meetings and sub-committee meetings.

Reference and Administrative details are set out on pages 4 and 5 of this report.

Objects in the 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.

Appointment of new Trustees; their induction and training

New Trustees are appointed through a recruitment campaign or occasionally on the basis of recommendation, depending on the experience and key skills needed. Public campaigns will be advertised on the Alzheimer's Research UK website. New Trustees are interviewed by the Chair and a number of Trustees, and are formally approved at the next full Trustee 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, Trustee meeting minutes for the past year, terms of references for the Trustee and Committee meetings, the most recent full accounts and Annual Review, and conflict of interest and risk policies. It also includes key guidance CC3 from the Charity Commission – The Essential Trustee. Ongoing training is provided for Trustees as relevant throughout their term.

Related parties

Alzheimer's Research Trading Limited 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 the current year 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 of prevention, treatment and cures of Alzheimer's disease and associated neurodegenerative diseases through the Brains for Dementia Research (BDR) programme, which launched

in 2008. Since its launch, over 3,200 people have signed up to the programme and over 650 people have generously donated their brains through the scheme. There is a growing number of requests for this tissue from dementia researchers across the world, and BDR brain tissue has been used in important research publications.

Our 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.

In 2017, we focused on developing opportunities and support for our volunteers, and introduced a new Community Speaker volunteer role. Our Community Speakers play an essential role in breaking down the stigma surrounding dementia and raising awareness about dementia and research in their communities, as well as attending cheque presentations across the country on our behalf.

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.

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 organisation, 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 salaries 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.

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 2016/17 our fundraising appeals – including press inserts, direct mail, telephone calls, face-to-face conversations and online advertisements – had a reach of 27.5m people, with our fundraising activity generating just 155 complaints during the same period.

Over the past year we have worked with Listen Fundraising and DTV Optimise, who provide telephone fundraising for us, AGS Global Fundraising Services, who carry out door-to-door fundraising on our behalf, and private site fundraisers Care2Give and 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 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.

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 policy exists 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.



Strategic Report

2016/17 achievements and performance

Funding and delivering research

Research is our ultimate weapon in the fight against dementia. Our Research Strategy addresses key gaps in scientific knowledge to bring new understanding and speed up progress towards improved diagnosis, preventions and treatments. A rigorous peer review system ensures that we only fund the best quality research, and scientists applying to our grant schemes are required to demonstrate how their studies could translate into benefits for people with dementia – meaning every penny we spend on research goes into science with the greatest potential to change lives.

In 2016/17, we invested and set aside a record £21.4m for research, including £7m towards our support of the UK Dementia Research Institute. Funding research ‘from bench to bedside’, we’re supporting pioneering projects in all corners of the UK and across the globe, and today our research portfolio includes 131 projects worth a total of £31.7m. Our scientists are working tirelessly in four key areas:

- Uncovering vital new understanding about the diseases that cause dementia.
- Improving the way we diagnose the condition.
- Finding new ways to reduce risk.
- Developing treatments that have the potential to change the future for millions.

In 2016/17, we awarded funding for 88 new projects, including PhD Scholarships, Major Project Grants, Pilot Projects and Equipment Grants, across 27 universities. Alongside our responsive grant schemes, we fund a range of strategic initiatives designed to accelerate the delivery of new treatments and preventions.

This year we were proud to help launch the £250m UK Dementia Research Institute (UK DRI), the UK’s largest ever joint endeavour dedicated to dementia research. As a founding funder in the UK DRI alongside the Medical Research Council (MRC) and Alzheimer’s Society, Alzheimer’s Research UK has pledged £50m to this landmark endeavour. The UK DRI will support over 400 researchers across six centres at University College

London, the University of Cambridge, Cardiff University, the University of Edinburgh, Imperial College London and King’s College London. A diverse programme of activity at these centres will see scientists seek new insights into the molecular and cellular mechanisms that cause diseases like Alzheimer’s, with 27 foundation programmes already announced to study the condition from multiple angles. This unique Institute further bolsters the UK’s efforts in dementia research, closely aligning with existing Alzheimer’s Research UK initiatives such as our Drug Discovery Alliance and the Alzheimer’s Research UK Research Network.

The launch of our £2.4m Mike Gooley Trailfinders Charity Prevention and Risk Reduction Fund challenged researchers to develop innovative new approaches to understand the complex risk factors for dementia. We funded four studies investigating the impact of a range of interventions on dementia risk, including a study exploring the role of diet and physical activity, as well as a pilot trial to examine whether the use of hearing aids could help reduce dementia risk. This essential research will offer vital new insight into potential strategies for lowering the risk of dementia across the population, ultimately helping to bring down the number of people developing the condition in future. The launch of this Fund also saw us put in place the final pillar of our Defeat Dementia campaign, a five-year commitment to power transformational research through a series of strategic initiatives – each aimed at growing the dementia research field and accelerating progress towards new treatments and preventions.

There are more than
6,100
dementia researchers
in the UK, almost
double the number
in 2008/9.

Following the success of Sea Hero Quest – the innovative mobile game that allows players to contribute to dementia research – we supported the launch of a virtual reality edition of the game to help scientists gain a deeper insight into human spatial navigation abilities. Led by Deutsche Telekom and with our funding supporting researchers at University College London and the University of East Anglia, Sea Hero Quest VR will enable a better understanding of navigation problems in people with dementia and inform research to develop new diagnostic tests for the condition. Since the launch of the initial game in 2016, which has been downloaded nearly 3 million times, researchers have already released their first findings after analysing data collected from the game, establishing a global benchmark of navigation abilities on which to base future research efforts. The VR version of the game looks set to build on this even further, with over 50,000 downloads in its first month alone.

With funding from the European Commission, we joined forces with international partners to launch Project iASiS, an ambitious programme of research that will pool data from studies on Alzheimer’s disease into one comprehensive database. The three-year project, which involves 10 research organisations from five countries – including a team from Alzheimer’s Research UK and St George’s, University of London – will enable researchers and doctors to spot trends and patterns in the development and progression of Alzheimer’s. It aims to answer important questions about how to detect the disease and how people respond to treatments, as well as informing future policy decisions about the treatments offered to people with Alzheimer’s.

Our research programme includes a major focus on the development of life-changing treatments for dementia, with a number of initiatives designed to accelerate this process. Our £30m Drug Discovery Alliance (DDA), with three flagship Institutes at the University of Cambridge, University of Oxford and University College London, is now fully established with a combined team of around 60 scientists working on 17 promising targets that could become tomorrow’s treatments for dementia – with eight projects progressing to the next stage of research in 2016/17. Projects funded by the Dementia Consortium – a unique partnership between Alzheimer’s Research UK, life sciences experts LifeArc, and pharmaceutical companies AbbVie, Astex, Eisai, Lilly and MSD – are continuing to make promising progress. With funding awarded to two new studies in 2016/17, the Dementia Consortium now supports six pioneering drug discovery projects in five countries, and a second phase of the Consortium is now in the planning stages.

Research is a collaborative effort: scientific advances are made more quickly when researchers work together, which is why we’re committed to enabling collaborations wherever possible. The Alzheimer’s Research UK Research Network

now includes over 2,000 scientists at 46 leading research institutions across the country. Through the Network, researchers working towards the same goals are able to establish connections and share ideas, expertise and resources – helping to open new avenues of research and speeding up progress towards a breakthrough. To further support this ambition, the annual Alzheimer’s Research UK Conference, this year held in Aberdeen, brought together more than 400 scientists from across the globe to learn about the latest research developments. As the UK’s largest annual dementia research conference, the meeting is a key event for dementia scientists and has been the breeding ground for numerous successful research partnerships. This year, we published analysis showing that there has been a 10% increase in the number of UK researchers publishing results from internationally collaborative studies, and Alzheimer’s Research UK is proud to play an important role in fostering these collaborations.

Research outcomes

Every grant we award is designed to move us towards our vision of a world free from the fear, harm and heartbreak of dementia. Our research is only possible thanks to our generous supporters, and we track the progress of every project we fund to ensure that their donations are making an impact. In the past year, scientists supported by Alzheimer’s Research UK published findings from their research in over 100 new scientific papers. Collectively, these findings are helping to build our understanding of the diseases that cause dementia, bringing the first life-changing treatment ever closer. These are just some of the discoveries our scientists made in 2016/17:

- Scientists at the University of Aberdeen detected key changes in the brain that occur early in Alzheimer’s disease, helping inform efforts to develop new diagnostic tests and design new treatments for the disease.
- University College London researchers uncovered new insights into the processes that enable connections between nerve cells, laying the foundations for research to explore how to stop these connections breaking down.
- A team led by experts at Cardiff University discovered two new genes that influence the risk of Alzheimer’s disease, adding to previous discoveries our scientists have made, and opening new avenues for treatment research.
- Scientists in the US and Germany found that a specific naturally-occurring protein could reduce features of Alzheimer’s disease in mice – showing the importance of further studies investigating its role in the disease. The study was funded by an international collaboration of funders that includes Alzheimer’s Research UK, the US Alzheimer’s Association and the Weston Brain Institute.

- Our funding supported a large group of UK neuropathologists to create a set of agreed guidelines for assessing the contribution of vascular damage to memory and thinking problems. The guidelines developed through this project have the potential to help researchers and clinicians across the globe to streamline their research into dementia, taking a step forward in improving the accuracy and reliability of their work.
- Our scientists pioneered state-of-the-art brain imaging for the key dementia protein tau, as well as reviewing the latest progress in this area, helping researchers across the world understand the opportunities and challenges of this new technology.
- Cardiff researchers identified patterns of immune proteins in blood that are associated with a person’s genetic risk of Alzheimer’s, moving towards a more integrated approach to predicting the disease and identifying the right patients for clinical trials of new treatments.

The impact of our grants extends beyond specific research projects: since we awarded our first grant, we have provided funds for 66 pieces of equipment, putting vital resources into laboratories across the UK that have helped scientists carry out many more dementia studies. Researchers supported by Alzheimer’s Research UK have also been able to leverage further investment from other sources as a result of our funding. For every £1 we invest in research, our scientists have been able to attract a further £3.30 to continue their work, with our support acting as a vital catalyst.

Working together to accelerate progress

Our greatest medical challenge needs a co-ordinated response: charities, governments and industry must work together. Alzheimer’s Research UK is working to unite the key organisations in the search for new treatments, facilitating as well as funding research wherever possible. By working with policymakers, we are shaping an environment where life sciences research – and research into dementia – can thrive, filling our labs with the best minds and enabling scientists to collaborate across borders, sharing ideas and resources to speed up research.

Government funding for dementia research has increased in recent years, with charities like Alzheimer’s Research UK and our supporters key to driving this positive change. This year, we saw the results of this funding: our research showed that over six years from 2008/9, the number of UK dementia researchers had nearly doubled, along with the number of new findings being published from UK research. The resulting report, *Keeping Pace*, called attention to this progress – but we also highlighted the need for momentum to continue, with the finding that there was still just one dementia researcher for every four in cancer.

Against this backdrop, Alzheimer’s Research UK has worked hard to keep dementia research firmly on the political agenda in what has been a turbulent year for UK politics. In the run-up to the General Election, our network of Campaigners – which now includes over 1,300 volunteer members of the public across the UK – mobilised to ensure that candidates were made aware of the impact of dementia in their constituencies and the need for research to defeat the condition. History has shown that changes in government can be disruptive for ongoing work at Westminster, and following the election result we acted quickly to lobby for the continuation of the Challenge on Dementia 2020, which commits the government to action to tackle the condition. We were reassured to secure a public commitment to dementia research investment from the Prime Minister’s office, but will continue to campaign for a longer-term plan of action, working with the government to help shape the detail of future plans. Similarly, we raised our voice on a range of issues that have the potential to impact the future of life sciences in the UK, including the ongoing Brexit negotiations and the creation of a new Life Sciences Strategy. We will continue to make the case for protecting and bolstering UK dementia research as these and other developments take shape.



We pushed forward with an ongoing programme of work to ensure that future treatments will be delivered quickly to the people who need them. The publication of the Accelerated Access Review, which put forward several recommendations for speeding up the way new drugs and technologies are adopted by the NHS, was a welcome development and we hope to see these recommendations taken forward by the new government. Our Treatments of Tomorrow report, which highlighted the challenges that could affect the roll-out of the next wave of dementia treatments, was designed to spark discussions between the organisations that will play a crucial part in this process, including regulators, the NHS and the pharmaceutical industry. We are pleased to be facilitating important conversations on this topic and have joined forces with other medical research charities to drive further debate, co-leading a coalition with Cancer Research UK in an effort to help solve the complex challenge of delivering new treatments while balancing the demands of NHS funding pressures. With several prospective dementia treatments making their way through clinical trials today, this work is critical to our mission of bringing about a life-changing treatment by 2025, and will remain a key focus over the next year.



Public health policy has a vital role to play in helping reduce the numbers of people with dementia, and this year provided new evidence of the merits of providing information about dementia risk to the public. Results of a pilot programme, run by Public Health England, Alzheimer's Research UK and Alzheimer's Society, showed the benefits of including this information in the NHS Health Check for people aged 40-64. Research suggests that adopting healthy habits from mid-life could help reduce dementia risk, so we were encouraged to see that in the pilot study, 75% of those who recalled this information said they were more likely to make positive changes to their lifestyle. Following this successful trial, we now hope to see dementia risk reduction messaging introduced as a mandatory component for the NHS Health Check for this group.

Millions worldwide were hit by disappointment in late 2016 when a phase 3 clinical trial of the drug solanezumab, developed by Eli Lilly, failed to show benefits for people with Alzheimer's disease. Many had high hopes for the treatment, and the trial results were a reminder of the many challenges of developing a drug for this complex disease. Alzheimer's Research UK has been at the centre of efforts to help the research field move forward from this setback, convening an international roundtable of leading scientists – including those who had worked on the drug – to explore the trial data, examining the lessons for future clinical trials and the implications for dementia research. This was the first time that detailed data from the trial was presented to the scientific community, and the day's discussions are now being used to help shape future research efforts.

Our President, former Prime Minister David Cameron, has been at the forefront of our efforts to advocate for global change in dementia research since taking up the role in January 2017. Building on his work to prioritise dementia research as Prime Minister, Mr Cameron has continued to champion the importance of research and the work of the charity across the world, helping to forge new connections with key players on the international stage and bringing them on board with Alzheimer's Research UK's mission.

Tackling awareness

Changing the public conversation about dementia is essential for removing a crucial barrier to research. For too long, too many have wrongly assumed that dementia is an inevitable part of old age, or simply inconvenient memory loss. If we are to galvanise a movement of people behind research to defeat dementia, we must throw out these assumptions and help people understand the reality: that dementia is caused by diseases, and that diseases can be beaten through research.

It's no coincidence that 30 years ago when the public began to speak out about conditions such as HIV/AIDs or cancer,

research into those conditions was revolutionised, leading to a transformation in their treatment today. Now we aim to do the same for dementia – by changing public perceptions we are helping to build public support for research that will change the future. Over the past year this work has gained momentum, and we're seeing the results, with more people aware of our work and more people joining the fightback against dementia.

Our awareness campaigns are key to this work, and in December 2016 our first ever Christmas campaign, created with Aardman Animations, took the bold step of depicting a world where Santa had dementia. It demonstrated that the condition can affect anyone, even those most dear to us – capturing the attention of people across the country and beyond. The moving film, voiced by Stephen Fry who offered his time free of charge, reached nearly 14m people online while the TV advert was seen by more than a third of the UK population. The advert was singled out for praise alongside offerings from major brands including John Lewis, M&S and eBay – with PRWeek readers voting the advert the year's best Christmas campaign. This follows in the footsteps of our successful #sharetheorange campaign, which won PRWeek's Campaign of the Year award, and will set the stage for further campaigns, through which we plan to reach more people than ever before to increase understanding and inspire action against dementia.

Our Dementia Research Infoline, a vital source of information on dementia and research, handled over 5,000 enquiries. More than 1,500 people who contacted the Infoline signed up to Join Dementia Research, a unique service that matches people interested in taking part in research to suitable studies in their area. Our Infoline team developed two new leaflets on rare forms of dementia, and began an important project to translate key dementia information into different languages, allowing us to provide more people with essential information about the condition. Our Quick Guide to Dementia is now available in Polish, Welsh, Arabic, Urdu, Gujarati, Bengali and Punjabi, with further plans to develop our information resources for black, Asian and minority ethnic communities. In total, we sent out 180,000 health information booklets, providing the answers to questions about dementia for households across the UK, with more than 900,000 people visiting the 'About dementia' sections of our website, a 15% rise on 2015/16. The high standard of our information was recognised in 2017 when our children's website, Dementia Explained, was named runner-up in two categories at the British Medical Association Patient Information Awards.

We spoke to thousands of people about dementia and research at science festivals and other events across the UK, and saw growing demand for our popular virtual

reality experience, A Walk Through Dementia, which offers a unique insight into the daily challenges of living with dementia. Following requests from organisations using the app to train their staff, we are now developing A Walk Through Dementia into a training tool for health and care practitioners. Meanwhile we created a new animation that gives an essential introduction to dementia: narrated by Game of Thrones star Iwan Rheon, the film helps viewers to understand how the varied symptoms of dementia are driven by physical processes in the brain that occur as diseases like Alzheimer's take hold.

We continued to provide expert comment for the media, maintaining our position as a go-to trusted resource on new developments in dementia research and policy. By talking to journalists about their experiences, our media volunteers shared the devastating impact of the condition on people's lives, while our fundraisers captured imaginations by sharing their stories of the astonishing lengths they reached in support of our cause. Harry Gardner, a 17-year old Champion of the charity, spread an important message about dementia to millions on prime-time TV after reaching the semi-finals of Britain's Got Talent with a song he'd written about his nan. During 2016/17, the charity was mentioned in the media 5,398 times, and the combined reach of our coverage offered 1.9 billion opportunities across the year for people to learn about dementia and developments in research.

Our Dementia Statistics Hub – developed as a one-stop-shop for up-to-date facts and statistics about dementia – was launched in March to provide a vital resource for those seeking to understand the condition and its impact on society. Alongside the Hub, we produced a thought-provoking animation that highlighted the impact of dementia, the progress being made in research, and the challenges we face in defeating the condition. Voiced by actress Pam Ferris, and with social media support from several household names, the animation is a valuable resource for demonstrating the need for investment in dementia research.

Our high-profile supporters played an essential role this year in allowing us to expand our reach and help more people understand dementia and the need for research. A host of well-known faces including Ashley Jensen, Rachel Riley, Pixie Lott and Simon Pegg backed our work in a number of ways: helping to promote our fundraising campaigns, putting on their own fundraising events, sharing our message with their fans and sharing their own experiences of dementia with the media. Together, our celebrity supporters are helping to change the way society talks and thinks about dementia, creating a crucial groundswell of support for research to defeat it.

Our supporters

None of our work would be possible without the many thousands of people who support Alzheimer's Research UK. In the past year, we have seen incredible growth in the number of people choosing to back our cause, helping to power a record investment in research. During 2016/17, our income from donations grew to £29.1m – an increase of 44% on the previous year – demonstrating the compelling nature of our vision for so many across the country, and making Alzheimer's Research UK the fastest growing medical research charity in the country. We have set ourselves an ambitious mission, and this growth is crucial to achieving that goal: every donation plays an essential part in bringing about life-changing treatments for dementia.

This year we saw a 50% increase in the number of people giving regularly to our work: our army of supporters now includes nearly 30,000 people who choose to donate on a regular basis. Regular gifts are critical for allowing us to plan our work and maintain a strong portfolio of pioneering research, and we are hugely grateful to everyone who has chosen to support us in this way.

This year saw the launch of our new nationwide fundraising event, The Mighty Quiz. Backed by celebrity supporters Ashley Jensen and Rachel Riley, the event saw 3,800 quizmasters challenge friends, colleagues and family members to go head to head to test their trivia knowledge

and raise funds. Our popular Skydive Days went from strength to strength, with 130 people taking to the skies in support of our cause, while more than 4,000 people signed up to our award-winning Running Down Dementia challenge when it returned for a second year, building on our incredible partnership with parkrun UK. We saw 238 runners in the 2017 Virgin Money London Marathon raise a record £490,000, as well as a growing number of people taking on sporting events of all kinds to help power vital research. We were delighted to secure a partnership with the London Landmarks Half Marathon, and to start a two-year partnership with UK Cycling Events that raised £50,000 in its first six months alone, both of which will help us to bring even more people on board with our mission.

Our team now includes a network of Regional Fundraising Officers dedicated to providing support and advice to our community fundraisers and Fundraising Groups up and down the country. We are continually amazed by the many inventive challenges taken on by our thousands of supporters: every bake sale, glittered beard and three-legged race plays a vital part in our fight against dementia, and we are grateful to all those who have taken on a fundraising event for us this year.

We have also benefited from enormous support from a range of corporate partners, whose staff have gone above and beyond to raise funds and spread awareness about dementia. In 2016/17, we worked with 112 different companies with thousands of employees between them, each of whom has thrown themselves behind the cause with huge energy and enthusiasm. Time and again our corporate partners have exceeded their fundraising targets, and companies have found a multitude of other ways to support our work too, from talking about dementia with their customers and suppliers, to sharing their expertise and offering pro bono advice.

Voluntary donations to Alzheimer's Research UK grew to **£29.1m** in 2016/17 – an increase of 44%.



Wickes, AXA Insurance and Dyson are just some of the firms choosing to get involved in the fightback against dementia, and we are proud to have their support.

We were honoured to receive our largest ever single donation this year, when the Mike Gooley Trailfinders Charity generously donated £3.8m to our work. This important gift is now powering essential research to better understand the risk factors for dementia, as part of the Mike Gooley Trailfinders Charity Prevention and Risk Reduction Fund. We also welcomed the last members to our Insight 46 Giving Club: these generous individuals are together funding an innovative project into the risk factors and early detection of dementia.

We are also indebted to the Charitable Trusts and Foundations whose support has helped to fund pioneering research, including a significant donation from the Lyndal Tree Foundation to fund an essential study to unravel the causes of frontotemporal dementia.

Donations of every size – large and small – are crucial to our work, and we are hugely grateful to everyone who has donated or chosen to remember us through a gift in their Will. Gifts in Wills fund a third of our research projects, and we were humbled to receive a £1.2m gift from the late Joan

(Audrey) Oakenfold this year. Vital pledges such as this are helping to ensure that future generations can live in a world free from the fear, harm and heartbreak of dementia.

Our supporters not only fundraise and donate their hard-earned money for us: many have also donated their precious time through volunteering. We now have 14 active Fundraising Groups run by volunteers who raise crucial funds and awareness in their local area, with plans for more groups in the coming year. Our volunteers also support us by sharing their experiences of dementia to improve understanding about the condition, helping at events, testing new materials, reviewing our health information and campaigning to keep dementia research on the political agenda. Much of our work relies on the help of volunteers, and collectively this group has made a significant contribution to the charity over the past year.

Many of those backing us know from experience how devastating dementia can be. We know that our mission is just as important to our supporters as it is to us, which is why we work to provide regular updates on how these funds are being put to work and making an impact. Together, we will change the lives of people with dementia.

Financial Review

Headline figures extracted from the Financial Statements show:

An increase in total income of **38%** (2016: 24%)

An increase in spending on charitable activities committed (£17.6m for 2017) and set aside in designated funds (£7m for 2017) of **38%** (2016: 27%)

An increase in spending on research commitments entered into (£12.7m for 2017) and set aside in designated funds (£7m in 2017) during the year, included in charitable activities, of **43%** (2016: 38%)



In summary

Alzheimer's Research UK continues to grow from strength to strength with the last year delivering a 38% increase in total income to £30.5m. Alzheimer's Research UK has continued the annual trend of delivering double digit growth year on year for the last five years. This growth allows the charity to fund more activity to power the fight against dementia (up 38% from 2016) which enables the charity to move closer to its vision of creating a world free from the fear, harm and heartbreak of dementia. It would not be possible to deliver this growth if it was not for the kind supporters and volunteers who share our vision and the fantastic efforts of the staff at Alzheimer's Research UK who every year deliver a performance which meets our very high expectations.

Income

Total income rose strongly to £30.5m, up 38% on 2016 (£22m). This growth was underpinned by donations and legacies delivering £29.1m, an increase of 44% from 2016 (£20.2m). Legacy income delivered an extra £1.7m whilst donations increased by £7.2m from 2016. Investment income performed well, with an increase of 12% to £731,035 (2016: £655,520), and the portfolio remains strong, generating net gains of £787,448 (2016: £1,470,033) in the year. Alzheimer's Research UK receives no income from government sources for our research.

Expenditure

During the year, Alzheimer's Research UK committed (£17.6m) and set aside (£7m) £24.6m towards charitable activities. This was an increase of £6.7m (38%) on 2016. Of the £24.6m committed and set aside, £21.4m was for research activities, an increase of 43% from 2016. This confirms Alzheimer's Research UK's position as the UK's leading dementia research charity, powering more spend than ever into pioneering dementia research.

Principal risks and uncertainties

Regular monitoring and reporting of potential risks to the charity is critical for ensuring that these risks are properly managed and mitigated, with procedures in place to respond in the event of a major risk occurring. Alzheimer's Research UK's 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. A summary of the principal risks currently identified, together with the actions taken to manage these risks, is overleaf.

Research and strategy

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	Alzheimer's Research UK staff closely monitor the regulatory landscape including the establishment of the new Fundraising Regulator, changes to the Code of Fundraising Practice, and major upcoming changes to data protection law under the General Data Protection Regulation – to ensure full compliance with all regulatory and legislative changes affecting our work. Alzheimer's Research UK has put in place a widespread action plan to respond to these changes, and is implementing necessary changes as required.
Financial fraud	Alzheimer's Research UK has 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	Alzheimer's Research UK remains 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 Committee. Our portfolio is deemed as low risk.

Reserves policy

Total reserves held at the reporting date were £8,489,056 (2016: £3,804,367). Of this £495,163 (2016: £558,084) was held in restricted funds, and £7,000,000 (2016: £3,066,965) was set aside in designated funds. Details on the purpose and expected timescale of use of the designated fund are disclosed in note 16 to the accounts.

Generally, research expenditure is recognised once the grant has been offered to the applicant at which point a commitment is deemed to exist. DDA commitments are recognised at the point that satisfactory progress has been achieved following a detailed scientific review performed by ADAG 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 12 and 24 months' outstanding grants plus six months total operating costs. At 31 August 2017 our liquidity, included as current assets, was sufficient to cover defined operating costs plus 29 months of outstanding grants.

Investments 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 Committee which reports to the Board of Trustees. 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.



1 in 3
people have a family member or close friend with dementia.

Future plans

The fightback against dementia is making real progress.

In recent years, we have seen a step-change in dementia research, both in the UK and across the globe. We have learned that there is a political will to tackle dementia, and we have seen what can happen when funding for research increases. Awareness is rising, with dementia no longer hidden in the shadows. Alzheimer's Research UK is proud to have played a leading role in these developments, and to have created an ambitious and pioneering programme of research aimed at tackling dementia head-on. But there is still a long way to go to defeat dementia, so we must keep our foot on the accelerator: people with dementia deserve nothing less.

The need for action has never been more pressing:

- Dementia is now our country's biggest killer. Of the top five major causes of death, it's the only condition for which numbers are still rising.
- One in three children born this year will die with dementia if we do not find new treatments and preventions. We owe it to future generations to strive for a world where dementia is a thing of the past.
- Dementia already costs the UK economy a staggering £26bn each year, and it is a problem that will only get worse. By 2025, it is predicted that one million people will be living with dementia in the UK – that is about the population of Birmingham. The answer to this crisis has to lie in research.

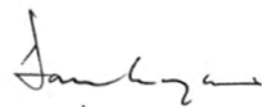
Since launching our £100m Defeat Dementia campaign in 2014, we have put in place the key infrastructure and support for a transformative research programme, with much of this research now well underway and a staggering £80m already raised in cash and pledges towards our £100m target. Our scientists are working relentlessly to understand dementia, improve diagnosis, reduce the risk and develop new treatments, and we will continue investing in research to close the gaps in our knowledge that still remain and reach the next breakthrough. In the next year alone, we will embark on a major project aimed at revolutionising the way we detect dementia.

We will continue to use our influence to ensure that those in power recognise the need for dementia research,

and that they bring that power to bear on what is now our greatest medical challenge. We will bring together key organisations to ensure that the UK is ready for the next breakthrough in dementia research, and that our health service is prepared to deliver the next wave of treatments to the people who need them when that breakthrough comes.

And we will continue raising our voice to shout about dementia, creating awareness and understanding across society and galvanising people to join the fightback. As the seasonal appeal partner of the Financial Times for 2017, we will take every opportunity to drive conversations about dementia globally as well as through exciting new corporate partnerships. Following the success of our most recent campaigns, we will develop a longer-term, integrated campaign to build sustained public awareness about the challenge we face and the solutions that research can offer. The more people we can bring on board with our mission, the louder our voice can grow, and the greater our potential impact.

The Trustees' Annual Report, under the Charities Act 2011 and the Companies Act 2006, and the incorporated Strategic Report were approved by the Board of Trustees on 17 January 2018 and signed on behalf of the Trustees by



DAVID MAYHEW CBE, CHAIRMAN, January 2018

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Alzheimer's Research UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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.

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.

Independent Auditor's report to the Trustees and members of Alzheimer's Research UK

Opinion on financial statements

We have audited the financial statements of Alzheimer's Research UK (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2017 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 August 2017; 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 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 Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion 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 Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities 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.

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
1 February 2018.

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 AUGUST 2017

	Note	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
		£	£	£	£
Income from:					
Donations and legacies	4	26,293,127	2,834,876	29,128,003	20,185,700
Charitable activities		126,948	205,629	412,577	971,377
Other trading & income generating activities		185,326	-	185,326	201,429
Investments income	5	731,035	-	731,035	655,520
Total income		<u>27,336,436</u>	<u>3,120,505</u>	<u>30,456,941</u>	<u>22,014,026</u>
Expenditure on:					
Raising funds		8,954,187	-	8,954,187	6,581,821
Charitable activities	6	16,360,239	1,234,492	17,594,731	17,870,991
Net expenditure in joint venture operations		10,782	-	10,782	11,738
Total expenditure		<u>25,325,208</u>	<u>1,234,492</u>	<u>26,559,700</u>	<u>24,464,550</u>
Net realised gains/(losses) on investments	10	(43,114)	-	(43,114)	34,332
Unrealised gains on investments	10	830,562	-	830,562	1,435,701
Total net gain/(loss) on investments		<u>787,448</u>	<u>-</u>	<u>787,448</u>	<u>1,470,033</u>
Net income (expenditure) before transfers		<u>2,798,676</u>	<u>1,886,013</u>	<u>4,684,689</u>	<u>(980,491)</u>
Transfers between funds		<u>1,948,934</u>	<u>(1,948,934)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>4,747,610</u>	<u>(62,921)</u>	<u>4,684,689</u>	<u>(980,491)</u>
Reconciliation of funds:					
Funds balance at 1 September		3,246,283	558,084	3,804,367	4,784,858
Funds balance at 31 August	15,16	<u>7,993,893</u>	<u>495,163</u>	<u>8,489,056</u>	<u>3,804,367</u>

All activities in both years derive from continuing operations. There were no recognised gains or losses other than those shown in the statement above. The accompanying notes form an integral part of these accounts.

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted Funds	Restricted Funds	2017 Total	2016 Total
		£	£	£	£
Income from:					
Donations and legacies	4	26,293,127	2,834,876	29,128,003	20,185,700
Charitable activities		126,948	205,629	412,577	971,377
Other trading & income generating activities		124,972	-	124,972	151,185
Investments income	5	737,427	-	737,427	655,520
Total income		<u>27,282,474</u>	<u>3,120,505</u>	<u>30,402,979</u>	<u>21,963,782</u>
Expenditure on:					
Raising funds		8,913,154	-	8,913,154	6,537,709
Charitable activities	6	16,360,239	1,234,492	17,594,731	17,870,036
Total expenditure		<u>25,273,393</u>	<u>1,234,492</u>	<u>26,507,885</u>	<u>24,407,745</u>
Net realised (losses)/gains on investments	10	(43,114)	-	(43,114)	34,332
Unrealised gains on investments	10	830,562	-	830,562	1,435,701
Total net gain on investments		<u>787,448</u>	<u>-</u>	<u>787,448</u>	<u>1,470,033</u>
Net income/(expenditure) before transfers		<u>2,796,529</u>	<u>1,886,013</u>	<u>4,682,542</u>	<u>(973,930)</u>
Transfers between funds		<u>1,948,934</u>	<u>(1,948,934)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>4,745,463</u>	<u>(62,921)</u>	<u>4,682,542</u>	<u>(973,930)</u>
Reconciliation of funds:					
Funds balance at 1 September		3,182,136	558,084	3,740,220	4,714,150
Funds balance at 31 August	15,16	<u>7,927,599</u>	<u>495,163</u>	<u>8,422,762</u>	<u>3,740,220</u>

All activities in both years derive from continuing operations. There were no recognised gains or losses other than those shown in the statement above. The accompanying notes form an integral part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2017

Company number 3681291 Registered Charity number 1077089 Scottish Registered Charity number SC042474

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	9a	275,034	368,188
Intangible assets	9b	56,375	8,450
Investments	10	12,328,250	10,546,922
		<u>12,659,659</u>	<u>10,923,560</u>
Current assets			
Stocks	11	5,659	10,172
Debtors	12	4,907,471	3,471,200
Investments	10	17,447,425	7,991,350
Cash at bank and in hand		2,468,950	8,039,425
		<u>24,829,505</u>	<u>19,512,147</u>
Creditors: amounts falling due within one year	13	(19,106,599)	(19,005,865)
Net current assets		<u>5,722,906</u>	<u>506,282</u>
Total assets less current liabilities		<u>18,382,565</u>	<u>11,429,842</u>
Creditors: amounts falling due after more than one year	14	(9,893,509)	(7,625,475)
Total assets less total liabilities		<u>8,489,056</u>	<u>3,804,367</u>
Funds			
Restricted funds	15	495,163	558,084
Unrestricted funds			
General funds	16	993,893	179,318
Designated funds	16	7,000,000	3,066,965
		<u>8,489,056</u>	<u>3,804,367</u>

The financial statements on pages 30 to 58 were approved and authorised for issue by the Board of Trustees on 17 January 2018.



 N Antill Trustee DL Mayhew CBE Trustee

The notes on pages 37 to 58 form part of these financial statements.

CHARITY BALANCE SHEET AS AT 31 AUGUST 2017

Company number 3681291 Registered Charity number 1077089 Scottish Registered Charity number SC042474

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	9a	275,034	368,188
Intangible assets	9b	56,375	8,450
Investments	10	12,261,070	10,468,960
		<u>12,592,479</u>	<u>10,845,598</u>
Current assets			
Debtors	12	4,958,232	3,543,903
Investments	10	17,447,425	7,991,350
Cash at bank and in hand		2,419,062	7,983,841
		<u>24,824,719</u>	<u>19,519,094</u>
Creditors: amounts falling due within one year	13	(19,100,927)	(18,998,997)
Net current assets		<u>5,723,792</u>	<u>520,097</u>
Total assets less current liabilities	14	<u>18,316,271</u>	<u>11,365,695</u>
Creditors: amounts falling due after more than one year		<u>(9,893,509)</u>	<u>(7,625,475)</u>
		<u>8,422,762</u>	<u>3,740,220</u>
Funds			
Restricted funds	15	495,163	558,083
Unrestricted funds			
General funds	16	927,599	115,172
Designated funds	16	7,000,000	3,066,965
		<u>8,422,762</u>	<u>3,740,220</u>

The financial statements on pages 30 to 58 were approved and authorised for issue by the Board of Trustees on 17 January 2018.



 N Antill Trustee DL Mayhew CBE Trustee

The notes on pages 37 to 58 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
Net cash provided by operating activities	a	4,461,087	2,239,931
Cash flows from investing activities			
Investment income		731,035	655,520
Purchase of property, plant & equipment		(104,263)	(49,149)
Purchase of intangible fixed assets		(60,104)	(8,450)
Proceeds from sales of investments		2,659,812	3,130,588
Purchase of investments		(13,258,042)	(5,520,136)
Net cash provided by (used in) investing activities		(10,031,562)	(1,791,627)
Change in cash and cash equivalents in reporting period		(5,570,475)	448,304
Cash and cash equivalents at the beginning of the reporting period		8,039,425	7,591,121
Cash and cash equivalents at the end of the reporting period	b	2,468,950	8,039,425

Reconciliation of net expenditure to net cash flow from operating activities

	2017	2016
	£	£
a. Net income/(expenditure) for the reporting period	4,684,689	(980,491)
Adjustments for:		
Depreciation charges and amortisation charges	209,398	220,513
Loss on disposal of fixed assets	198	-
Gains on investments	(787,448)	(1,470,033)
Dividends and interest from investments	(731,035)	(655,520)
Decrease/(increase) in stocks	4,513	(2,206)
Increase in debtors	1,436,272	(202,346)
Increase in creditors	2,368,768	5,318,276
Decrease in value of joint venture investment	10,782	11,738
Loss on programme related investments	137,494	-
	4,461,087	2,239,931
b) Analysis of cash and cash equivalents		
Cash at bank and in hand	2,468,950	8,039,425

The notes on pages 37 to 58 form part of these financial statements.

CHARITY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017	2016
		£	£
Cash flows from operating activities	a	4,460,391	2,224,633
Net cash provided by operating activities			
Cash flows from investing activities			
Investment income		737,427	655,520
Purchase of property, plant & equipment		(104,263)	(49,149)
Purchase of intangible fixed assets		(60,104)	(8,450)
Proceeds from sales of investments		2,659,812	3,130,588
Purchase of investments		(13,258,042)	(5,520,136)
Net cash used in investing activities		(10,025,170)	(1,791,627)
Change in cash and cash equivalents in reporting period		(5,564,779)	433,006
Cash and cash equivalents at the beginning of the reporting period		7,983,841	7,550,835
Cash and cash equivalents at the end of the reporting period	b	2,419,062	7,983,841

Reconciliation of net expenditure to net cashflow from operating activities

	2017	2016
	£	£
a. Net expenditure for the reporting period	4,682,542	(973,930)
Adjustments for:		
Depreciation and amortisation charges	209,398	220,513
Loss on disposal of fixed assets	198	-
Gains on investments	(787,448)	(1,470,033)
Dividends and interest from investments	(737,427)	(655,520)
Increase in debtors	(1,414,329)	(218,149)
Increase in creditors	2,369,963	5,321,752
Loss on programme related investments	137,494	-
	4,460,391	2,224,633
b. Analysis of cash and cash equivalents		
Cash at bank and in hand	2,419,062	7,983,841

The notes on pages 37 to 58 form part of these financial statements.



More than
30,000
people in the UK have registered
their interest in taking part in
dementia research.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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, which constitutes a Public Benefit entity as defined by FRS 102. The address of its registered office is set out on page 5. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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 represents 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. Activities that are to be wholly financed from future income do not form part of such designation and are disclosed in a note to the accounts. The present value of future commitments to research has been considered at a discount rate of 3% and the resulting potential discounting is not considered to be material to the overall value of the commitment.

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 investment in the joint venture is 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 in the best estimate of the amounts receivable at the balance sheet date.

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.

Cash at Bank and in hand

Cash at bank and cash in hand includes cash and short-term liquid investments with a short maturity of three months or less.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualifies 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 25.

Leases

The annual rental of all operating leases are 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 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 & Strategic Report on pages 11 to 22. 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 and 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.





Each year, friends and families spend
1.3 billion
 hours caring for loved ones with dementia.

2 Net income/(expenditure) for the year

	2017	2016
	£	£
Net income/(expenditure) for the year is stated after charging:		
Auditor services - Charity and group audit services	19,950	21,950
- Statutory audit of Subsidiary	2,100	2,050
- Tax advisory services	6,250	18,250
- Tax compliance services	3,375	7,970
The above figures are exclusive of irrecoverable VAT		
Depreciation of tangible fixed assets	197,219	220,513
Amortisation of intangible fixed assets	12,179	-
Payments under operating leases - land and buildings	215,362	202,382
Payments under operating leases - plant and machinery	18,630	15,487

3 Information regarding employees and trustees

	2017	2016
	Number	Number
Group and Charity		
Charitable activities	30	26
Fundraising	61	53
Support services	16	14
	107	93
	£	£
Salaries	4,004,961	3,222,313
National insurance	403,379	309,995
Other pension costs	194,249	131,191
	4,602,589	3,663,499

The number of employees whose emoluments exceeded £60,000 were:

	Number	Number
£60,001 - £70,000	3	3
£70,001 - £80,000	3	2
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£140,001 - £150,000	1	-

All of the above individuals are members of the defined contribution pension scheme, contributions during the year totalled £35,341 (2016: £27,141). Included within creditors at the year-end is £35,636 (2016: £22,645) of outstanding pension contributions. Trustees are not remunerated nor reimbursed for their expenses.

Total employment costs of the Executive Team, which comprises the Chief Executive, Chief Scientific Officer, Executive Director of Fundraising and Communications and Executive Director of Operations and Finance was £476,513 (2016: £286,056). The Executive Team grew from three to four during the year.

4 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Group and charity				
Charitable Trusts	5,822,138	1,038,762	6,860,900	2,987,362
Legacy income	8,999,925	18,500	9,018,425	7,297,083
Other donations	10,986,963	1,777,614	12,764,577	9,601,361
Donated services	484,101	-	484,101	299,894
	<u>26,293,127</u>	<u>2,834,876</u>	<u>29,128,003</u>	<u>20,185,700</u>

Details of the use of volunteers within the charity can be found in the Trustees' Report on page 9.

5 Investment income

	Total 2017	Total 2016
	£	£
Group		
Bank deposits	17,102	61,133
Dividend income	713,933	594,387
	<u>731,035</u>	<u>655,520</u>

	Total 2017	Total 2016
	£	£
Charity		
Bank deposits	17,102	61,133
Dividend income	720,325	594,387
	<u>737,427</u>	<u>655,520</u>

6 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Group				
Dementia research	13,143,685	1,224,342	14,368,027	14,819,960
Information & advocacy	3,216,554	10,150	3,226,704	3,051,031
	<u>16,360,239</u>	<u>1,234,492</u>	<u>17,594,731</u>	<u>17,870,991</u>

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Charity				
Dementia research	13,143,685	1,224,342	14,368,027	14,819,960
Information & advocacy	3,216,554	10,150	3,226,704	3,051,031
	<u>16,360,239</u>	<u>1,234,492</u>	<u>17,594,731</u>	<u>17,870,991</u>

7 Support costs

	Raising funds	Research	Information & advocacy	Total 2017	Total 2016
	£	£	£	£	£
Human resources	135,677	215,673	49,886	401,236	350,303
Premises	174,396	277,221	64,122	515,739	476,696
Finance	44,246	70,334	16,268	130,848	127,253
Corporate	57,901	92,039	21,289	171,229	137,098
IT & office costs	103,602	164,687	38,092	306,381	261,520
Depreciation	70,807	112,556	26,035	209,398	220,513
Governance	64,863	103,107	23,849	191,819	87,208
	<u>651,492</u>	<u>1,035,617</u>	<u>239,541</u>	<u>1,926,650</u>	<u>1,660,591</u>

All tangible fixed assets are held for charitable purposes.

8 Grant giving

	Total 2017	Total 2016
	£	£
New research commitments entered into during the year for dementia research	12,687,364	13,305,319
Release of provisions no longer required	(256,681)	(60,274)
Support costs allocated	1,035,617	1,006,424
Amount charged to the Statement of Financial Activities	<u>13,466,300</u>	<u>14,251,469</u>



8 Grant giving (continued)

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

	Total 2017	Total 2016
	£	£
Cardiff University	196,204	99,860
Imperial College London	635,264	178,149
King's College London	928,664	601,555
Newcastle University	86,937	80,113
Queen's University Belfast	25,000	25,000
Spanish National Center for Biotechnology	5,340	-
University College London	2,937,445	3,759,073
University Medical Center Groningen	49,744	-
University of Aberdeen	456,910	-
University of Bath	91,200	-
University of Bradford	-	26,992
University of Bristol	35,000	263,124
University of Cambridge	3,054,550	2,885,215
University of Central Lancashire	249,836	-
University of Dundee	75,000	75,000
University of East Anglia	767,664	269,717
University of Edinburgh	178,083	736,201
University of Exeter	1,004,694	43,000
University of Leeds	-	25,000
University of Liverpool	49,986	-
University of Luxembourg	-	349,346
University of Manchester	532,673	72,413
University of Nottingham	97,198	62,978
University of Oxford	351,946	2,055,070
Plymouth University	-	25,000
University of Queensland	50,240	-
University of Reading	52,000	99,366
University of Sheffield	25,120	242,349
University of Southampton	627,394	135,106
University of South Florida	24,198	227,393
University of Strathclyde	49,972	-
University of York	49,102	-
	<u>12,687,364</u>	<u>13,305,319</u>

9a Tangible fixed assets (group and charity)

	Leasehold improvements	Fixtures and office equipment	Total
	£	£	£
Cost			
At 1 September 2016	704,750	273,272	978,022
Additions	4,833	99,430	104,263
Disposal	-	(43,402)	(43,402)
At 31 August 2016	<u>709,583</u>	<u>329,300</u>	<u>1,038,883</u>
Depreciation			
At 1 September 2016	414,131	195,703	609,834
Charge for the year	141,711	55,508	197,219
Charged on disposals	-	(43,204)	(43,204)
At 31 August 2017	<u>555,842</u>	<u>208,007</u>	<u>763,849</u>
Net book value			
At 31 August 2017	<u>153,741</u>	<u>121,293</u>	<u>275,034</u>
At 31 August 2016	<u>290,619</u>	<u>77,569</u>	<u>368,188</u>

9b Intangible fixed assets (group and charity)

	Computer Software	Total
	£	£
Cost Restated		
At 1 September 2016	60,488	60,488
Additions	60,104	60,104
At 31 August 2017	<u>120,592</u>	<u>120,592</u>
Amortisation Restated		
At 1 September 2016	52,038	52,038
Charge for the year	12,179	12,179
At 31 August 2017	<u>64,217</u>	<u>64,217</u>
Net book value		
At 31 August 2017	<u>56,375</u>	<u>56,375</u>
At 31 August 2016	<u>8,450</u>	<u>8,450</u>

All tangible fixed assets are held for charitable purposes.

10 Investments

	Investment portfolio	Programme related investment	Shares in subsidiary	Share of joint venture	Total 2017	Total 2016
	£	£	£	£	£	£
Market value 1 September 2016	18,159,068	281,243	20,000	97,962	18,558,273	14,710,430
Additions	12,956,373	301,669	-	-	13,258,042	5,520,136
Disposals	(2,659,812)	-	-	-	(2,659,812)	(3,130,588)
Realised and unrealised investment gains/(losses)	787,448	(137,494)	-	-	649,954	1,470,033
Movement in joint venture	-	-	-	(10,782)	(10,782)	(11,738)
Market value 31 August 2017	<u>29,243,077</u>	<u>445,418</u>	<u>20,000</u>	<u>87,180</u>	<u>29,795,675</u>	<u>18,558,273</u>
Group	29,243,077	445,418	-	87,180	29,775,675	18,538,272
Charity	29,243,077	445,418	20,000	-	29,708,495	18,460,311
Cost at 31 August 2017	<u>26,154,952</u>	<u>582,912</u>	<u>20,000</u>	<u>87,180</u>	<u>26,845,044</u>	<u>16,122,626</u>

Shares held under the heading investment portfolio are recognised at their market value, other investments are valued at cost.

Composition of investment portfolio (Quilter Cheviot)	2017	2016
	£	£
UK Corporate bonds	8,554,017	8,013,466
Overseas Corporate bonds	1,147,957	410,827
UK Gilts	2,093,978	1,743,422
Cash deposits	6,956,486	892,708
UK alternative investments	4,311,364	2,776,711
UK equity investments	3,594,324	2,718,023
Non-UK equity investments	2,585,251	1,603,911
	<u>29,243,377</u>	<u>18,159,068</u>

Presentation of investments	2017 Group	2017 Charity	2016 Group	2016 Charity
	£	£	£	£
Fixed asset investments	12,328,250	12,261,070	10,546,922	10,468,960
Current asset investments	17,447,425	17,447,425	7,991,350	7,991,350
	<u>29,775,675</u>	<u>29,708,495</u>	<u>18,538,272</u>	<u>18,460,310</u>

Programme related investments

The Dementia Discovery Fund ('DDF' or 'the Fund') was launched in October 2015 and is managed by SV Life Sciences 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 3.93% share of the investment. Partners in the Fund are Biogen New Ventures Inc., Eli Lilly and Company Limited, Glaxo Group Limited, Johnson & Johnson - JJDC, Inc., Pfizer Limited, Takeda Ventures Inc. and The Secretary of State for Health, with a total Partnership commitment of £83,670,641 as at 30 September 2017.

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 associated neurodegenerative diseases and disorders.

The Charity owns a 50% share in ABBUK and its share of the net assets is: £87,180 (2016: £97,962) comprised £851,927 (2016: £1,140,152) current assets, £764,747 (2016: £690,839) current liabilities and £nil (2016: £351,351) long term liabilities. Alzheimer's Research UK's share of income from donations for the year totalled £74,703 (2016: £175), its share of charitable expenditure is £85,485 (2016: £11,913) bringing Alzheimer's Research UK's share of the net result to (£10,782) 2016: (£11,738). This joint venture is accounted for in accordance with FRS 102 and the Charities SORP under the gross equity method.

Subsidiary company

Alzheimer's Research Trading Limited, registered company number 3880026, is a wholly owned subsidiary of Alzheimer's Research UK whose profits are gift aided 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. The trading company had a loan owing to the charity upon which interest is charged at 2% above base rate. The loan balance of £37,500 was repaid during the year.

10 Investments (continued)

	2017	2016
	£	£
Income	60,354	69,080
Expenditure	(48,300)	(65,653)
Profit for the year	<u>12,054</u>	<u>3,427</u>
Fixed assets	7,875	8,750
Net current liabilities	(886)	(13,816)
	<u>6,989</u>	<u>(5,066)</u>
Financed by:		
Ordinary share capital	20,000	20,000
Shareholder's deficit	(13,011)	(25,066)
	<u>6,989</u>	<u>(5,066)</u>

11 Stocks

	2017	2016
	£	£
Group		
Merchandise and products	<u>5,659</u>	<u>10,172</u>

12 Debtors

	2017	2016
	£	£
Group		
Other debtors	174,965	342,904
Amounts due from group undertakings	31,963	17,503
Charities Aid Foundation	4,700,543	3,110,793
Accrued income and prepayments		
	<u>4,907,471</u>	<u>3,471,200</u>

	2017	2016
	£	£
Charity		
Other debtors	139,525	325,762
Amounts due from group undertakings	86,201	89,845
Charities Aid Foundation	31,963	17,503
Accrued income and prepayments	4,700,543	3,110,793
	<u>4,958,232</u>	<u>3,543,903</u>

13 Creditors: amounts falling due within one year

	2017	2016
	£	£
Group		
Trade creditors	3,268,055	1,218,513
Accruals	690,564	273,055
Other taxes and social security	136,911	111,235
Other creditors	72,858	22,645
Research commitments	14,938,211	17,380,417
	<u>19,106,599</u>	<u>19,005,865</u>

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

	2017	2016
	£	£
Charity		
Trade creditors	3,267,414	1,217,581
Accruals	688,064	269,968
Other taxes and social security	134,380	108,386
Other creditors	72,858	22,645
Research commitments	14,938,211	17,380,417
	<u>19,100,927</u>	<u>18,998,997</u>

As at the balance sheet date, the charity had previously entered into agreements with 3 universities with regard to Drug Discovery Institutes, to provide maximum funding of £30 million over a period of 5 years. Of this, £8.7m 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.

14 Creditors: amounts falling due after more than one year – Group and Charity

	2017	2016
	£	£
Research commitments	9,889,640	7,575,170
Rent accrual	3,869	50,305
	<u>9,893,509</u>	<u>7,625,475</u>

	2017	2016
	£	£
Ageing of long term liabilities		
- 2018	-	5,279,727
- 2019	5,729,956	1,844,679
- 2020	3,079,922	412,125
- 2021	1,060,607	88,944
- 2022	23,024	-
	<u>9,893,509</u>	<u>7,625,475</u>

	2017	2016
	£	£
Reconciliation of research commitments		
Balance brought forward	24,955,587	19,614,264
New commitments entered into	12,687,364	13,305,319
Commitments no longer required	(256,681)	(60,274)
Amounts spent in the year	(12,558,419)	(7,903,722)
	<u>24,827,851</u>	<u>24,955,587</u>

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

Restricted funds comprise the following balances of donations and grants given for specific purposes:

	As at 31 August 2016	Income	Expenditure	Transfer	As at 31 August 2017
	£	£	£	£	£
Description					
<i>Research</i>					
1946 Cohort	-	169,803	-	(169,803)	-
Brain Bank	-	150,000	-	(150,000)	-
Clinical Research Fellowship	-	75,400	-	(75,400)	-
Dementia Consortium	525,834	233,507	391,093	(8,153)	360,095
Drug Discovery Institutes	-	309,545	27,000	(282,545)	-
Equipment Grants	-	108,344	108,344	-	-
Global Trials	-	25,000	-	(25,000)	-
Interdisciplinary Research Grants	-	9,792	-	(9,792)	-
MCDN	-	52,368	-	(52,368)	-
Network Centre	-	116,860	-	(116,860)	-
Network Co-operative Grants	-	36,850	-	(36,850)	-
Other	-	7,773	2,091	(5,682)	-
PhD	-	276,797	111,663	(165,134)	-
Pilot Projects	-	40,716	-	(40,716)	-
Programme Grants	-	595,103	-	(595,103)	-
Research Fellowship Grants	-	50,030	-	(50,030)	-
Senior Research Fellowship	-	131,748	-	(131,748)	-
Stem Cell Research Centre	-	375,737	375,737	-	-
<i>Non-research</i>					
David Hague Early Career	-	35,850	-	-	35,850
Investigator of the Year Award	-	25,000	10,150	-	14,850
BAME – Community project	-	86,729	86,729	-	-
Conference 2017	1,750	-	250	-	1,500
Conference prize giving	-	75,935	75,935	-	-
Dementia Research Infoline	19,000	-	19,000	-	-
Integrated Development Initiative	-	33,750	-	(33,750)	-
Party Conference Costs	-	97,868	15,000	-	82,868
European Research Grant	11,500	-	11,500	-	-
Rare Dementia Support Group	-	-	-	-	-
	<u>558,084</u>	<u>3,120,505</u>	<u>1,234,492</u>	<u>(1,948,934)</u>	<u>495,163</u>

Restricted research 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.

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

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 seven charitable and pharmaceutical industry partners (Alzheimer's Research UK, LifeArc, Abbvie, Astex, Lilly, Eisai and MSD) 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.

Conference prize giving

Income raised in a previous year of £2,250 has been restricted to fund an annual prize of £250 per year for the most effective presentation at the Alzheimer's Research UK annual conference. The restricted balance still remaining as at 31 August 2017 was £1,500.

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, will be presented each year to the most outstanding early career researcher in the field of biomedical dementia research.

BAME Community Project

This work, funded by £25,000 from MACE, 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.

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 - Prior Year

	As at 31 August 2015	Income	Expenditure	Transfer	As at 31 August 2016
	£	£	£	£	£
Description					
<i>Research</i>					
Programme Grants	-	761,616	145,374	616,242	-
Network Co-operative Grants	-	22,980	-	22,980	-
Equipment Grants	-	239,000	92,772	146,228	-
Brain Bank	-	125,000	-	125,000	-
Network Centre	-	50,321	-	50,321	-
Pilot Projects	-	40,272	-	40,272	-
Senior Research Fellowship	-	85,290	-	85,290	-
Clinical Research Fellowship	-	187,440	59,860	127,580	-
Travelling Research Fellowship	-	12,111	-	12,111	-
PhD	-	263,008	-	263,008	-
Research Fellowship Grants	-	50,410	-	50,410	-
Drug Discovery Institutes	-	1,001,894	798,050	203,844	-
Stem Cell Research Centre	-	370,244	-	370,244	-
Dementia Consortium	-	936,031	255,415	154,782	525,834
Interdisciplinary Research Grants	-	270,758	-	270,758	-
Global Trials	100,000	-	100,000	-	-
Party Conference costs	-	10,000	10,000	-	-
Tau Consortium	-	653,077	653,077	-	-
D Barnett (Insight 46)	-	108,947	-	108,947	-
Non-research					
Information leaflets	-	10,000	10,000	-	-
ICAP	4,176	-	4,176	-	-
Conference	-	67,994	67,994	-	-
Dementia Research Infoline	-	26,801	26,801	-	-
Rare Dementia Support Group	-	23,000	11,500	-	11,500
Conference prize giving	2,000	-	250	-	1,750
Integrated Development Initiative	-	49,000	30,000	-	19,000
Good Game Data Analysis	-	23,479	23,479	-	-
Children's Website	55,355	-	55,355	-	-
	<u>161,531</u>	<u>5,388,673</u>	<u>2,344,103</u>	<u>2,648,018</u>	<u>558,084</u>

16 Movements in unrestricted funds

	Balance at 1 September 2016 Restated	Income	Expenditure gains and losses	Transfers	Balance at 31 August 2017
	£	£	£	£	£
General fund	179,318	27,336,436	(25,368,322)	(1,153,539)	993,893
Designated funds:					
Fair value reserve	2,616,965	-	830,562	(3,447,527)	-
DDI reserve	450,000	-	-	(450,000)	-
DRI reserve	-	-	-	7,000,000	7,000,000
Group unrestricted funds	<u>3,246,283</u>	<u>27,336,436</u>	<u>(24,537,760)</u>	<u>1,948,934</u>	<u>7,993,893</u>
General fund	115,171	27,282,474	(25,316,507)	(1,153,539)	927,599
Designated funds:			830,562		
Fair value reserve	2,616,965	-	-	(3,447,527)	-
DDI reserve	450,000	-	-	(450,000)	-
DRI reserve	-	-	-	7,000,000	7,000,000
	<u>3,182,136</u>	<u>27,282,474</u>	<u>(24,485,945)</u>	<u>1,948,934</u>	<u>7,927,599</u>

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.

DRI reserve

During the year the Trustees authorised expenditure of £50m over the next ten years to the UK Dementia Research Institute. As a result of the strong financial performance, we have been able to set aside £7m into a designated fund as a significant start on this investment.

Fair value reserve

The fair value reserve represents unrealised investment gains on the investment portfolio which due to the unpredictable nature of investment valuations should not be relied upon to fund future expenditure. The balance on this fund has been transferred out in the year as this fund will no longer be carried.

16 Movements in unrestricted funds - Prior Year

	Balance at 1 September 2015 Restated	Income	Expenditure gains and losses	Transfers	Balance at 31 August 2016
	£	£	£	£	£
General fund	742,063	16,625,353	(22,086,116)	4,898,018	179,318
Designated funds:					
Fair value reserve	1,181,264	-	1,435,701	-	2,616,965
DDI reserve	2,700,000	-	-	(2,250,000)	450,000
Group unrestricted funds	<u>4,623,327</u>	<u>16,625,353</u>	<u>(20,650,415)</u>	<u>2,648,018</u>	<u>3,246,283</u>
General fund	671,355	16,575,108	(22,029,310)	4,898,018	115,171
Designated funds:					
Fair value reserve	1,181,264	-	1,435,701	-	2,616,965
DDI reserve	2,700,000	-	-	(2,250,000)	450,000
Charity unrestricted funds	<u>4,552,619</u>	<u>16,575,108</u>	<u>(20,593,609)</u>	<u>2,648,018</u>	<u>3,182,136</u>

17 Analysis of assets and liabilities between funds

	Designated funds	General funds	Restricted funds	Total
	£	£	£	£
Group				
Fixed assets				
Tangible fixed assets	-	275,034	-	275,034
Intangible fixed assets	-	56,375	-	56,375
Investments	7,000,000	5,415,430	-	12,328,250
Current assets				
Stocks	-	5,659	-	5,659
Debtors	-	4,907,471	-	4,907,421
Current asset investments	-	17,447,425	-	17,447,425
Cash at bank and in hand	-	2,060,967	495,163	2,468,950
Creditors				
Due within one year	-	(19,106,599)	-	(19,106,599)
Due in more than one year	-	(9,893,509)	-	(9,893,509)
Group	7,000,000	993,893	495,163	8,489,056
Charity: allocated on the same basis as the group figures	7,000,000	927,599	495,163	8,422,762

17 Analysis of assets and liabilities between funds - Prior Year

	Designated funds	General funds	Restricted funds	Total
	£	£	£	£
Group				
Fixed assets				
Tangible fixed assets	-	368,188	-	368,188
Intangible fixed assets	-	8,450	-	8,450
Investments	3,066,965	7,577,919	-	10,546,922
Current assets				
Stocks	-	10,172	-	10,172
Debtors	-	3,471,200	-	3,471,200
Current asset investments	-	7,991,350	-	7,991,350
Cash at bank and in hand	-	7,579,304	558,083	8,039,425
Creditors				
Due within one year	-	(19,005,865)	-	(19,005,865)
Due in more than one year	-	(7,625,475)	-	(7,625,475)
Group	3,066,965	179,319	558,083	3,804,367
Charity: allocated on the same basis as the group figures	3,066,965	115,172	558,083	3,740,220

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:

	2017	2016
	£	£
Other		
Within one year	16,912	16,912
Between one & five years	20,588	38,605
Land and buildings		
Within one year	178,690	178,049
Between one & five years	185,102	286,852

20 Related party transactions

A management fee of £6,000 (2016: £17,896) and loan interest of £392 (2016: £940) 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 £86,201 (2016: £89,845) was due to Alzheimer's Research UK from the subsidiary, consisting of a £nil (2016: £37,500) loan which was repaid during the year and an intercompany balance of £86,201 (2016: £52,345).

During the year, £228,314 (2016: £125,000) 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 £346,525 (2016: £574,839). 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 £50,587 (2016: £51,557), and sales totalling £131 (£2016: £nil) were made to Trustees.

During the year, £nil (2016: £14,462) was paid for legal advice from Withers LLP. AJ Thompson was a trustee during 2015/16 and is a consultant at Withers LLP. At the year-end a balance of £nil (2016: £1,650) was outstanding.

During the year, purchases totalling £nil (2016: £78,356) were made from PHD Media Limited. M Cooper was a trustee during 2015/16 and is CEO of PHD Media Limited. The outstanding balance due to PHD Media Limited as at 31 August 2017 was £nil (2016: £nil).

During the year, purchases of £73,485 (2016: £nil) were made from Simmons & Simmons LLP. G Dennison became a Trustee in the year and is a partner at Simmons & Simmons. Pro bono support with a value of £35,000 (2016: £nil) was also received. At the year-end a balance of nil (2016: £nil) was outstanding.

21 Capital commitments

As at 31 August 2017 the Charity has a commitment of £nil (2016: £21,060) in relation to office refurbishments.

22 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 August 2017, the amounts owed by the VAT group totalled £2,531 (2016: £1,177).

23 Consolidated statement of financial activities

As required under FRS102, the following tables show the split of comparative information between funds for the year ended 31 August 2016 for Group and Charity:

Group	Unrestricted Funds Restated	Restricted Funds Restated	2016 Consolidated Total Restated
		£	£
Income from:			
Donations and legacies	15,737,668	4,448,032	20,185,700
Charitable activities	30,735	940,642	971,377
Other trading & income generating activities	201,429	-	201,429
Investment income	655,520	-	655,520
Total Income	<u>16,625,352</u>	<u>5,388,674</u>	<u>22,014,026</u>
Expenditure on:			
Raising funds	6,581,821	-	6,581,821
Charitable activities	15,526,888	2,344,103	17,870,991
Net expenditure in joint venture operations	11,738	-	11,738
Total expenditure	<u>22,120,447</u>	<u>2,344,103</u>	<u>24,464,550</u>
Net realised losses on investments	34,332	-	34,332
Unrealised gains on investments	1,435,701	-	1,435,701
Total net gain on investments	<u>1,470,033</u>	<u>-</u>	<u>1,470,033</u>
Net (expenditure) before transfers	<u>(4,025,062)</u>	<u>3,044,571</u>	<u>(980,491)</u>
Transfers between funds	<u>2,648,018</u>	<u>(2,648,018)</u>	<u>-</u>
Net movement in funds	<u>(1,377,044)</u>	<u>396,553</u>	<u>(980,491)</u>
Reconciliation of funds:			
Funds balance at 1 September	4,623,327	161,531	4,784,858
Funds balance at 31 August	<u>3,246,283</u>	<u>558,084</u>	<u>3,804,367</u>

23 Consolidated statement of financial activities (continued)

Charity	Unrestricted Funds	Restricted Funds	Consolidated Total 2016
	£	£	£
Income from:			
Donations and legacies	15,737,668	4,448,032	20,185,700
Charitable activities	30,735	940,642	971,377
Other trading & income generating activities	151,185	-	151,185
Investment income	655,520	-	655,520
Total Income	<u>16,575,108</u>	<u>5,388,674</u>	<u>21,963,782</u>
Expenditure on:			
Raising funds	6,537,709	-	6,537,709
Charitable activities	15,525,933	2,344,103	17,870,036
Total expenditure	<u>22,063,642</u>	<u>2,344,103</u>	<u>24,407,745</u>
Net realised gains on investments	34,332	-	34,332
Unrealised gains on investments	1,435,701	-	1,435,701
Total net gain on investments	<u>1,470,033</u>	<u>-</u>	<u>1,470,033</u>
Net (expenditure)/income before transfers	<u>(4,018,501)</u>	<u>3,044,571</u>	<u>(973,930)</u>
Transfers between funds	<u>2,648,018</u>	<u>(2,648,018)</u>	<u>-</u>
Net movement in funds	<u>(1,370,483)</u>	<u>396,553</u>	<u>(973,930)</u>
Reconciliation of funds:			
Funds balance at 1 September	4,552,619	161,531	4,784,858
Funds balance at 31 August	<u>3,182,136</u>	<u>558,084</u>	<u>3,740,220</u>

24 Financial Instruments

The carrying amount of financial instruments at 31 August were:

	Group 2017	2016
	£	£
Financial assets		
Debt instruments measured at amortised cost	4,131,592	2,983,373
Instruments measured at fair value through profit and loss	22,738,716	17,547,603
Total	<u>26,870,308</u>	<u>20,530,976</u>
Financial liabilities		
Measured at amortised cost	<u>28,747,203</u>	<u>26,455,759</u>

	Charity 2017	2016
	£	£
Financial assets		
Debt instruments measured at amortised cost	4,190,023	3,056,076
Instruments measured at fair value through profit and loss	22,293,298	17,266,360
Total	<u>26,438,321</u>	<u>20,322,436</u>
Financial liabilities		
Measured at amortised cost	<u>28,744,062</u>	<u>26,451,740</u>



Alzheimer's Research UK is the UK's leading dementia research charity.

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