

Alzheimer's Research UK

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

Annual Report and Financial Statements

Year Ended

31 March 2021

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Our impact in 2020/21

We invested over **£21.3m** in our charitable activities, including £17.3m in our pioneering research programmes.

We enabled our scientists to publish a record **382 research papers** – revealing new discoveries and driving collaboration within the global research community.

We protected a generation of future leaders disproportionately affected by the COVID-19 pandemic through a **£920,000 funding boost for early career researchers**.

We launched a new £245,000 COVID-19 Support Fund to help **14 important projects get back on track**, after our research revealed that 95% of dementia researchers had projects delayed by lockdown measures.

We engaged millions of people with our Think Brain Health campaign. **Over 90%** of those we asked said they were more likely to take steps towards a healthy lifestyle to reduce their risk of dementia as a result.

We campaigned for the government to honour its 2019 pledge to double investment in dementia research, with support from MPs, journalists and more than **50,000 people who signed our petition**.

We kept vital research going in the hardest of times, helping a record **16,000 people enrol in research studies** through the Join Dementia Research service - a partnership we have with the National Institute for Health Research, Alzheimer's Society and Alzheimer Scotland.

We supported our employees through a challenging year, with **engagement and wellbeing at an all-time high**, because we know that it's people who will ultimately make our vision of a world without dementia a reality.

Introduction from our Chairman and Chief Executive

The COVID-19 pandemic has had a devastating impact on people with dementia and their families. A quarter of those who died with the virus in England and Wales (nearly a third in Scotland) also had dementia. Families have been unable to be with their loved ones in care homes and thousands have seen their symptoms worsen amid social isolation.

The virus has also threatened research progress, with many researchers facing uncertainty over funding or having studies delayed or cancelled as their labs were forced to close.

Sadly, more than a third (35%) of dementia researchers we spoke to at the height of the pandemic told us they may have to leave their chosen field altogether.

For Alzheimer's Research UK - and many other charities whose role it is to raise essential funds to fuel research - the pandemic severely limited our ability to fundraise in the usual way.

But as we look back on a tough year, we're incredibly proud of what our supporters have enabled us to achieve.

Although lower than our pre-pandemic ambition for the year, our income of £39.2m was far higher than we predicted back in April 2020 and enabled us to invest £21.3m in our charitable activities.

This is testament to your generous support. You responded to the year's challenges with incredible passion and creativity. You found new ways to fundraise, lent your support to our many virtual events and worked even harder to help keep dementia on the health agenda.

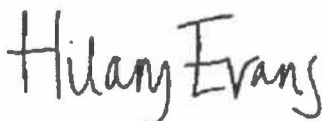
We endeavoured to approach this year in the same way, responding quickly and adapting plans as the true impact of the pandemic became clear.

Having made the extremely difficult decision to postpone funding any new grant applications early in the year to ensure we could meet our existing commitments, it was especially rewarding to be able to revisit these applications in January 2021 and announce funding for vital new projects led by early career researchers.

Another highlight this year has been the resourcefulness and energy with which researchers have responded to the changing landscape. We're delighted that through our COVID-19 Support Fund, we have enabled those whose projects were severely disrupted to complete their important work.

In 2021 we have already seen promising new drug developments for Alzheimer's that we hope will open the door to a generation of new treatments. And more than ever, this year has shown us that with the right investment, and when the urgency of a problem is recognised, medical research can make life-changing breakthroughs possible.

A heartfelt thank you for standing by us this year.



Hilary Evans

Chief Executive



David Mayhew

Chairman

President's foreword

This has been a year like no other. COVID-19 has challenged governments, businesses, charities and individuals in ways we could never have imagined before the pandemic. But despite the immense difficulties that have had to be faced, the determination that so many have shown to adapt and innovate has been a constant inspiration.

Alzheimer's Research UK has been no exception and, as charity President, I am incredibly proud of the tremendous efforts of the whole team – many of whom modified projects, embraced different responsibilities, or took furlough leave, to protect our commitment to research. And I was particularly inspired by the resilience of our researchers, re-focusing their studies to better understand the relationship between COVID-19 and dementia, or swapping time in the lab for time with hospital patients to support their NHS colleagues.

Responding to the pandemic has been an unprecedented challenge – but one that has given Alzheimer's Research UK an even clearer sense of our priorities:

Continuing to **increase dementia research funding**; making the most of new **investment opportunities and driving drug discovery forward**; and **making the vital case for earlier diagnosis**. Something that will increase our understanding of the underlying causes of dementia, and, crucially, how to treat them.

When it comes to funding research, Alzheimer's Research UK has now supported more than 1,000 studies, investing over £171m in cutting-edge dementia research, including £17.3m during this past year alone.

This crucial investment would not have been possible without our supporters, who responded to events of the past year with amazing generosity and spirit – whether it was giving a monthly donation, taking on the first virtual London Marathon, or joining an online quiz night during lockdown.

The rapid development of treatments and vaccines for coronavirus has been a clear demonstration of what medical research can achieve with the right level of investment and political will. For dementia, there are now more than 240 trials underway across the world testing potential treatments. And although we await news on whether the drug, aducanumab, will be approved for patients in the UK, its approval in the US was a pivotal moment for dementia research globally, re-energising efforts in drug discovery and opening the door to more investment opportunities.

Aducanumab, like any new Alzheimer's treatment, promises to have the greatest effect when given in the early stages, before irreversible damage has been done. For that to happen, we need to identify the diseases that cause dementia much earlier. Put simply, early diagnosis is a vital part of the puzzle.

Through our ambitious EDoN (Early Detection of Neurodegenerative diseases) initiative, Alzheimer's Research UK is at the forefront of efforts to detect the diseases that cause dementia sooner. And as Chair of the EDoN Board, this year I saw important progress towards developing a toolkit that could help us do just that.

Ultimately, diagnosing earlier will not only increase efficacy of existing treatments, but advance our overall understanding of dementia, helping pave the way for more effective treatments in the future.

When I was Prime Minister, the Government I led introduced the Dementia Challenge. We set out to find a disease modifying treatment or cure for dementia by 2025 and, nearly a decade on, that overall aim is unchanged.

It is an ambitious target, but we *really are* making progress. And if we remain focused on the key priorities – continuing to fund research and drive investment opportunities, particularly when it comes to the earliest stages of disease – we *will* succeed.

I hope you enjoy reading this annual report. None of what we have achieved would be possible without your support.

My huge thanks, and very best wishes.



The Rt Hon David Cameron
President

Our vision

Alzheimer's Research UK is the UK's leading dementia research charity. We're dedicated to understanding the causes of dementia and developing ways to prevent, treat and ultimately, cure, all forms of the condition.

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

By working across four key areas, we're moving closer to our vision of **a world free from the fear, harm and heartbreak of dementia**.

1. Funding research that will transform lives

Today, dementia remains one of the UK's leading causes of death. But research has the power to change the future.

We're providing our scientists with the resources they need to unravel the complexities of the diseases that cause dementia, aiming to bring forward the point of diagnosis, empower people to protect their brain health and bring about new treatments that will keep people connected to their families, their worlds and themselves for longer.

2. Improving understanding of dementia and creating the best environment for research

Dementia is still too often dismissed as an inevitable part of ageing – something we can do nothing about. We deliver engagement campaigns to disrupt this fatalism and demonstrate the hope that lies in research.

And as we recognise we cannot achieve our vision alone, we work closely with those who share it, including governments, funders, the scientific community and people living with dementia, to support and develop a truly vibrant research environment.

3. Accelerating progress towards breakthroughs

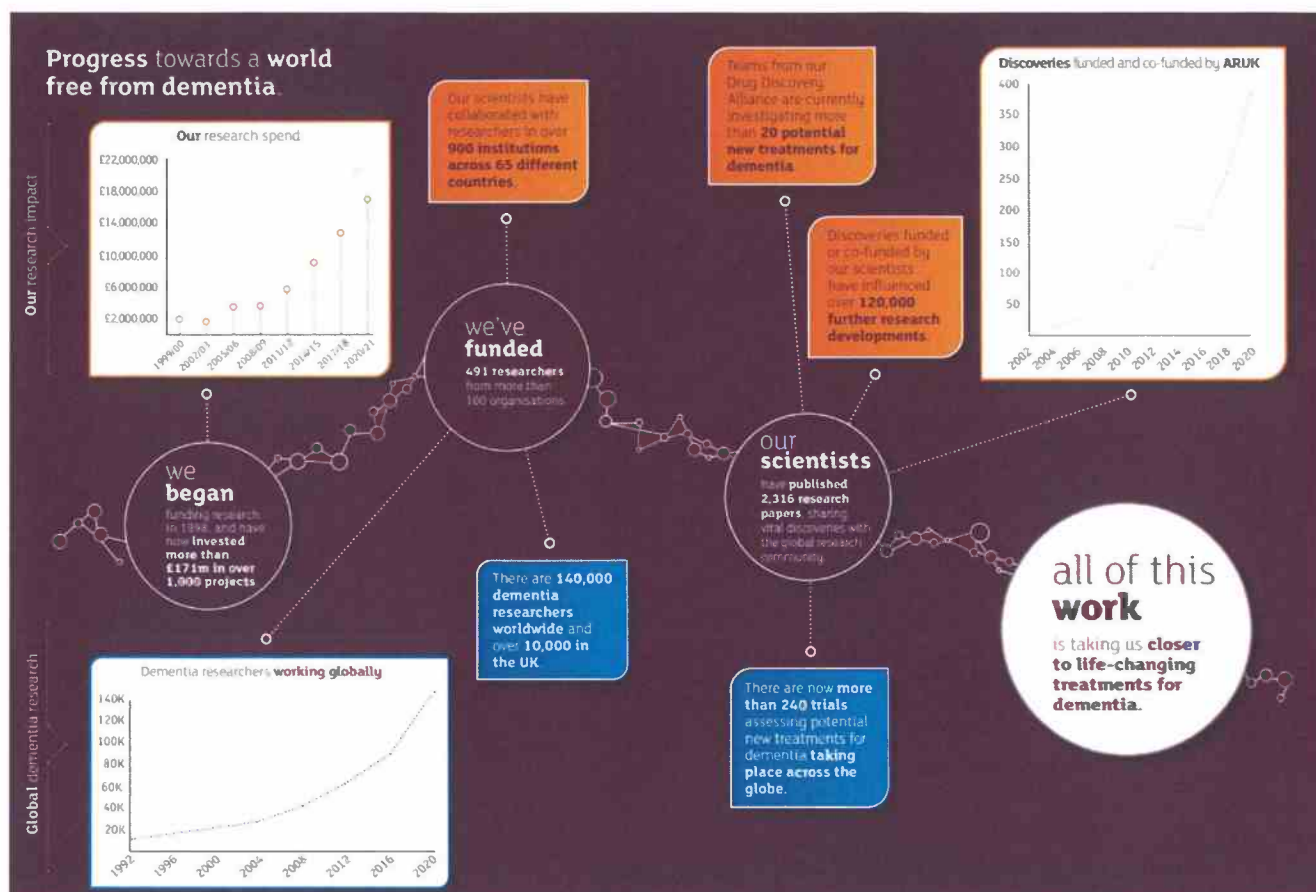
Although global funding for dementia research - and the amount that we invest each year – has increased dramatically over the past decade, we believe current investment does not match the scale of the challenge.

Putting our amazing supporters at the heart of the organisation and making Alzheimer's Research UK a household name will enable continued growth – driving more groundbreaking research and increasing the reach of our vital engagement activities.

4. Being the best we can be for everyone affected by dementia

By constantly striving to work more effectively and efficiently, we can put life-changing treatments in the hands of those who need them sooner.

This means attracting and retaining talented employees and volunteers who are committed to our cause, responding quickly to new opportunities that will help us work smarter, and demonstrating the impact of our work on global efforts to end the condition once and for all.



Report of the Trustees for the year ended 31 March 2021 (continued)

A way to repay the favour

In October 2020, Rob Dixon, whose life has been transformed by a new cystic fibrosis treatment, decided to put himself to the test by taking on our Rowing for Research challenge in honour of his grandmother.

"My lung function was around 46% compared with that of a 'normal' person in September. But then I started a new drug, called Kaftrio, on 9 October and it has utterly transformed my life.

This is the first treatment I have taken that addresses the cause of my cystic fibrosis rather than just managing the symptoms. As a result, my lung function has skyrocketed. I can breathe properly now, I don't cough, and I have the energy and capability for exercise!

After somehow managing to get hold of a rowing machine, I started rowing and really enjoyed building up my technique and stamina.

About a week later I spotted a Facebook advert for Rowing for Research, and I thought it was a well-timed opportunity to capitalise on what the 'new me' is capable of.

When I signed up, my Granny Mary was living with dementia in a care home. Sadly, she passed away soon after I started my challenge, so it became a memorial event for her. She raised money for the Cystic Fibrosis Trust for over 30 years, so I very much saw this as a way to repay the favour, and also found it poetic that I could now fund clinical research having benefited from it myself.

I ended up smashing my fundraising target, having rowed 100km before my 33rd birthday in early December."

Strategic report

Achievements and performance

Thanks to our incredible supporters, our financial performance in 2020/21 was much stronger than seemed possible at the beginning of the year.

Income from voluntary donations totalled £33.8m (£38m in 2019/20), enabling us to commit £21.3m towards charitable activities. Of this sum, £17.3m was invested in research (£21.1m in 2019/20).

Though below our original ambitions, we feel fortunate and extremely proud to have achieved so much, when in September 2020, we were facing a predicted drop in income of 37% from our 2020/21 forecast.

In response to the financial uncertainty caused by the COVID-19 pandemic, we were forced to begin 2020/21 conservatively, limiting funding for new projects to ensure existing research commitments could continue.

But as the picture of the year came into focus, we were pleased to be able to begin committing funding to new initiatives, prioritising those areas that will help mitigate the impact of the pandemic and ensure that progress towards a world free from dementia does not stall. You can read about these new initiatives, including action to protect a generation of future research leaders, as well as progress made in our long-term strategic research initiatives, in the following section of this report.

Report of the Trustees for the year ended 31 March 2021 (continued)

On 7 June the US Food and Drug Administration (FDA) announced that it had granted a licence for the drug aducanumab (or Aduhelm) to be made available to people with Alzheimer's disease in the US.

Aducanumab is designed to target amyloid, one of the hallmark proteins that builds up in the brains of people with Alzheimer's at an early stage of the disease.

This decision marked a major milestone for dementia research: the first drug to reach people that tackles underlying disease processes as opposed to relieving symptoms alone.

UK and EU regulators are expected to give their decisions on whether or not the drug will be granted a licence for use here in autumn 2021.

We hope this historic decision, and the findings of additional studies looking at the impact the drug has on people's everyday lives, will lay the groundwork for a new generation of life-changing treatments.

For the latest updates, visit alzres.uk/aducanumab

We're funding research that will transform lives.

We're funding the most promising research into the causes, detection, treatment and prevention of all forms of dementia.

Funding world-class researchers to improve understanding of the complex diseases that cause dementia

Last year, our survey of dementia researchers revealed that 95% had projects delayed because of the pandemic, nearly a third (29%) had their funding suspended or cut, and more than a third (35%) were considering leaving or had left academic research.

In early 2020, we too were forced to make the difficult decision to cancel our usual summer grant funding round so we could fully evaluate the effects of the pandemic and make sure we could deliver on existing long-term research commitments.

With many funding opportunities suspended or redirected to support the COVID-19 response, this was a particularly challenging time for early career researchers whose research is often reliant on short-term contracts financed by grant funding. So as the year progressed, supporting this generation of future leaders in any way possible became a clear priority.

After close monitoring of our financial situation and working directly with researchers' host universities to secure match funding, we were able to bring forward the review of new applications from early career researchers to a special meeting of our independent Grant Review Board in January 2021. Following the meeting, we announced £920,000 of new funding to protect and support promising research programmes for six early career researchers.

We recognised the severe disruption to research projects caused by labs closing and study participants being unable to attend scheduled appointments. To ensure this vital work could get back on track, we launched our COVID-19 Support Fund. We awarded £245,000 to 14 different projects during the year and aim to continue supporting our researchers whose projects have been impacted by the pandemic in the coming financial year.

We are extremely proud of the resilience shown by researchers at all career stages during this challenging year and inspired by countless examples of researchers demonstrating their commitment to helping people affected by dementia by:

Adapting their research to the changing circumstances: Our scientists collaborated on more than 25 projects examining the impact of COVID-19 on people living with dementia. Many other clinical researchers modified their studies, moving from seeing participants in-person to checking in remotely.

Supporting NHS colleagues: Several clinical researchers reduced the amount of time spent in the lab, enabling them to dedicate their time and expertise to caring for patients affected by the virus.

Report of the Trustees for the year ended 31 March 2021 (continued)

Prioritising the building blocks of successful research: With studies disrupted, either through funding delays or labs being temporarily closed, many focused on analysing data and writing up findings.

This enabled our researchers to publish a record 382 research papers in the calendar year 2020, up a remarkable 40% on 2019. These papers reveal new discoveries that are a major driver of progress towards life-changing dementia treatments, sharing new knowledge with the global research community so we can all make progress faster.

Here are three highlights from the year:

A blood test could bring new hope to Alzheimer's clinical trials

Amyloid is a protein that builds up in the brains of people with Alzheimer's disease. It is thought to set off a cascade of damaging processes in the brain that cause the symptoms of the disease.

This year, a team of scientists at University College London (UCL) led by our Chief Medical Officer, Prof Jonathan Schott, compared three different ways of measuring amyloid in the blood and compared the results to those from much more expensive PET scans.

The best performing blood test was able to identify those individuals with high levels of amyloid with 85% accuracy - a finding that could radically reduce the cost of clinical trials. Experts hope that thanks to developments like this, blood tests could be used more routinely in the clinic within the next few years.

Head injuries may worsen memory and thinking decades later

Researchers at UCL also found that people who experience head injuries in their 50s or younger score lower than expected on memory and thinking tests at age 70.

Head injuries did not appear to contribute to brain damage characteristic of Alzheimer's disease, but appeared to exacerbate or accelerate some dementia symptoms.

The findings add to the growing evidence base showing that head impacts can have tangible, long-term effects on brain health. This evidence base is contributing to global efforts in research and policy to better understand the impact of head injury, particularly in sport.

Research into brain's 'speedometer' sheds new light on navigation problems associated with Alzheimer's

People living with Alzheimer's disease can experience spatial navigation difficulties, meaning they may get lost, even in familiar environments.

Dr Jon Brown's team at the University of Exeter investigated specialised 'speed-sensitive' brain cells that, much like a car's speedometer, calculate how fast, and therefore how far, someone has travelled.

Dr Brown's team found that toxic tau protein, a hallmark of Alzheimer's and other forms of dementia, causes these cells to malfunction - a discovery that could help identify new pathways for potential treatments.

Contributing to global research efforts to translate breakthroughs in the lab into life-changing treatments

Thanks to our incredible supporters, we were able to continue our long-term funding for three key initiatives aimed at translating groundbreaking discoveries into potential treatments as quickly as possible: the Dementia Consortium, the Dementia Discovery Fund and our Drug Discovery Alliance.

Alzheimer's Research UK is the managing partner of the Dementia Consortium; a collaboration that bridges the gap between academic researchers and the pharmaceutical industry by providing researchers with vital funding, and uniquely, access to state-of-the-art technology and support from a dedicated team of pharmaceutical industry drug discovery experts.

Report of the Trustees for the year ended 31 March 2021 (continued)

Although no new projects were launched during the year, we continued to support four established research projects based in the UK and the US, with a total of more than £3.6m now committed.

One project, based at King's College London, is investigating whether correcting damage to a connection between a brain cell's power source, the mitochondria, and another important cellular component called the endoplasmic reticulum, could help slow disease progression. The team has already developed the tools they need to monitor this interaction and will now use these to help identify potential new drugs to correct the damage.

Alzheimer's Research UK was a founding investor in The Dementia Discovery Fund (DDF), launched in 2015 with the goal of making early-stage venture capital investments that will help accelerate progress towards new dementia treatments.

The Fund has now invested £216m in more than 20 projects across the UK and the US, with five new drugs developed by DDF-funded companies in clinical trials, three of which have been developed by California-based biotechnology company Alector.

The phase 2 trial of AL002, a compound co-developed with pharmaceutical company Abbvie, began in November 2020.

Our Drug Discovery Alliance unites three cutting-edge institutes based at the University of Oxford, the University of Cambridge, and UCL. It tests new approaches for dementia treatments, previously unexplored by the pharmaceutical industry.

The Alliance has formed over 135 collaborations across the world and is currently working on over 20 potential new treatments for dementia.

In February 2021, scientists at the Oxford Drug Discovery Institute embarked on an exciting new partnership with Exscientia, using Artificial Intelligence and machine learning to develop medicines that could reduce inflammation in the brains of people with Alzheimer's disease.

The UK Dementia Research Institute (UK DRI), established in 2017 with a £290m funding commitment from Alzheimer's Research UK, Alzheimer's Society and the Medical Research Council, represents the single biggest investment the UK has ever made in dementia.

This year, our ongoing funding helped the UK DRI continue to grow to nearly 700 researchers working towards treatments and technologies to improve the lives of people living with dementia.

To spark further collaboration, the Institute established two new cross-centre themes during the year, one exploring DNA repair in neurodegeneration and one focusing on informatics. These new themes perfectly complement existing ones on neuroinflammation, synapse damage and vascular dementia.

Another highlight for the UK DRI was the establishment of the first experimental medicine project led by Prof David Rubinsztein and Prof Roger Barker. This innovative study will test whether Felodipine, commonly used to treat high blood pressure, could help clear the build-up of abnormal proteins in the brain. If successful, the drug could be repurposed into a safe and relatively cheap treatment for several neurodegenerative diseases including Alzheimer's, Parkinson's and Huntington's disease.

Keeping our researchers connected this year was more important to us than ever. In response to the ongoing impact of the pandemic, our 20th dementia research conference (23 - 26 March 2021) became an entirely virtual event. Building on last year's successful Twitter conference, the 2021 event was on a much more ambitious scale:

- 4 days of presentations and workshops, kicking off with an Early Careers Day specifically designed for PhD students, post-docs and Fellows.
- 500 scientists from 100 different universities, research organisations and companies all over the world.
- Each session was viewed by between 250 and 300 scientists.
- Virtual posters were viewed more than 4,600 times.

In addition to the accessibility afforded by the virtual format, content was available for a month after the event, giving researchers the chance to catch up on sessions they might have missed and continue to connect.

Report of the Trustees for the year ended 31 March 2021 (continued)

Working at the forefront of technology to ensure an accurate diagnosis for everyone at a time that's right for them

Our Early Detection of Neurodegenerative disease (EDoN) initiative brings together teams of experts in data science, digital technology and dementia research with the ultimate aim of developing a cost-effective, easy to use digital toolkit that can detect different diseases that cause dementia up to 10-15 years earlier than we do today.

In 2020/21, under the leadership of the EDoN Board chaired by our President David Cameron, the initiative grew to encompass 57 experts across 37 different universities, research projects, patient cohorts and technology companies.

In the very early stages of diseases like Alzheimer's, people can experience subtle changes in aspects of their day-to-day life such as the way they sleep, talk, move their eyes, navigate, use their phones and even the way they walk. These changes might not be noticeable to the human eye, but digital technology could be sensitive enough to detect them.

The EDoN initiative aims to collect this digital data from thousands of volunteers - both healthy and at different stages of the diseases that cause dementia - so that scientists can develop machine learning models to look for patterns that signal early disease.

Our major focus this year was on identifying the most suitable devices that will accurately collect this data, while being easy for volunteers to use. EDoN's expert teams reviewed 140 different devices and shortlisted four to go into pilot studies.

Together, the devices monitor 26 different aspects of behaviour and physiology. We're proud to be working with cohorts across the world including at Boston University to collect the digital data that will take us a step closer to that digital early detection toolkit.

Looking to the future

We are preparing to receive the first data into our EDoN initiative in the year ahead, both from volunteers testing the devices in our digital toolkit and historical clinical data being collected from similar studies.

We look forward to establishing our new Scientific Advisory Board. The Board, chaired by neurologist Prof James Rowe, will guide our research strategy and ensure that donations from our supporters are used to the greatest effect. We will recruit Board members in early 2021/22, making sure the group represents the diverse backgrounds of researchers across the field.

In addition to continuing our support for four translational research projects led by Dementia Consortium teams already underway, we will resume investment in new studies, committing £1m to allow partners to explore up to nine new potential drug targets.

Finally, we will continue to build and retain a strong community of world-class dementia researchers, establishing a new working group to develop a tailored strategy for supporting early and mid-career researchers. Our goal - to provide all early career dementia researchers with the skills, tools and opportunities they need to lead the very best research teams in the future, whether funded by Alzheimer's Research UK or not.

Early career researchers bring vital energy and new ways of thinking.

Dr Rita Guerreiro, now Associate Professor in the Department of Neurodegenerative Science at Michigan's Van Andel Institute, began her career at University College London as an Alzheimer's Research UK funded Research Fellow.

While at UCL, Dr Guerreiro found that rare variations in the DNA code of an immune system gene called TREM2 could triple a person's risk of developing Alzheimer's disease. This landmark discovery opened the door to further exploration of role of the immune system in dementia, paving the way for 22 potential new drugs in clinical trials today.

"It's crucial that we support young independent researchers who bring energy and different ways of thinking to the field. My fellowship at UCL was essential for crystallising my research area and making sure that this was the area I wanted to continue working in. Being awarded a Research Fellowship early in my career allowed me to explore ideas and questions

Report of the Trustees for the year ended 31 March 2021 (continued)

I thought were important in the field and get results that have had a lasting impact. It allowed me to build a set of tools and resources that I'm still using today.

In addition to the uncertainty around funding caused by the pandemic, the lack of personal interaction has led to fewer collaborations which are essential for establishing an independent career. On the other side, many early career researchers were able to stay motivated and motivate others by finding different ways to make progress while away from the labs, for example writing up and publishing their work or planning future studies. I believe that the dementia research community will come out of this stronger than ever."

We're improving understanding of dementia and creating the best environment for research.

We're empowering people by improving understanding of the diseases that cause dementia, while collaborating with government, funders, people living with the condition and the research community to create an environment where research can flourish.

Confronting misconceptions and showcasing the value of research

Every year, our Information Services team provides thousands of people with accurate, accessible information about dementia and research efforts to overcome the condition. This year, we saw a significant increase in demand for our online health information, as fewer people accessed hard copies at GP surgeries and hospitals.

19,000 health information booklets were downloaded from our website, and we answered 2,855 enquiries to our Dementia Research Infoline, providing reassurance and helping anyone looking to improve their understanding of dementia or take part in research studies. We responded to each of these enquiries within 3 days, with 95% of those who shared feedback on their experience saying the information provided was useful and easy to understand.

In February 2021, we celebrated the sixth birthday of the national Join Dementia Research service – a partnership we have with the National Institute for Health Research, Alzheimer's Society and Alzheimer Scotland that enables anyone to register their interest and be matched with suitable studies. Nearly 50,000 participants have now enrolled in studies through the service, including over 16,000 people in 2020 - more than in any previous year – ensuring vital studies get off the ground.

Our public engagement work went virtual this year, with our new Lab Notes series replacing in-person events. Nearly 600 people joined us live for events exploring topics including how Alzheimer's disease starts and how COVID-19 affects the brain and 2,300 people caught up with sessions in their own time. We've received brilliant feedback on the series, with over 90% of attendees reporting that they both enjoyed the events and increased their knowledge of dementia research.

Several projects funded by our public engagement grant scheme, the Inspire Fund, came to fruition this year. Some face-to-face projects were modified to virtual ones, including a series of awareness-raising events hosted by Bristol and Avon Chinese Women's Group and science communicator Hana Ayoob's training for researchers on using creative formats to bring their work to life.

And as a leading commentator on dementia and research progress, our work was featured in the news 7,700 times during the year, with the potential to be read 7.9bn times online and a further 517m times through newspapers, TV and radio. Here are just a few of the stories to attract media attention:

COVID-19 and dementia: Our expert commentary on the links between COVID-19 and dementia and the pandemic's impact on research featured in the news over 400 times, helping champion the needs of people with dementia and their families.

Stars back call for government to double dementia funding: In December 2020, stars of stage and screen including Dame Judi Dench and Dame Harriet Walter rallied behind our call for government to double investment in dementia research. The story generated more than 200 pieces of press coverage including discussion on ITV and Sky News.

Tributes in memory of Dame Barbara Windsor: Following the death of actress and national treasure Dame Barbara Windsor on 10 December 2020, we received over £160,000 in donations in her honour. Dame Barbara's experience of

Report of the Trustees for the year ended 31 March 2021 (continued)

Alzheimer's disease and the overwhelming response to her death led to thousands of articles in the national and international press, paying tribute to her life and amplifying her work to rally support for dementia research and demystify the condition.

Grandfather completes world's toughest row: In February 2021, 70-year-old Frank Rothwell became the oldest person to complete the 3,000-mile Talisker Whisky Atlantic Challenge, crossing the finishing line in Antigua after 56 days at sea. Frank's journey was featured in the news 900 times including eight appearances on BBC Breakfast – championing the need for research and helping him to hit his £1m fundraising target.

Raising awareness of how to look after our brain health

In July 2020, the landmark *Lancet* Commission on dementia prevention, intervention, and care revealed that up to 40% of all cases of dementia are linked to 'modifiable' risk factors including physical inactivity, diet, smoking and limited social contact.

Yet awareness of the potential to reduce dementia risk remains low. Our 2018 Dementia Attitudes Monitor showed that only 34% of people think it's possible to reduce their risk, compared to 81% of people who realise it's possible to reduce their risk of diabetes.

We want everyone to know the key ingredients for good brain health and how taking positive steps can help reduce the risk of dementia later in life.

Reframing dementia risk reduction

In January 2021 we published 'Brain Health: A new way to think about dementia risk reduction', a joint report with the Royal Society of Public Health setting out the case for reframing dementia risk reduction as 'protecting good brain health'.

Using public focus groups, an online survey and a series of interviews with politicians and researchers, we demonstrated that the concept of protecting brain health resonates with all ages. This is significant as we know that many adults think of dementia risk reduction as a topic that only becomes relevant in later life.

The report called on government to work with us to develop a national Brain Health Strategy to embed the concept with both policymakers and healthcare professionals. In response to this work, we secured cross-sector interest in developing a new consensus statement on brain health – an important step towards embedding this work in national policy.

It's time to Think Brain Health

Coinciding with the publication of the report, we launched our *Think Brain Health* campaign – a celebration of everything our incredible brains do for us and a guide to the simple things we can do to protect them in return.

Eye-catching social media adverts were at the centre of the campaign, encouraging users to stop scrolling and click through to a brand-new brain health hub on our website. Here, visitors can take on a brain health quiz, find out about the latest risk reduction research and read posts from scientists and celebrity supporters on the things they do to look after their brains.

The response to the campaign demonstrated exceptional public interest in brain health, with over 2 million people engaging on social media and nearly half a million people clicking through to find out more in the months following the launch. Our evaluation showed that 90% of web visitors who we asked said they were more likely to take steps towards a healthier lifestyle - specifically with the aim of improving their brain health and reducing their dementia risk.

Working with key decision makers to tackle the challenges in dementia research

We provide governments, regulators and funders with the evidence and insights they need to support people with dementia and promote research in the UK.

Report of the Trustees for the year ended 31 March 2021 (continued)

A key focus of our efforts this year has been to ensure that the government delivers on its commitment to double investment in dementia research funding under a new 'Dementia Moonshot' programme.

The COVID-19 pandemic has, of course, made this more challenging. While it's right that the response to the pandemic has taken priority, there is now more urgency than ever for government to deliver this crucial promise.

In August 2020 we developed a roadmap setting out in detail how the extra funding should be spent to deliver the greatest impact. Then in December, we launched a new petition to allow the public to get involved in our call. The petition, backed by celebrity supporters Dame Judi Dench, Stephen Fry, Brian Cox, Dame Julie Walters, Dame Harriet Walter, Stephen Tompkinson and Luke Evans has now been signed more than 50,000 times.

The petition, along with our virtual pledge wall signed by almost 100 MPs across all major political parties, was a clear expression of the strength of feeling across the UK, ensuring that dementia research was a key topic of the parliamentary general debate marking Dementia Action Week in May 2021.

We welcome the All-Party Parliamentary Group's inquiry examining the current state of dementia research in the UK in summer 2021 and will continue to campaign for the promised increase in funding in the run-up to the government's Spending Review in the autumn.

In light of the FDA's approval of aducanumab to treat Alzheimer's in the US, it is more important than ever that we prepare the UK health and care system for future medicines so that they reach those who need them as quickly as possible. That's why we continue to lead the Dementia Access Taskforce, bringing together clinicians, economists, pharmaceutical industry representatives and people affected by dementia to ensure the NHS is ready to quickly adopt new treatments and diagnostics.

And it's why we co-chair the Charity Medicines Access Coalition (CMAC) alongside Cancer Research UK, uniting 10 health charities to find long-term solutions to the challenges that may delay or prevent patient access to new and innovative medicines.

This year's priority for the coalition has been working with the National Institute for Health and Social Care Excellence (NICE) to shape the approach to assessing the cost-effectiveness of new medicines ahead of a milestone review of the process to be completed in mid-2021.

Looking to the future

With UK and EU regulators due to make their own ruling on aducanumab in autumn 2021, we will continue our work to prepare the NHS for new treatments with renewed urgency. We will be ready to respond to any ruling, ensuring that the public have a clear understanding of the decision made. In preparation for the delivery of new treatments in the NHS, we will make the case for further investment to fuel an expansion of diagnostic services and work with clinicians to develop new pathways of care that maximise the benefit of these treatments.

Following a difficult year, World Alzheimer's Month (September) will provide the perfect opportunity to shine a spotlight on dementia and the hope that research brings. As well as publishing the second edition of our Dementia Attitudes Monitor, a detailed analysis of the UK's understanding of, and perceptions towards, dementia, we will take to social media to celebrate research getting back on track.

We will maintain our focus on improving the nation's brain health, continuing to drive awareness of dementia risk factors through our Think Brain Health campaign and engaging parliament and policy makers to embed brain health within health, public health and wider decision making.

Building on the demand for more online materials, we will further expand our health information, adding resources in new formats including spoken word, video and in-depth fact sheets. Our priority for 2021/22 will be on accessibility and inclusivity, with a particular focus on creating resources for people with learning disabilities.

Report of the Trustees for the year ended 31 March 2021 (continued)

Our second round of funding through our Inspire Fund opens in summer 2021, offering grants of up to £25,000 for projects that engage the public with dementia and research into the condition. We will actively encourage proposals from underserved communities, while facilitating relationship building between applicants and researchers to help grow and strengthen the quality of engagement with these important grass-roots projects.

Playing my part for future generations

After losing both of her parents to Alzheimer's disease, Anna Cook is determined to play her part in finding treatments that will spare future generations the pain her family has experienced.

Anna registered with the Join Dementia Research service in 2019. She's now taking part in three studies investigating how our ways of thinking change as we get older and how our lifestyle and genetics in midlife affect our dementia risk.

"Taking part online is great. I use my computer at home to complete questionnaires and memory and thinking tests. For me, being in my own environment is less stressful. I don't have to drive anywhere at a specific time or day, so even though life can be busy, I can still take part in important research.

I feel I have benefited from taking part in research - it makes me more aware of my brain and body and means I can be more aware of possible changes and early symptoms in myself or others. It has also motivated me to be more caring towards my brain health and to encourage my friends to look after theirs."

Why I'm doing all I can to protect my brain health

Glyne Brathwaite's mum was diagnosed with Alzheimer's disease after his family noticed changes in her speech and behaviour. Now, Glyne is determined to take steps that could help reduce his own risk of developing dementia and believes more people need to be made aware of the difference that protecting brain health can have later in life.

"After my mum moved back to Barbados from England, I would call her once or twice a week. I began to notice that she repeated herself over and over.

Then, when I visited in 2018, I could see that she didn't know how to cook anymore. There was no food in the house and I felt like she didn't even notice I was there. She just wasn't acting like the mum I knew.

I was devastated when Mum, this strong woman, was diagnosed with Alzheimer's disease. I had assumed it only affected old people but after Mum's diagnosis I really became aware of how prevalent dementia is.

I've always tried to look after myself, but I'm even more interested in my health and fitness now. I want to do all I can to reduce my risk so that my son won't have to go through what I have.

We must keep working to highlight the importance of looking after your body and brain.

Report of the Trustees for the year ended 31 March 2021 (continued)

Our incredible supporters are accelerating progress towards breakthroughs.

We're proud of the impact we made during this exceptionally difficult year – all thanks to our passionate and resourceful supporters.

Growing and diversifying our income to fund more research

In 2020/21 we received an incredible £33.8m in voluntary donations.

We're grateful to every single person who chooses to support us, including the 53,000 people who continued to make monthly donations during this difficult year. These committed supporters contribute a vital source of predictable income to the charity.

Every year we are deeply moved by the number of people who choose to leave a gift in their Will or support dementia research in memory of a loved one – this year was no different.

283 people left the charity legacy gifts totalling more than £11 million, powering one in three of our research projects. A further £1.8m was donated in memory of those who have passed away. The importance of these poignant gifts cannot be overstated in sustaining essential research during the hardest of times.

October 2020 marked our annual Gifts in Wills Awareness Month, with teams across the charity coming together to reach five million people with messaging on the crucial role of making a Will and the opportunity to support pioneering research through these special gifts.

Agility was, again, a major theme of 2020/21 when it came to our fantastic fundraisers who helped mitigate the impact of cancelled in-person events with boundless creativity, passion and fun.

The unusual circumstances meant this was a year of many fundraising firsts. A real highlight came in summer 2020 when celebrity supporters Stephen Fry, Jonathan Ross and Scarlett Moffatt joined lockdown quizmaster Jay Flynn to host a series of virtual YouTube pub quizzes in aid of dementia research.

More than 200,000 households tuned in across the four quiz nights, engaging countless new supporters and raising an incredible £340,000, including £85,000 in match funding from our generous corporate partners Mattioli Woods, Schroder's Personal Wealth and the Iceland Foods Charitable Foundation.

We held our first virtual auction in July 2020, offering a whole range of fantastic prizes donated by corporate partners and other friends of the charity. Top lots included a VIP day behind the scenes at the Mercedes-AMG Petronas Formula One team's factory and a luxurious Viking Cruises holiday.

And in March 2021, with lockdown restrictions still in place, we launched our ARUK Gamers site in response to a surge in the number of supporters participating in gaming challenges. Here, gamers can download a gaming for good starter guide and branded resources including Twitch overlays and short videos from researchers to level up their streaming experience.

Our amazing supporters got behind our virtual sporting events with typical #TeamARUK enthusiasm this year. More than 10,000 people took on a range of familiar and new challenges, raising almost £700,000.

Nearly 3,000 people signed up to Running Down Dementia (RDD) this year, our flagship virtual event that allows complete beginners through to marathon regulars to set their own personal targets. Together, they raised an unbelievable £355,000, making this RDD's most successful year since 2016.

And with the UK asked to stay local over the summer months and more people taking to two wheels for both essential travel and exercise, we made the decision to hold an additional Cycling Down Dementia event, with cyclists able to take part in either summer or winter for one year only. 881 supporters took to the saddle across the two events, raising an incredible £169,000.

Report of the Trustees for the year ended 31 March 2021 (continued)

Understanding, valuing and inspiring our supporters

We spent time better understanding our supporters, what makes them tick and how they'd like us to interact with them. We hope this will help us strengthen our engagement with supporters, taking them on a journey with us that helps them to inspire those around them about the work we do.

We were moved by the number of fantastic companies and organisations that continued to support our work during the challenges of the pandemic, including Mattioli Woods, Lewis Silkin, Dyson and The Perfume Shop who chose to extend their partnerships with us and stand behind dementia research during this critical time.

A real highlight this year was celebrating an extraordinary milestone in our partnership with Iceland Foods Charitable Foundation (IFCF) - £5m raised over the last 10 years.

To reach this incredible total, 30,000 Iceland Foods colleagues have run, cycled, bungee jumped, baked and dressed up during Charity Weeks, with every store getting involved.

This year, IFCF stood behind our intrepid supporter Frank Rothwell, match funding the first £500,000 raised through his 3,000-mile solo row across the Atlantic and supported our virtual research conference, helping bring 500 researchers together to share their discoveries during lockdown.

We looked for new ways to diversify income, introducing a new strategy focusing on easy, everyday ways for people to support research online. This led to a 140% uplift in donations via feelgood shopping platform AmazonSmile, and an increase of 75% in donations via Giveacar, a not-for-profit that enables anyone to donate unwanted cars or motorcycles to charities across the UK.

Our corporate partners worked hard to find novel ways to support us. For international law firm CMS, this meant donating £16,000 of their apprenticeship levy to enable Alzheimer's Research UK staff to complete Fundraising Diplomas and providing pro bono advice to the value of £100,000.

Spending time with partners and helping their employees to understand dementia and share the hope that lies in research is an essential component of all our partnerships. Working together, we identified a range of new ways to engage and inspire during the pandemic, including virtual learning sessions and talks from researchers tailored to each organisation.

As part of our charity-wide focus on brain health, we developed our unique, Continuous Professional Development-accredited *Think Brain Health* training tool. This interactive e-learning programme helps raise much-needed awareness and understanding of dementia while empowering partners' employees with the knowledge they need to take positive steps to protect their brain health.

We are extremely grateful to the generous philanthropists and charitable trusts that support us each year.

In 2020, we began fundraising for our ambitious Early Detection of Neurodegenerative diseases (EDoN) initiative. This allowed us to work with new overseas supporters, with fundraising kick-started by a wonderful donation of £2.5m from Bill Gates.

We were also delighted to receive the latest £1m donation from The ALBORADA Charitable Trust in support of the ALBORADA Drug Discovery Institute at the University of Cambridge. The Institute was renamed in 2018 in recognition of the Trust's momentous £5m pledge to help accelerate the discovery of novel treatments for Alzheimer's and other neurodegenerative diseases.

Looking to the future

We will continue to help our supporters plan for the future by building on our partnership with leading online Will writing service Farewill, while engaging existing and potential legacy supporters with the impact that these important gifts will make.

Report of the Trustees for the year ended 31 March 2021 (continued)

We've really missed seeing our amazing supporters in person and can't wait to cheer for #TeamARUK again soon.

The Virgin Money London Marathon on 3 October promises to be a truly special celebration of fun, fundraising, and community spirit. Having gone virtual in 2020, the 2021 event will be the biggest ever, with 50,000 people taking on the iconic London course and a further 50,000 completing the 26.2 miles anywhere in the world.

We look forward to our partner parkrun UK's weekly 5k events restarting, following their suspension in March 2020 as a result of the pandemic. As official charity partner, we will re-engage parkrunners with the different ways in which they can protect their brain health - including leading a healthy lifestyle and being socially active.

We have another exciting year ahead working closely with our wonderful corporate partners. As well as collecting donations at tills, The Perfume Shop, a partner since 2014, will again encourage employees to get involved in lip-sync battles, bikeathons and bake-offs during World Alzheimer's Month (September), adding to a total of £675,000 already raised through the partnership.

And we can't wait to return to Silverstone in 2021 and 2022 as charity partner for *The Classic*. This year we'll be encouraging the 100,000+ motorsport fans attending to make a pledge towards better brain health in our tent on the festival's Village green area and auctioning exclusive Mercedes-AMG Petronas Formula One Team goodies.

Making a future free from dementia a reality

Three generations of Anne Ray's family have sadly developed early-onset Alzheimer's disease.

That's why this year, when updating her Will with the help of the National Free Wills Network, Anne pledged to leave a gift to help protect other families from the pain and heartbreak dementia causes.

"What really brought it home to me is that I remember going with my mother to take my grandmother to see a dementia specialist when I was 18. I remember thinking 'well, at least by the time my mother gets to my grandmother's age there will be a cure'. Sadly, that was not to be. My mother suffered from dementia for 22 years. I am now 62, the age at which her symptoms started.

While COVID-19 has had a heartbreaking impact over the past year, dementia is still one of the UK's biggest killers. Yet it receives only a fraction of the government funding devoted to research into cancer. I want to help find disease halting treatments and a cure for dementia now."

We're committed to being the best we can be for everyone affected by dementia.

By striving for excellence in everything we do, we can put life-changing treatments in the hands of those who need them sooner.

Being recognised as a great place to work

We would not be able to achieve our vision of a world where people are free from the fear, harm and heartbreak of dementia without the talent and dedication of our employees. So it's crucial that every member of our team feels they are being invested in and knows their voice is being heard.

We use the Best Companies Employee Engagement Survey combined with action planning workshops to listen to our employees, celebrate our strengths and identify opportunities to improve.

We're proud that the results from our 2021 engagement survey revealed outstanding levels of employee engagement, with Alzheimer's Research UK included in both 'The UK's 100 best large companies to work for' and 'Charity's 30 best organisations to work for' lists.

While working remotely this year, a central focus has been ensuring all employees remain connected to our cause. All-employee meetings held every month via Microsoft Teams were received extremely well by employees at work and on furlough leave, with researchers, Trustees and volunteers filling the regular guest speaker slot.

Report of the Trustees for the year ended 31 March 2021 (continued)

This year we developed an Equality, Diversity and Inclusion strategy and action plan, setting out the practical actions that will help us achieve the following long-term commitments:

- We will promote inclusion in research.
- Our approach to our work will be inclusive and we strive to represent all those affected by dementia.
- We will improve the diversity and inclusion of our people.

These commitments underpin activity across the charity to create and support a diverse research community, reach the groups in society that are hit the hardest by dementia and increase diversity in clinical trials.

Finally, in response to suggestions from both employees and supporters, we completed a major review of the environmental impact of our fundraising materials.

Following the project, we have integrated sustainability into our approach to ordering new materials and the relationships we build with suppliers and published a sustainability charter to promote accountability.

Maximising and demonstrating our impact

We remain grateful to all of the wonderful volunteers who chose to pledge and give their time and energy this year to:

- Share their personal experiences of dementia.
- Join our network of Campaigners to ensure that dementia research remains a political priority.
- Volunteer through our Fundraising Groups.
- Review new material or activities, or act as a sounding board for new ideas.
- Help us to maintain and develop our health information as lay and expert information reviewers.
- Act as Community Speakers, raising awareness of dementia and research in their local area.
- Support administrative needs across the organisation.

While unable to bring people together in the usual way this year, we worked hard to keep volunteers engaged. In all, we spoke with over 50% of our 1,000+ volunteers during the year, confirming the important roles they play. 2020/21 also saw the first events in our online Volunteer Connect series, as well as a move to online training for our Media and Communications volunteers and Community Speakers to ensure continuity.

To help demonstrate our contribution to global efforts to end dementia, we began to collate statistics on the charity's impact since it was established in 1992. With data on the wider dementia research landscape, our internal Impact Hub is helping us to track the long-term, sustained change our work has effected and guide us in new strategic directions.

In addition to ensuring that we're accountable and informing our future research strategy, we hope that reporting on how far we've come using statistics like those on page 6 of this report will spark further support for dementia research.

Looking to the future

We will move to a more agile way of working in the coming year, giving our employees even greater flexibility in how and where they work to allow them to focus their energy most effectively towards achieving our collective goal.

This will involve rethinking the way we use our vibrant office on the outskirts of Cambridge, ensuring it remains an effective place to work for all teams and a hub for connection and collaboration.

As we come out of a period of intense uncertainty and change, the health and wellbeing of our employees will remain our number one priority. We will scale down but continue our use of the Government furlough scheme for those roles that have not yet returned to normal and continue to provide employees with support around physical, mental and financial health and wellbeing.

And we will embed our Equality, Diversity and Inclusion strategy within the organisation, ensuring that everyone can benefit from, and play their part in research progress, whatever their identity, experience or perspective.

Report of the Trustees for the year ended 31 March 2021 (continued)

Priorities for 2021/22 include collecting data from our researchers to understand the diversity of our research community and potential barriers to progression, as well as continuing to extend the reach of our public engagement work into underserved communities.

Our commitment to sustainability

The accessibility of products that use environmentally friendly materials and promote sustainable production is ever-increasing, and given the volume of materials we consume, it's important for us to utilise these wherever possible.

We have recently introduced a team sustainability charter to map out the steps we will commit to, to make sure we're always developing and improving our approach to sustainability. The charter also helps to make sure we are considering all areas for development, like reducing waste or taking an interest in the welfare of those working within our supply chain, and not just focusing on the materials used in products.

We're proud of the impact the practices we've already put in place are having. For example, each of our technical running t-shirts is made from up to 7 plastic bottles, our banners and cheer sticks are made using a totally degradable polythene and all our printed materials use FSC approved paper.

But the charter is just the beginning and there's more work for us to do. With new materials and production processes emerging all the time, we need to make sure we can adopt and introduce these to our supporters. As an ambitious and growing charity, we aim to establish a solution to sustainability that remains relevant.

James Partridge, Supporter Merchandise and Fulfilment Manager

Taking on the world's toughest row

Fundraising challenges come in all shapes and sizes, though few are more epic than the one undertaken by 70-year-old grandfather Frank Rothwell this year.

On 12 December Frank set out from La Gomera in the Canary Islands, aiming to become the oldest person to row the Talisker Whisky Atlantic Challenge solo - a distance of 3,000 miles across the Atlantic Ocean.

Frank was moved to take on the 'world's toughest row' after witnessing the devastating impact of dementia in his own family. While at sea, he received heartbreaking news that his brother-in-law, Roger, had passed away with Alzheimer's disease at the age of 62.

Thanks to overwhelming public support and £500,000 in match funding from the Iceland Foods Charitable Foundation, Frank reached his target of raising £1 million for dementia research just days after crossing the finish line in Antigua on 6 February, following 56 gruelling days at sea.

"Crossing the finish line was a completely euphoric moment, I'm still on cloud nine now!

I felt very emotional approaching the finish. It took eight long weeks to row the Atlantic, but the challenge itself has taken over 18 months of training and preparation, so I'm very proud of what I've achieved and the unbelievable journey I've been on.

The challenge was incredibly tough at times, with rough seas, huge waves, and missing my wife, Judith. But as exhausting as it was, it was all totally worth it. When I set out in December, I wanted to raise £1 million for Alzheimer's Research UK but I never thought I'd actually achieve it. I hope the money we raised will make a huge difference to so many lives.

Roger was my main motivation for completing the challenge and I am proud to have raised such an incredible amount in his honour.

I'm so grateful to everyone who has reached into their pockets and donated. I received hundreds of messages along the way from people who, like me, have witnessed the devastating impact of dementia on their loved ones. Having their support meant the world to me."

FINANCIAL REVIEW

Headline figures from our Financial Statements show:

- Overall the group's financial performance was strong considering the global pandemic, with a total income of £39.2m (2019/20: £40.8m).
- Our commitment to charitable activities was £21.3m (2019/20: £25.9m).
- We invested £17.3m (2019/20: £21.1m) in pioneering research.

In summary

Despite the COVID-19 pandemic, Alzheimer's Research UK was able to deliver a strong financial performance with total group income reaching £39.2m (2019/20: £40.8m). This has allowed the charity to commit £21.3m (2019/20: £25.9m) to our charitable activities aimed at making breakthroughs possible. While the pandemic curtailed activity during the year, our financial performance surpassed all expectations given the wider financial impacts of COVID-19 across the UK. For information on the charity's response to COVID-19, refer to the Achievements and performance section on page 7 of the Report of the Trustees.

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

Our income

Total income for the 12-month period was £39.2m (2019/20: £40.8m), of which income from donations was £33.8m (2019/20: £38m), including gifts in Wills which contributed £11.2m (2019/20: £13.0m). £1.1m was received as part of the Coronavirus Job Retention scheme (2019/20: Enil) and investment income contributed £0.9m (2019/20: £0.9m).

Our expenditure

Alzheimer's Research UK was able to commit £21.3m (2019/20: £25.9m) towards charitable activities, of which £17.3m (2019/20: £21.1m) was invested in research. For information regarding the timing of material amounts of committed expenditure, please refer to 'Our reserves policy' below.

As a result of expected reductions in income due to the COVID-19 pandemic, management took the decision to reduce amounts spent on fundraising costs during the year.

Our investments

The investment portfolio increased in value significantly throughout the year. This was partly due to an additional £12m being placed into the portfolio following positive cash inflows during the year, but also as a result of world markets recovering from the major impact of the COVID-19 pandemic. This resulted in any losses in value during 2019/20 being fully recovered.

Our funds

Total funds held by the group at the reporting date were £17.8m (2019/20: £7.1m). Of this £6.3m (2019/20: £2.6m) was held in restricted funds. The General Fund has a balance of £6.5m (2019/20: £4.5m), of which £6.1m (2019/20: £3.9m) is considered to be free reserves; and £5m (2019/20: Enil) has been set aside in designated funds. The Trustees took the decision to create two designated funds at the year end, following the positive financial performance for the year. The designated funds are expected to be committed within 12 to 24 months of the financial year end. Details on the purpose of these designated funds are disclosed in note 16 to the accounts.

Our reserves policy

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

Report of the Trustees for the year ended 31 March 2021 (continued)

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

The Trustees are mindful of the relatively long-term nature of grant liabilities, the often significant delays between recognising research commitments in the accounts and making payments to recipients, and the considerable diversity of Alzheimer's Research UK's fundraising activities and asset portfolio when setting the reserves policy. Consequently, the level of the general fund is not an appropriate measure of the financial position and stability of the organisation. The Trustees therefore give careful consideration to the charity's liquidity before entering into new financial obligations.

In order to provide flexibility to respond to charitable expenditure requirements, but without putting the charity financially at risk, the reserves policy is that we should maintain cash and readily realisable assets sufficient to fund between 12 and 24 months' outstanding grants plus six months total operating costs. At 31 March 2020 and 31 March 2021 our liquidity was sufficient to cover defined operating costs plus at least 12 months of outstanding grants.

Our investment policy

As set out by its constitution, Alzheimer's Research UK has complete discretion to invest money which is not immediately required for expenditure. The performance of the investments, which are prudently managed by Quilter Cheviot, is overseen by the Investment Sub Committee which reports to the Board of Trustees. The objective of our investment activity is to ensure that capital investments provide long-term gains that are significantly more than returns from holding cash, while generating income to be used towards our charitable objectives. There are no specific targets for returns, but the investments are managed using a risk averse investment approach which assumes a portfolio split of approximately 60% Bonds and Gilts to 40% Equities.

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.

Going concern

This year, more than ever, the Group's Reserves policy has provided comfort in the Group's ability to continue as a going concern. In March 2020, when the first effects of COVID-19 were being felt, with 9% reductions in the value of the investment portfolio, it became clear that the robust Investment Policy, together with the prudent approach to how the investments are managed, helped to shelter the Charity from more significant financial losses.

In response to the global pandemic, the management team reviewed the budgets previously set for the financial year end 31 March 2021. Using the previously agreed budget as an agreed best-case scenario, two new budgets were considered, a mid and a worst-case scenario. The mid-case scenario, outlining significant reductions in expected income and consequently, reductions in research spend and other planned projects was approved by Trustees.

Careful cash management processes were adopted to ensure the best use of cash resources, ensuring that all liabilities could be met as they fell due for payment.

Emphasis was placed on finding new ways to work, as all employees were deployed to work from home. In addition, new ways to generate the next £1 of income were explored and there have been a number of virtual fundraising events which have proved to be very successful for the Charity.

Monthly reforecasting processes were implemented, including budgetary management, placing increased emphasis on reviewing the annual financial outturn regularly, as well as cash flow forecasting to ensure the Charity did not overcommit itself.

The use of the Government furlough scheme provided an additional source of income to help fund key research initiatives, and early discussions with the Universities, encouraging them to utilise the furlough scheme proved to be successful in helping to manage cash resources.

Report of the Trustees for the year ended 31 March 2021 (continued)

During the year, the Charity has seen the investment portfolio 'bounce back' with more than 100% of the previous loss on investments being recovered.

Risks and uncertainties

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

Alzheimer's Research UK is a dynamic, fast-moving charity dedicated to an ambitious cause. We promise to be pioneering, change-making, agile and relentless in pursuit of our bold ambitions, and it is important that these values are underpinned by a robust approach to risk management and governance. The key strategic risks facing the Charity are:

Risk	Management strategy
Cybersecurity Cybercrime is now a well-established global risk and is likely to remain so for the foreseeable future.	Alzheimer's Research UK constantly monitors cybersecurity, implementing necessary security measures to ensure a robust defence of our networks.
Changing regulatory landscape Changes in Government regulatory requirements and/or in Charity Sector regulation and governance.	Our employees closely monitor the regulatory landscape, including guidance from and requirements set by the Fundraising Regulator, the Charity Governance Code, changes to the Code of Fundraising Practice, and changes to data protection and health & safety laws, to ensure full compliance with all regulatory and legislative changes affecting our work.
Financial fraud Fraud in the Charity Sector mirrors that of the rest of the UK.	We have robust policies and procedures in place to protect against internal or external fraud, including strict rules on the authorisation of bank payments and transfers.
Adverse market conditions Adverse market conditions causing potential investment losses, reductions in income, inability to carry out planned activity and inability to impact on government policy.	<p>We remain alert to the potential impact on our work if adverse market conditions lead to a fall in the value of our investment portfolio. To manage this risk, we employ the services of a qualified investment broker to manage this portfolio, with this work carefully overseen by the Investment Sub Committee. Our portfolio is deemed as low risk.</p> <p>Additionally, we remain agile in our ability to deal with adverse market conditions with regards to potential reductions in income, reduced ability to carry out planned activities and to impact on government policy. Careful monitoring of income and expenditure, together with detailed budgeting and reforecasting processes and a robust reserves policy have enabled us to manage the impact of COVID-19 throughout 2020/21 and have demonstrated our ability to adjust and react where necessary to ensure the charity can continue to operate through difficult circumstances.</p>

Section 172 statement

The following examples give an insight into how Trustees have considered section 172 factors in their decision making, in regard to:

(a) the likely consequences of any decision in the long term

The Board of Trustees' is responsible for setting the Charity's strategic direction. All major decisions likely to impact the charity in the long term are discussed at Board meetings (held five times a year – all virtually in 2020/21) and by the relevant sub-committees on Audit and Risk, Investment, Nominations and Governance and Legacy. To help guide long-term projects, the board receives regular updates from the Executive Team.

Report of the Trustees for the year ended 31 March 2021 (continued)

(b) the interests of the charitable company's employees

Trustees recognise that its employees are what sets Alzheimer's Research UK apart. Without their talent and dedication, the Charity would not be able to achieve its vision. The Charity's culture and employee wellbeing is therefore fundamental to our continued success.

This year, our focus remained on supporting employees while working remotely, frequently adding to our 'My Health & Wellbeing' hub while ensuring everyone remained connected to each other and our cause through popular all-employee meetings.

Trustees receive a summary of the annual Employee Engagement Survey highlighting strengths and opportunities for improvement and plans to address these areas. Trustees are proud that Alzheimer's Research UK was again recognised as an outstanding place to work this year and included in the Best Companies 'UK's 100 best large companies to work for' and 'Charity's 30 best organisations to work for' lists.

(c) the need to foster the charitable company's business relationships with suppliers, customers and others

Trustees appreciate the importance of maintaining productive relationships in ensuring the Charity's success. With Trustees' support, a major focus of our stakeholder engagement activity has been working to ensure that the government delivers on the pledge to double dementia research funding under a new 'Dementia Moonshot' programme.

Our 20th annual dementia research conference was an entirely virtual one, driving collaboration by enabling researchers to share discoveries and connect with one another.

And through our Policy Involvement Panel, we continued to benefit from the experiences of people living with dementia, their carers, and their loved ones in shaping the Charity's policy work.

(d) the impact of the charitable company's operations on the community and the environment

Alzheimer's Research UK exists to make breakthroughs in research possible, ultimately transforming the lives of people affected by dementia. Trustees receive regular updates on research funded, collaborative efforts to accelerate scientific progress and work to challenge the way people think about dementia. These reports, along with updates on how funds are raised (see our approach to fundraising on page 26), enables Trustees to ensure the Charity operates efficiently and effectively on behalf of the community.

The Trustees take the environmental impact of the Charity seriously - see the carbon and energy reporting section on page 27.

(e) the desirability of the charitable company maintaining a reputation for high standards of business conduct

As the Charity relies on the generosity of supporters to fund its research projects, maintaining a reputation for the highest standards of business conduct is of utmost importance to Trustees.

Through 'Our promise to you', we commit to making the best use of every donation, to keeping our supporters informed about our work and to treating their information with respect. More information on our approach to fundraising can be found on page 26.

The Executive Team also updates Trustees on any matters that could pose a reputational risk including mitigating action being taken.

(f) the need to act fairly between members of the charitable company

All 10 Trustees (members of the company) have equal voting rights. See page 29 for the full Statement of Trustees' responsibilities.

Report of the Trustees for the year ended 31 March 2021 (continued)

Our structure, governance and management

Alzheimer's Research UK is a charitable company limited by guarantee and does not have a share capital. In the event of the charitable company being wound up, each member has guaranteed to contribute £1. As at 31 March 2021, there were 10 Trustees. Currently, the maximum number of Trustees is 20. The Directors and Trustees are listed on page 62.

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 Trustees on income, expenditure and activities throughout the year and in writing ahead of each Trustee meeting (five times a year), as well as through regular discussion with the Chairman of the Trustees. Governance costs are modest and reflect the close link between employees 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.

Legal and Administrative details are set out on pages 62 to 63 of this report.

Governing document

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

Trustees' appointment and training

New Trustees are appointed through a recruitment campaign, depending on the experience and key skills needed. New Trustees are interviewed by the Chair, along with Trustees who sit on the Nominations and Governance Committee, and are formally approved at the Alzheimer's Research UK Board meeting. Trustees are appointed for an initial term of one year.

Thereafter, a Trustee may be elected by the Trustees for up to three subsequent terms of up to three years, provided that no person may serve as a Trustee for more than ten years. Trustees may require a Trustee to retire at any time by unanimous agreement (save for up to two dissenters). In view of the regular Trustee meetings, the Trustees have agreed to dispense with a formal Annual General Meeting as permitted by the Companies Act. On appointment, new Trustees are provided with a Trustee handbook and given a formal induction with senior staff at Alzheimer's Research UK's offices.

The Trustee handbook includes the charity's Articles of Association, as well as key governance documentation. Trustees are also given key guidance from the Charity Commission – CC3 The Essential Trustee. Ongoing training is provided for Trustees as relevant throughout their term. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The public benefits from our work through the advances made as a result of our world-class research and through our educational materials, website and campaigning to improve awareness and understanding of dementia.

Related parties

Alzheimer's Research Trading Limited (company number: 03880026) is a wholly-owned trading subsidiary of Alzheimer's Research UK; it commenced trading on 1 September 2011. The primary purpose of the subsidiary company during

Report of the Trustees for the year ended 31 March 2021 (continued)

2020/21 was to sell gifts and merchandise through an online shop and to Gift Aid any profits directly to the Charity. However, the majority of income was from sponsorship activity.

Alzheimer's Brain Bank UK is a registered charity (number 1114578) and a company limited by guarantee (number 5762960) and has no share capital. It has two members, Alzheimer's Research UK and Alzheimer's Society (registered charity number 296645). The main objectives of Alzheimer's Brain Bank UK are to protect and promote the health of the public. This is undertaken by establishing, promoting and maintaining banks of brain tissue for research into the causes, prevention, treatment and cure of Alzheimer's disease and associated neurodegenerative diseases through the Brains for Dementia Research (BDR) programme, which launched in 2007. Since its launch, 958 people have generously donated their brains through the scheme and more than 42,000 tissue samples have been sent out to dementia researchers across the world.

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

Remuneration

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

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

Our approach to fundraising

Our Fundraising team works carefully with third parties who are experts in telephone and face-to-face fundraising, and who feel as passionately about dementia research as we do. Working with agencies allows us to raise vital funds in the most cost-effective way, and we closely manage the work they do on our behalf.

Through our Supporter Charter, we commit to making the best use of every donation we receive, to keep our supporters informed about our work and to treat their information with respect.

In 2020/21 our fundraising appeals, including direct mail, telephone calls, face-to-face conversations and online/social media advertisements, had a reach of 54m people, with our fundraising activity generating just 177 complaints during the same period.

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

Report of the Trustees for the year ended 31 March 2021 (continued)

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.

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

Our Vulnerable Persons policies exist to ensure that Alzheimer's Research UK employees, 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.

UK greenhouse emissions and energy use - Carbon and energy reporting

The Trustees take the impact of greenhouse gas emissions on the environment very seriously. The office is located on Granta Park, which is a green energy site. The following energy efficiency measures have been implemented during the year:

- Continued use of Microsoft Teams to enable virtual meetings to take place.
- Increased use of shared online files to reduce the need to print papers.
- Wide rollout of employees working from home, reducing traffic to and from the office.

The UK greenhouse emissions and energy use of the group for the year have been calculated as follows:

Scope	Energy	Energy consumed	Greenhouse gas emissions (kg CO ₂ e)
Scope 2	Purchase of electricity for the Group's own use	64,126 kWh	14,950
Scope 3	Consumption of transport fuel: business travel - land	147 litres	469
Total emissions			15,419
Intensity ratio: total energy emissions per employee (kg CO ₂ e) - based on 205 employees at the year end			75.21

Emissions have been calculated with reference to the 2020 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard and using the 2020 UK Government's Conversion Factors for Company Reporting.

Data has been drawn from supplier invoices for electricity consumption and from personal claims for business mileage for the consumption of transport fuel.

Business relationships

For information on business relationships, please refer to the Section 172 statement on pages 23 and 24.

Report of the Trustees for the year ended 31 March 2021 (continued)

In so far as each of the Trustees are aware:

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

The Report of the Trustees prepared under the Charities Act 2011, which also contains all information required in a Directors' report by the Companies Act 2006, and the incorporated Strategic Report prepared under the Companies Act 2006, were approved by the Board of Trustees on 22 September 2021 and signed on behalf of the Trustees by

A handwritten signature in black ink, appearing to read 'David Mayhew', with a stylized flourish at the end.

DAVID MAYHEW CBE, CHAIRMAN

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 Report of the Trustees and the financial statements in accordance with applicable laws and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and 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 and group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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

Opinion

We have audited the financial statements of Alzheimer's Research UK (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 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 Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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

Conclusions relating to going concern

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual 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 their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report or the strategic report, included within the trustees' annual 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:

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 29 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to any new or unusual transactions which may not be in accordance with the governing documents, inspecting any correspondence with local tax authorities and performing tests of detail in respect of Coronavirus Job Retention Scheme claims in the period.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



CLAIRE SUTHERLAND (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Blenheim House, Newmarket Road

Bury St Edmunds

Suffolk

IP33 3SB

23 September 2021

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

Consolidated statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 2021 Total £	Year ended 31 March 2020 Total £ <i>(note 23)</i>
Income from:					
Donations and legacies	4	26,152,279	7,677,187	33,829,466	37,979,783
Charitable activities		65,051	411,864	476,915	989,753
Other trading & income generating activities		389,949	3,085	393,034	454,029
Investments	5	901,839	-	901,839	868,844
Other income	2	1,083,752	-	1,083,752	-
Net income in joint venture operations		-	2,559,723	2,559,723	534,056
Total income		28,592,870	10,651,859	39,244,729	40,826,465
Expenditure on:					
Raising funds		9,903,459	-	9,903,459	13,898,126
Charitable activities	6	17,028,817	4,305,558	21,334,375	25,872,641
Total expenditure		26,932,276	4,305,558	31,237,834	39,770,767
Net realised gains/(losses) on investments	10	173,623	-	173,623	184,279
Unrealised gains/(losses) on investments	10	2,555,398	-	2,555,398	(1,512,439)
Total net gains/(losses) on investments		2,729,021	-	2,729,021	(1,328,160)
Net income/(expenditure) before transfers		4,389,615	6,346,301	10,735,916	(272,462)
Transfers between funds		2,634,420	(2,634,420)	-	-
Net movement in funds		7,024,035	3,711,881	10,735,916	(272,462)
Reconciliation of funds:					
Funds balance at 1 April		4,490,241	2,594,500	7,084,741	7,357,203
Funds balance at 31 March	15, 16	11,514,276	6,306,381	17,820,657	7,084,741

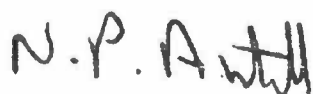
Charity statement of financial activities incorporating an income and expenditure account for the year ended 31 March 2021

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31 March 2021 Total £	Year ended 31 March 2020 Total £ (note 23)
Income from:					
Donations and legacies	4	26,396,712	7,677,187	34,073,899	38,020,591
Charitable activities		65,051	411,864	476,915	989,753
Other trading & income generating activities		218,527	3,085	221,612	182,124
Investments	5	901,839	-	901,839	868,844
Other income	2	1,083,752	-	1,083,752	-
Total income		28,665,881	8,092,136	36,758,017	40,061,312
Expenditure on:					
Raising funds		9,862,954	-	9,862,954	13,871,763
Charitable activities	6	17,029,619	4,305,558	21,335,177	25,871,532
Total expenditure		26,892,573	4,305,558	31,198,131	39,743,295
Net realised gains/(losses) on investments	10	173,623	-	173,623	184,279
Unrealised gains/(losses) on investments	10	2,555,398	-	2,555,398	(1,512,439)
Total net gains/(losses) on investments		2,729,021	-	2,729,021	(1,328,160)
Net income/(expenditure) before transfers		4,502,329	3,786,578	8,288,907	(1,010,143)
Transfers between funds		2,634,420	(2,634,420)	-	-
Net movement in funds		7,136,749	1,152,158	8,288,907	(1,010,143)
Reconciliation of funds:					
Funds balance at 1 April		4,264,058	1,656,325	5,920,383	6,930,526
Funds balance at 31 March	15, 16	11,400,807	2,808,483	14,209,290	5,920,383

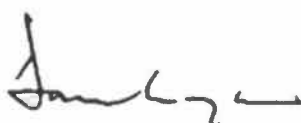
Consolidated balance sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	9a	344,648	529,803
Intangible assets	9b	56,219	91,475
Investments	10	18,530,560	12,878,973
		<u>18,931,427</u>	<u>13,500,251</u>
Current assets			
Stocks	11	6,709	16,195
Debtors	12	4,948,123	8,313,092
Investments	10	26,493,465	16,766,314
Cash at bank and in hand		3,260,656	6,056,017
		<u>34,708,953</u>	<u>31,151,618</u>
Creditors: amounts falling due within one year	13	<u>(31,350,829)</u>	<u>(30,448,608)</u>
Net current assets		<u>3,358,124</u>	<u>703,010</u>
Total assets less current liabilities		<u>22,289,551</u>	<u>14,203,261</u>
Creditors: amounts falling due after more than one year	14	<u>(4,468,894)</u>	<u>(7,118,520)</u>
Total assets less total liabilities		<u>17,820,657</u>	<u>7,084,741</u>
Funds			
Restricted funds	15	6,306,381	2,594,500
Unrestricted funds			
General funds	16	6,514,276	4,490,241
Designated funds	16	5,000,000	-
		<u>17,820,657</u>	<u>7,084,741</u>

The financial statements on pages 33 to 63 were approved and authorised for issue by the Board of Trustees on 22 September 2021.



N Antill
Trustee



D Mayhew CBE
Trustee

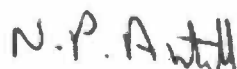
The notes on pages 39 to 63 form part of these financial statements.

Charity balance sheet as at 31 March 2021

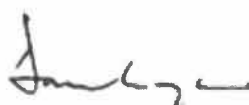
Charity number: SC042474
Company number: 03681291

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Tangible assets	9a	344,648	529,803
Intangible assets	9b	56,219	91,475
Investments	10	15,052,662	11,960,798
		<u>15,453,529</u>	<u>12,582,076</u>
Current assets			
Debtors	12	5,043,768	8,395,982
Investments	10	26,493,465	16,766,314
Cash at bank and in hand		3,033,932	5,716,236
		<u>34,571,165</u>	<u>30,878,532</u>
Creditors: amounts falling due within one year	13	<u>(31,346,510)</u>	<u>(30,421,705)</u>
Net current assets		<u>3,224,655</u>	<u>456,827</u>
Total assets less current liabilities		<u>18,678,184</u>	<u>13,038,903</u>
Creditors: amounts falling due after more than one year	14	<u>(4,468,894)</u>	<u>(7,118,520)</u>
Total assets less total liabilities		<u>14,209,290</u>	<u>5,920,383</u>
Funds			
Restricted funds	15	2,808,483	1,656,325
Unrestricted funds			
General funds	16	6,400,807	4,264,058
Designated funds	16	5,000,000	-
		<u>14,209,290</u>	<u>5,920,383</u>

The financial statements on pages 33 to 63 were approved and authorised for issue by the Board of Trustees on 22 September 2021.



N Antill
Trustee



D Mayhew CBE
Trustee

The notes on pages 39 to 63 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 March 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	a	6,579,483	3,882,825
Cash flow from investing activities			
Investment income		888,401	868,844
Purchase of property, plant and equipment		(12,272)	(111,935)
Purchase of intangible fixed assets		(7,572)	(91,638)
Proceeds from sale of tangible fixed assets		4,658	1,767
Proceeds from sales of investments		2,700,717	4,000,033
Purchase of investments		(12,948,776)	(4,868,240)
Net cash provided by/(used in) investing activities		(9,374,844)	(201,169)
Change in cash and cash equivalents in reporting period		(2,795,361)	3,681,656
Cash and cash equivalents at the beginning of the reporting period		6,056,017	2,374,361
Cash and cash equivalents at the end of the reporting period	b	3,260,656	6,056,017
Reconciliation of expenditure to net cash flow from operating activities			
		2021 £	2020 £
a. Net cash provided by operating activities			
Net movement in funds		10,735,916	(272,462)
Adjustments for:			
Depreciation and amortisation charges		239,338	246,002
(Profit)/loss on disposal of fixed assets		(3,740)	3,022
(Gains)/losses on investments		(2,729,021)	1,328,160
Dividends and interest from investments		(901,839)	(868,844)
(Increase)/decrease in stocks		9,486	(7,725)
(Increase)/decrease in debtors		3,364,969	(1,217,243)
Increase/(decrease) in creditors		(1,733,968)	5,183,670
Share of (profit)/loss from joint venture investment		(2,559,723)	(534,056)
(Gains)/losses on programme related investments		158,065	22,301
		6,579,483	3,882,825
b. Analysis of cash and cash equivalents			
Cash at bank and in hand		3,260,656	6,056,017
Analysis of changes in net funds			
	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash	6,056,017	(2,795,361)	3,260,656

Charity cash flow statement for the year ended 31 March 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
Cashflows from operating activities			
Net cash provided by/(used in) by operating activities	a	6,692,540	3,552,039
Cash flow from investing activities			
Investment income		888,401	868,844
Purchase of property, plant and equipment		(12,272)	(111,935)
Purchase of intangibles		(7,572)	(91,638)
Proceeds from sale of tangible fixed assets		4,658	1,767
Proceeds from sales of investments		2,700,717	4,000,033
Purchase of investments		(12,948,776)	(4,868,240)
Net cash provided by/(used in) investing activities		(9,374,844)	(201,169)
Change in cash and cash equivalents in reporting period		(2,682,304)	3,350,870
Cash and cash equivalents at the beginning of the reporting period		5,716,236	2,365,366
Cash and cash equivalents at the end of the reporting period	b	3,033,932	5,716,236
Reconciliation of expenditure to net cash flow from operating activities			
		2021 £	2020 £
a. Net cash provided by operating activities			
Net movement in funds		8,288,907	(1,010,143)
Adjustments for:			
Depreciation and amortisation charges		239,338	246,002
Loss on disposal of fixed assets		(3,740)	3,022
(Gains)/losses on investments		(2,729,021)	1,328,160
Dividends and interest from investments		(901,839)	(868,844)
(Increase)/decrease in debtors		3,352,214	(1,323,728)
Increase/(decrease) in creditors		(1,711,384)	5,155,269
(Gains)/losses on programme related investments		158,065	22,301
		6,692,540	3,552,039
b. Analysis of cash and cash equivalents			
Cash at bank and in hand		3,033,932	5,716,236
Analysis of changes in net funds			
	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash	5,716,236	(2,682,304)	3,033,932

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) - (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Alzheimer's Research UK is an incorporated charity, limited by guarantee, domiciled and registered in England and Wales, which constitutes a Public Benefit entity as defined by FRS 102. The address of its registered office is set out on page 63. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

Going concern

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

The group's and charity's business activities, together with the factors likely to affect their future development, performance and position are set out in the Trustees Report and incorporated Strategic Report on pages 5 to 28.

As part of the Trustees' review of going concern, draft budgets have been prepared for the financial years to 31 March 2022 and 31 March 2023. These budgets have been used to assess the expected balance sheet positions for 31 March 2022 and 2023. The expected balance sheet positions look positive, with liquid resources sufficient to cover all outstanding liabilities as they fall due.

Detailed and challenging scenario analysis has been applied to the projected balance sheet for 31 March 2022 and 2023, stressing the financial position to determine what factors would cause significant challenges for the organisation to continue to operate. Some of these factors include:

- Significant further downward trends in income
- Significant losses on investment valuations
- Over commitment to research funding falling due for payment immediately

As part of the assessment of going concern, potential safeguards have been identified.

The Group and Charity currently have significant liquid resources which are equivalent to the research commitments which have been made and are payable over the next five years. It is the purpose of the Group and Charity to raise as much money as possible for purposes of funding research. Future commitments will be made in accordance with income levels at that time, keeping in mind the requirements of the reserves policy.

The Investment portfolio is made up of a mixture of gilts, bonds, and equity investments, with an emphasis towards UK corporate bonds and gilts, which are deemed to be less risky in an uncertain environment.

There are no borrowings and there is no current requirement to raise additional funds through future borrowing.

In addition, detailed projections are produced for the next five years which together with availability of detailed financial information informs an assessment of the level of research commitments which can be made.

The Trustees are confident that the Group and Charity are a going concern, and that even in such uncertain times, there are triggers and safeguards which can be deployed to ensure the future operation of the Group and Charity.

Fund accounting

The Charity maintains various types of funds as follows:

Restricted funds

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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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 income and expenditure 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.

Government grants

Income from government grants is presented within other income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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.

Expenditure

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

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

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

Research commitments

Research commitments are accounted for as expenditure in the Statement of Financial Activities when there is a constructive obligation based on a formal offer to the recipient. Where the promise of financial support is not binding on the Trustees, such intentions may be accounted for by a transfer to a designated fund. The present value of future commitments to research has been considered at a discount rate of 2.0% (2019: 2.6%) and the

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

resulting potential discounting is not considered to be material to the overall value of the commitment, or to the net movement in funds on a recurrent basis and therefore the impact has not been reflected in these financial statements.

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% to 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% to 33% straight line
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The amortisation charge is included within support costs and allocated on the basis of expenditure incurred.

Investments

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

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

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

Stocks

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

Pensions

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

Debtors

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

Creditors

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

Financial Instruments

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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

Leases

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Critical areas of judgement

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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

2. Net income/(expenditure) for the year

Group and Charity	Year ended 31 March 2021	Year ended 31 March 2020
Net income/expenditure for the year is stated after charging:	£	£
Income from government grants - Coronavirus job retention scheme	1,083,752	-
Audit services	27,750	23,520
- Charity and group audit services	2,250	2,200
- Trading subsidiary audit services	3,525	3,290
- Tax compliance services		
Depreciation of tangible fixed assets	196,510	203,639
Amortisation of intangible fixed assets	42,828	42,363
(Profit)/loss on disposal of fixed assets	(3,742)	3,022
Payments under operating leases - land and buildings	411,746	411,746
Payments under operating leases - plant and machinery	23,019	21,853

3. Information regarding employees and trustees

Group and Charity	Year ended 31 March 2021	Year ended 31 March 2020
	Number	Number
Charitable activities	62	55
Fundraising	115	104
Support services	28	32
	205	191
	£	£
Salaries	7,543,912	7,026,558
National insurance	820,552	752,209
Other pension costs	378,224	346,338
	8,742,688	8,125,105

The number of employees whose emoluments have exceeded £60,000 in the year were:

	Number	Number
£60,001 - £70,000	9	10
£70,001 - £80,000	2	1
£80,001 - £90,000	5	3
£90,001 - £100,000	2	1
£100,001 - £110,000	-	1
£130,001 - £140,000	1	2

All of the above individuals are members of the defined contribution pension scheme. Included within creditors at the year-end is £58,190 (2020: £55,558) of outstanding pension contributions. Trustees are not remunerated nor reimbursed for their expenses.

The total employment costs of the key management personnel, which is comprised of the Chief Executive, Executive Director of Fundraising & Communications and Executive Director of Finance and Operations were £408,592 (2020: £441,319).

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

3. Information regarding employees and trustees (continued)

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund. Contributions payable by the Charity charged to expenditure amounted to £378,224 (2020: £346,338).

4. Donations and legacies

Group	Unrestricted funds £	Restricted funds £	Total Year ended 31 March 2021 £	Total Year ended 31 March 2020 £
Charitable trusts	986,529	2,448,008	3,434,537	4,942,792
Legacy income	9,354,843	1,821,011	11,175,854	12,983,608
Other donations	15,771,778	3,408,168	19,179,946	19,416,770
Donated services	39,129	-	39,129	636,613
	<u>26,152,279</u>	<u>7,677,187</u>	<u>33,829,466</u>	<u>37,979,783</u>
Charity	£	£	£	£
Charitable trusts	986,529	2,448,008	3,434,537	4,942,792
Legacy income	9,354,843	1,821,011	11,175,854	12,983,608
Other donations	16,016,211	3,408,168	19,424,379	19,457,578
Donated services	39,129	-	39,129	636,613
	<u>26,396,712</u>	<u>7,677,187</u>	<u>34,073,899</u>	<u>38,020,591</u>

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

5. Investment income

Group and Charity	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Bank deposits	12,547	8,122
Dividend income	889,292	860,722
	<u>901,839</u>	<u>868,844</u>

6. Expenditure on charitable activities

Group	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Dementia research	13,176,649	4,157,530	17,334,179	21,093,023
Information and advocacy	3,852,168	148,028	4,000,196	4,779,618
	<u>17,028,817</u>	<u>4,305,558</u>	<u>21,334,375</u>	<u>25,872,641</u>

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

6. Expenditure on charitable activities (continued)

Charity	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Dementia research	13,177,301	4,157,530	17,334,831	21,092,118
Information and advocacy	3,852,318	148,028	4,000,346	4,779,414
	<u>17,029,619</u>	<u>4,305,558</u>	<u>21,335,177</u>	<u>25,871,532</u>

7. Support costs

Group	Raising Funds £	Research £	Information & Advocacy £	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Human resources	159,841	279,772	64,563	504,176	810,638
Premises	205,004	358,821	82,805	646,630	601,411
Finance	175,662	307,463	70,953	554,078	303,625
Corporate	151,141	264,545	61,049	476,735	492,517
IT & office costs	246,586	431,603	99,601	777,790	705,835
Depreciation & amortisation	74,692	130,735	30,170	235,597	249,023
Governance	179,274	313,785	72,412	565,471	513,016
	<u>1,192,200</u>	<u>2,086,724</u>	<u>481,553</u>	<u>3,760,477</u>	<u>3,676,065</u>
Charity	£	£	£	£	£
Human resources	159,389	280,138	64,648	504,175	810,638
Premises	204,425	359,291	82,914	646,630	601,411
Finance	175,166	307,866	71,046	554,078	303,625
Corporate	150,715	264,892	61,128	476,735	492,517
IT & office costs	245,890	432,169	99,731	777,790	705,835
Depreciation & amortisation	74,481	130,906	30,210	235,597	249,023
Governance	177,583	312,114	72,026	561,723	508,930
	<u>1,187,649</u>	<u>2,087,376</u>	<u>481,703</u>	<u>3,756,728</u>	<u>3,671,979</u>

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

8. Grant giving

Group	Year ended 31 March 2021 £	Year ended 31 March 2020 £
New research commitments entered into during the year for dementia research	14,832,436	18,433,936
Release of provisions no longer required	(794,781)	(462,517)
Support costs allocated to grant giving	1,921,154	1,830,299
Grant giving charged to the Statement of Financial Activities	15,958,809	19,801,718
Other research costs	1,209,800	1,171,948
Support costs allocated to Dementia research	165,570	119,357
Dementia research charged to the Statement of Financial Activities	<u>17,334,179</u>	<u>21,093,023</u>

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

8. Grant giving (continued)

Charity	Year ended 31 March 2021 £	Year ended 31 March 2020 £
New research commitments entered into during the year for dementia research	14,832,436	18,433,936
Release of provisions no longer required	(794,781)	(462,517)
Support costs allocated to grant giving	1,921,754	1,829,449
Grant giving charged to the Statement of Financial Activities	15,959,409	19,800,868
Other research costs	1,209,800	1,171,948
Support costs allocated to Dementia research	165,622	119,302
Dementia research charged to the Statement of Financial Activities	17,334,831	21,092,118

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

	Total Year ended 31 March 2021 £	Total Year ended 31 March 2020 £
Alzheimer's Brain Bank UK	472,554	20,000
Aptuit UK	391,593	-
Aston University	29,000	-
Boston University	271,034	-
Cardiff University	222,913	150,007
Case Western Reserve University	12,470	114,083
Charles River Discovery Research Services UK	347,037	-
Crawford Works	20,000	10,000
De Montfort University	45,282	125,345
DH Healthcare	12,000	50,000
Imperial College London	153,251	3,060,501
Institut Pasteur	-	80,000
King's College London	181,006	1,096,451
Medical Research Council	79,561	2,738
Newcastle University	721,451	210,119
New York University School of Medicine	25,000	-
Other Consultancy	15,000	-
Psychiatry Consortium	-	27,931
Queen's University Belfast	14,000	28,000
RNID	90,250	-
Sans Serif Consulting	62,004	-
The Alan Turing Institute	495,000	10,000
The Florey Institute of Neuroscience and Mental Health Careers	4,921	-
The Wellcome Trust	-	299,000
UK DRI Limited	2,000,000	2,000,000
University College London	2,741,478	2,414,483
University of Aberdeen	-	1,800
University of Bath	4,920	-
University of Birmingham	-	58,000
Subtotal	8,411,725	9,758,458

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

8. Grant giving (continued)

Brought forward	8,411,725	9,758,458
University of Bristol	220,070	789,504
University of Cambridge	2,229,292	2,325,430
University of Dundee	41,750	135,602
University of Edinburgh	-	549,182
University of Exeter	251,733	359,874
University of Exeter Medical School	-	29,734
University of Glasgow	12,500	-
University of Manchester	52,187	102,281
University of Minnesota	2,196	35,142
University of Notre Dame	5,581	-
University of Oxford	3,440,882	2,618,310
University of Portsmouth	26,750	-
University of Reading	34,250	146,484
University of Sheffield	14,500	1,033,904
University of Southampton	27,907	259,929
University of St Andrews	-	50,000
VIB Center for Molecular Neurology	12,500	-
York Health Economics Consortium	48,613	-
York University	-	240,102
	14,832,436	18,433,936

9a. Tangible fixed assets

	Leasehold improvements £	Fixtures & office equipment £	Total £
Group and Charity			
Cost			
At 1 April 2020	1,246,019	460,721	1,706,740
Additions	-	12,272	12,272
Disposals	-	(17,975)	(17,975)
At 31 March 2021	1,246,019	455,018	1,701,037
Depreciation			
At 1 April 2020	909,641	267,296	1,176,937
Charge for the year	94,932	101,578	196,510
Disposals	-	(17,058)	(17,058)
At 31 March 2021	1,004,573	351,816	1,356,389
Net book value			
At 31 March 2021	241,446	103,202	344,648
At 31 March 2020	336,378	193,425	529,803

All tangible fixed assets are held for charitable purposes.

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

9b. Intangible fixed assets

	Computer software £
Group and Charity	
Cost	
At 1 April 2020	243,706
Additions	7,572
At 31 March 2021	251,278
Amortisation	
At 1 April 2020	152,231
Charge for the year	42,828
At 31 March 2021	195,059
Net book value	
At 31 March 2021	56,219
At 31 March 2020	91,475

10. Investments

	Investment portfolio £	Programme related investment £	Shares in subsidiary £	Share in Joint venture £	Total Year ended 31 March 2021 £	Total Year ended 31 March 2020 £
Market value						
1 April	27,569,973	1,137,139	20,000	938,175	29,665,287	29,613,485
Additions	12,647,152	301,624	-	-	12,948,776	4,868,240
Disposals	(2,700,717)	-	-	-	(2,700,717)	(4,000,033)
Realised and unrealised investment gains/(losses)	2,729,021	(158,065)	-	2,559,723	5,130,679	(816,405)
Market value at 31 March	40,245,429	1,280,698	20,000	3,497,898	45,044,025	29,665,287
Group	40,245,429	1,280,698	-	3,497,898	45,024,025	29,645,287
Charity	40,245,429	1,280,698	20,000	-	41,546,127	28,727,112
Cost at 31 March	36,588,611	1,568,056	20,000	3,497,898	41,674,565	28,790,012

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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

10. Investments (continued)

Composition of investment portfolio	Year ended 31 March 2021 £	Year ended 31 March 2020 £
UK Corporate bonds	8,049,663	8,603,273
Overseas Corporate bonds	1,475,561	1,111,894
UK Gilts	4,226,740	3,791,140
Cash deposits	7,382,391	2,166,499
UK alternative investments	6,948,031	4,569,312
UK equity investments	5,086,043	3,581,780
Non-UK equity investments	7,077,000	3,746,075
	40,245,429	27,569,973

Presentation of investments	Year ended 31 March 2021 Group £	Year ended 31 March 2021 Charity £	Year ended 31 March 2020 Group £	Year ended 31 March 2020 Charity £
Fixed asset investments	18,530,560	15,052,662	12,878,973	11,960,798
Current investments	26,493,465	26,493,465	16,766,314	16,766,314
	45,024,025	41,546,127	29,645,287	28,727,112

Programme related investments

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

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

Joint venture investment

Alzheimer's Brain Bank (ABBUK) is a company limited by guarantee (number 5762960) and a registered charity (number 1114578). It has two members, Alzheimer's Research UK and Alzheimer's Society. The main objectives of the Charity are to protect and promote the health of the public, in particular by establishing, promoting and maintaining banks of brain tissue for research into the cause, prevention, treatment and cure of Alzheimer's disease and associate neurodegenerative diseases and disorders. The Charity owns a 50% share in ABBUK and its share of the net assets is £118,701 (2020: £110,145) comprising of £1,001,969 (2020: £960,230) current assets, £883,269 (2020: £850,085) current liabilities and £nil (2020: £nil) long term liabilities. Alzheimer's Research UK's share of income for the year totalled £416,187 (2020: £3,328), its share of charitable expenditure is £407,631 (2020: £11,128) bringing Alzheimer's Research UK's share of the net result to a surplus of £8,556 (2020: deficit £7,800). This joint venture is accounted for in accordance with FRS 102 and the Charities SORP under the gross equity method. UK DRI Limited is a company limited by guarantee (number 11045257). It has three members, Alzheimer's Research UK, Alzheimer's Society and Medical Research Council. The Charity owns a 33.3% share in UK DRI Limited and its share of the net assets is £3,379,197 (2020: £828,030) comprising of £18,286,600 (2020: £15,544,911) current assets, £12,260,276 (2020: £12,102,257) current liabilities and £2,647,127 (2020: £2,614,624) long term liabilities. Alzheimer's Research UK's share of income from donations for the year totalled £11,032,536 (2020: £10,733,925), its share of charitable expenditure is £8,481,369 (2020: £10,192,069) bringing Alzheimer's Research UK's share of the net result to £2,551,167 (2020: £541,856). This joint venture is accounted for in accordance with FRS 102 and the Charities SORP under the gross equity method.

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

10. Investments (continued)

Subsidiary company

Alzheimer's Research Trading Limited, registered company number 03880026, is a wholly owned subsidiary of Alzheimer's Research UK whose taxable profits are donated to its parent. The registered address of the Company is the same as the charity. The trading company receives income from the sale of merchandise, registration fees and sponsorship, with each sale helping to support our cause.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Income	195,013	297,060
Expenditure	(65,045)	(54,377)
Profit for the year	<u>129,968</u>	<u>242,683</u>
Fixed assets	1,750	3,500
Net current assets/(liabilities)	<u>133,468</u>	<u>246,183</u>
	<u>135,218</u>	<u>249,683</u>
Financed by:		
Ordinary share capital	20,000	20,000
Shareholder's funds	<u>115,218</u>	<u>229,683</u>
	<u>135,218</u>	<u>249,683</u>

11. Stocks

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Group		
Merchandise and products	<u>6,709</u>	<u>16,195</u>

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

12. Debtors

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Group		
Trade debtors	67,256	81,770
Other debtors	287,979	1,080,836
Charities Aid Foundation	66,472	4,131
Accrued income and prepayments	4,526,416	7,146,355
	<u>4,948,123</u>	<u>8,313,092</u>
	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Charity		
Trade debtors	67,256	81,770
Other debtors	287,979	1,084,804
Amounts due from group undertakings	95,645	79,892
Charities Aid Foundation	66,472	4,131
Accrued income and prepayments	4,526,416	7,145,385
	<u>5,043,768</u>	<u>8,395,982</u>

13. Creditors: amounts falling due within one year

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Group		
Trade creditors	3,365,559	4,314,043
Accruals	837,477	364,799
Other taxes and social security	172,062	216,824
Other creditors	98,138	240,078
Research commitments	26,877,593	25,312,864
	<u>31,350,829</u>	<u>30,448,608</u>
	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Charity		
Trade creditors	3,365,559	4,313,579
Accruals	833,158	338,360
Other taxes and social security	172,062	216,824
Other creditors	98,138	240,078
Research commitments	26,877,593	25,312,864
	<u>31,346,510</u>	<u>30,421,705</u>

As at the balance sheet date, the Charity has entered into agreements with 3 universities with regard to the Drug Discovery Institutes, to provide maximum funding of £30 million over a period of 5 years. The full £30 million 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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

statements as they are not considered to meet the accounting framework definition of a liability. Commitments in the coming years will be funded out of future grants, donations and legacies.

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

As at the balance sheet date, the Charity has entered into an agreement with UK DRI Limited, to provide maximum funding of £50 million over a period of 10 years to 2027-28. Of this, £7m has been committed to date. The ongoing commitment will be part of a thorough systematic review, and future funding levels will be recommitted on an annual basis. These have not been included in the financial statements as they are not considered to meet the accounting framework definition of a liability. Commitments in the coming years will be funded out of future grants, donations and legacies.

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

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Group and Charity		
Research commitments	4,325,945	6,997,591
Rent accrual	11,640	16,296
Other creditors	131,309	104,633
	<u>4,468,894</u>	<u>7,118,520</u>

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Ageing of long-term liabilities		
1 - 2 years	2,942,487	4,081,197
2 - 3 years	1,343,905	2,127,312
3 - 4 years	182,502	773,242
4 - 5 years	-	136,769
	<u>4,468,894</u>	<u>7,118,520</u>

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Reconciliation of research commitments		
Balance brought forward	32,310,455	30,286,474
New commitments entered into	14,832,436	18,433,936
Commitments no longer required	(794,781)	(462,517)
Amounts spent in the period	(15,144,572)	(15,947,438)
	<u>31,203,538</u>	<u>32,310,455</u>

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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

Description	As at 31 March 2020 £	Income £	Expenditure £	Transfers £	As at 31 March 2021 £
Research					
Adept	-	85,686	(85,686)	-	-
Brain Bank	-	300	-	(300)	-
Clinical Research Fellowship	-	193,206	-	(193,206)	-
Dementia Consortium	684,966	344,738	(666,569)	-	363,135
Drug Discovery Institutes	-	2,440,552	(2,121,048)	(319,504)	-
EDoN	115,000	2,602,481	(907,927)	-	1,809,554
Equipment	-	10,000	-	(10,000)	-
Interdisciplinary Research Grants	-	216,466	-	(216,466)	-
Network Accelerate Scheme	-	691	-	(691)	-
Network Centre	-	140,881	(38,300)	(102,581)	-
Network Support Grant	-	301	-	(301)	-
Other	-	75,858	-	(75,858)	-
PhD	-	102,334	-	(102,334)	-
Pilot Projects	-	52,783	-	(52,783)	-
Programme Grants	-	889,986	-	(889,986)	-
Race Against Dementia	512,775	-	-	-	512,775
Research Fellowship Grants	-	698,363	(405,391)	(292,972)	-
Senior Research Fellowship	-	126,100	-	(126,100)	-
UK DRI Limited	-	251,338	-	(251,338)	-
Non-research					
Investigator of the Year Award	25,850	-	(25,850)	-	-
BAME - Community project	23,987	-	-	-	23,987
Research Conference	210,000	(190,868)	(19,132)	-	-
Conference prize giving	1,000	-	-	-	1,000
Dementia Attitudes Monitor	24,919	25,081	-	-	50,000
Health Info Print & Production	-	34,418	(11,414)	-	23,004
Dementia Research Infoline	9,095	-	(9,095)	-	-
Inspire Fund	-	10,000	-	-	10,000
European Research Grant	33,705	(18,559)	(15,146)	-	-
Lived Experience of Dementia	15,028	-	-	-	15,028
Charity restricted funds	1,656,325	8,092,136	(4,305,558)	(2,634,420)	2,808,483
Joint venture investments	938,175	2,559,723	-	-	3,497,898
Group restricted funds	2,594,500	10,651,859	(4,305,558)	(2,634,420)	6,306,381

Restricted funding

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

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

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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

Non research - 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 10 charitable and pharmaceutical industry partners (Alzheimer's Research UK, LifeArc, AbbVie, Astex, Lilly, Eisai, Johnson & Johnson Innovation, Evotec, MSD and Takeda) to fund research projects that will accelerate development of therapies for dementia.

EDoN

Income received to fund research through the Early Diagnosis of Neurodegeneration initiative, our ambitious initiative that will collect, share and analyse clinical and digital health data to detect diseases like Alzheimer's.

Race Against Dementia

Income raised in 2018/19 to fund four individual fellowships for £500,000 each. As at 31 March 2021, £1,500,000 had been committed and the remaining fund is expected to be committed by 31 March 2022.

BAME Community Project

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

Conference prize giving

Income raised in previous years of £2,250 has been restricted to fund a prize of £250 per year for the most effective presentation at the Alzheimer's Research UK annual conference. Due to the cancellation of recent face to face conferences as a result of COVID-19, the expected expenditure for recent years has been carried forward to future conferences.

Dementia Attitudes Monitor

Funding provided to commission a research agency to carry out a robust population polling exercise to help get to the root of public beliefs, prejudices and attitudes to dementia, and to track these over time.

Health Info Print & Production

Income received to fund the print and production of health information booklets to be distributed as part of our mission to improve understanding of dementia.

Inspire Fund

Income received to help fund the 2021-22 round of Inspire Funding. The Inspire Fund was created as an extension to our public engagement work, to invest in community groups to diversify the approaches used to build people's understanding of dementia and extend the breadth of individuals that we are able to reach.

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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

Lived Experience of Dementia

Income received for the purpose of proving an information pack free of charge to anyone who is living with or suffering the consequences of dementia.

Prior year

	As at 31 March 2019 £	Income £	Expenditure £	Transfers £	As at 31 March 2020 £
Description					
<i>Research</i>					
Brain Bank	-	145,020	(145,020)	-	-
Clinical Research Fellowship	-	14,000	-	(14,000)	-
Dementia Consortium	474,141	898,118	(687,293)	-	684,966
Drug Discovery Institutes	-	1,815,468	-	(1,815,468)	-
EDoN	-	125,000	(10,000)	-	115,000
Interdisciplinary Research Grants	-	84,400	(21,400)	(63,000)	-
Network Accelerate Scheme	-	90,690	-	(90,690)	-
Network Centre	-	104,268	(95,218)	(9,050)	-
Network Support Grant	-	658	-	(658)	-
Other	-	11,338	(2,000)	(9,338)	-
PhD	88,848	105,082	(32,654)	(161,276)	-
Pilot Projects	3,479	30,485	(3,479)	(30,485)	-
Programme Grants	-	954,899	(309,035)	(645,864)	-
Race Against Dementia	2,000,000	12,027	(1,499,252)	-	512,775
Research Fellowship Grants	-	17,927	-	(17,927)	-
Senior Research Fellowship	-	128,597	(15,000)	(113,597)	-
Tau Consortium	-	321,495	(321,495)	-	-
UK DRI Limited	-	1,547,913	(1,547,913)	-	-
<i>Non-research</i>					
Investigator of the Year Award	10,850	15,000	-	-	25,850
BAME - Community project	63,554	-	(39,567)	-	23,987
Research Conference	-	210,000	-	-	210,000
Conference prize giving	1,000	-	-	-	1,000
Dementia Attitudes Monitor	-	24,919	-	-	24,919
Dementia Research Infoline	-	115,000	(105,905)	-	9,095
Inspire Fund	-	55,000	(55,000)	-	-
European Research Grant	53,482	-	(19,777)	-	33,705
Lived Experience of Dementia	-	24,000	(8,972)	-	15,028
Taskforce	-	10,000	(10,000)	-	-
Charity restricted funds	2,695,354	6,861,304	(4,928,980)	(2,971,353)	1,656,325
Joint venture investments	404,119	534,056	-	-	938,175
Group restricted funds	3,099,473	7,395,360	(4,928,980)	(2,971,353)	2,594,500

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

16. Movements in unrestricted funds

Group	Balance at 31 March 2020 £	Income £	Expenditure, Gains & Losses £	Transfers £	Balance at 31 March 2021 £
General fund	4,490,241	28,592,870	(24,203,255)	(2,365,580)	6,514,276
Designated funds:					
Early Diagnosis and Detection	-	-	-	4,500,000	4,500,000
Sport and Dementia	-	-	-	500,000	500,000
Group unrestricted funds	4,490,241	28,592,870	(24,203,255)	2,634,420	11,514,276
Charity					
General fund	4,264,058	28,665,881	(24,163,552)	(2,365,580)	6,400,807
Designated funds:					
Early Diagnosis and Detection	-	-	-	4,500,000	4,500,000
Sport and Dementia	-	-	-	500,000	500,000
Charity unrestricted funds	4,264,058	28,665,881	(24,163,552)	2,634,420	11,400,807
Prior year					
Group	Balance at 31 March 2019 £	Income £	Expenditure, Gains & Losses £	Transfers £	Balance at 31 March 2020 £
General fund	(1,331,151)	33,431,105	(36,169,947)	8,560,234	4,490,241
Designated funds:					
DRI reserve	5,588,881	-	-	(5,588,881)	-
Group unrestricted funds	4,257,730	33,431,105	(36,169,947)	2,971,353	4,490,241
Charity					
General fund	(1,353,709)	33,200,008	(36,142,475)	8,560,234	4,264,058
Designated funds:					
DRI reserve	5,588,881	-	-	(5,588,881)	-
Charity unrestricted funds	4,235,172	33,200,008	(36,142,475)	2,971,353	4,264,058

The transfer from the restricted fund to the unrestricted fund represents income received during the year which carried 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.

Refer to page 21 in the Trustees Report where the reserves position is considered in more detail.

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

16. Movements in unrestricted funds (continued)

Early Diagnosis and Detection

A key focus for Alzheimer's Research UK is the early detection of dementia-causing diseases, partly funded through our ambitious EDoN initiative. As a result of the strong financial performance in the year to 31 March 2021, we have been able to set aside an additional £4.5m into a designated fund, reflecting the progress made and our desire to further invest in this important activity.

Sport and Dementia

With a number of high-profile studies published in recent years, there is growing concern that concussive and sub-concussive injuries incurred while playing sports may increase an individual's risk of developing dementia. This is a complex area to study and there is more research required to understand the costs and benefits of sport and links to dementia risk.

As a result of the strong financial performance in the year to 31 March 2021, we have been able to set aside an initial £500k into a designated fund to further develop our understanding of the risks and benefits of sport.

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

17. Analysis of assets and liabilities between funds

	Designated Funds £	General Funds £	Restricted Funds £	Total £
Group				
Fixed assets				
Tangible fixed assets	-	344,648	-	344,648
Intangible fixed assets	-	56,219	-	56,219
Investments	5,000,000	10,032,662	3,497,898	18,530,560
Current assets				
Stocks	-	6,709	-	6,709
Debtors	-	4,948,123	-	4,948,123
Current asset investments	-	23,684,982	2,808,483	26,493,465
Cash at bank and in hand	-	3,260,656	-	3,260,656
Creditors				
Due within one year	-	(31,350,829)	-	(31,350,829)
Due in more than one year	-	(4,468,894)	-	(4,468,894)
Group	5,000,000	6,514,276	6,306,381	17,820,657
Charity: allocated on the same basis as the group figures	5,000,000	6,400,807	2,808,483	14,209,290
Prior Year				
	Designated Funds £	General Funds £	Restricted Funds £	Total £
Group				
Fixed assets				
Tangible fixed assets	-	529,803	-	529,803
Intangible fixed assets	-	91,475	-	91,475
Investments	-	11,940,798	938,175	12,878,973
Current assets				
Stocks	-	16,195	-	16,195
Debtors	-	8,313,092	-	8,313,092
Current asset investments	-	16,766,314	-	16,766,314
Cash at bank and in hand	-	4,399,692	1,656,325	6,056,017
Creditors				
Due within one year	-	(30,448,608)	-	(30,448,608)
Due in more than one year	-	(7,118,520)	-	(7,118,520)
Group	-	4,490,241	2,594,500	7,084,741
Charity: allocated on the same basis as the group figures	-	4,264,058	1,656,325	5,920,383

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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:

	2021 £	2020 £
Other		
Within one year	22,746	22,746
Between one and five years	81,505	90,983
After five years	-	13,268
	<u>104,251</u>	<u>126,997</u>
Land and buildings		
Within one year	411,746	411,746
Between one and five years	617,620	1,029,366
	<u>1,029,366</u>	<u>1,441,112</u>

20. Related party transactions

A management fee of £23,591 (2020: £25,155) and a gift aid donation of £244,433 (2020: £40,808) was received from 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 £95,645 (2020: £79,892) was due to Alzheimer's Research UK from the subsidiary.

During the year, £472,554 (2020: £459,880) 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 £nil (2020: £nil). Alzheimer's Brain Bank UK is a Joint Venture between Alzheimer's Research UK and Alzheimer's Society.

During the year, £2,000,000 (2020: £2,000,000) was paid in respect of UK DRI Limited and at the year-end there is a commitment to the project of £2,000,000 (2020: £2,000,000). UK DRI Limited is a Joint Venture between Alzheimer's Research UK, Alzheimer's Society and Medical Research Council.

Total donations made during the year by Trustees were £51,060 (2020: £145,525), and sales totalling £nil (2020: £nil) were made to Trustees.

21. Contingent liability

The Charity is a member of a VAT group with Alzheimer's Research Trading Limited, all members have joint and several liabilities. At 31 March 2021, the amounts owed to the VAT group by Alzheimer's Research Trading Limited totalled £3,544 (2020: £4,352).

22. Capital commitments

At 31 March 2021, the Group and Charity had no capital commitments (2020: £nil).

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

23. Consolidated and Charity Statements of Financial Activities

As required under FRS102, the following tables show the split of comparative information between funds for the period ended 31 March 2020 for Group and Charity:

Group	Unrestricted Funds £	Restricted Funds £	2020 Consolidated Total £
Income from:			
Donations and legacies	32,016,597	5,963,186	37,979,783
Charitable activities	91,635	898,118	989,753
Other trading & income generating activities	454,029	-	454,029
Investments	868,844	-	868,844
Net income in joint venture operations	-	534,056	534,056
Total income	33,431,105	7,395,360	40,826,465
Expenditure on:			
Raising funds	13,898,126	-	13,898,126
Charitable activities	20,943,661	4,928,980	25,872,641
Total expenditure	34,841,787	4,928,980	39,770,767
Net realised gains/(losses) on investments	184,279	-	184,279
Unrealised gains/(losses) on investments	(1,512,439)	-	(1,512,439)
Total net gains/(losses) on investments	(1,328,160)	-	(1,328,160)
Net income/(expenditure) before transfers	(2,738,842)	2,466,380	(272,462)
Transfers between funds	2,971,353	(2,971,353)	-
Net movement in funds	232,511	(504,973)	(272,462)
Reconciliation of funds:			
Funds balance at 1 April	4,257,730	3,099,473	7,357,203
Funds balance at 31 March	4,490,241	2,594,500	7,084,741
Donations and legacies			

Notes forming part of the financial statements for the year ended 31 March 2021 (continued)

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

Charity	Unrestricted Funds £	Restricted Funds £	2020 Charity Total £
Income from:			
Donations and legacies	32,057,405	5,963,186	38,020,591
Charitable activities	91,635	898,118	989,753
Other trading & income generating activities	182,124	-	182,124
Investments	868,844	-	868,844
Total income	33,200,008	6,861,304	40,061,312
Expenditure on:			
Raising funds	13,871,763	-	13,871,763
Charitable activities	20,942,552	4,928,980	25,871,532
Total expenditure	34,814,315	4,928,980	39,743,295
Net realised gains/(losses) on investments	184,279	-	184,279
Unrealised gains/(losses) on investments	(1,512,439)	-	(1,512,439)
Total net gains/(losses) on investments	(1,328,160)	-	(1,328,160)
Net income/(expenditure) before transfers	(2,942,467)	1,932,324	(1,010,143)
Transfers between funds	2,971,353	(2,971,353)	-
Net movement in funds	28,886	(1,039,029)	(1,010,143)
Reconciliation of funds:			
Funds balance at 1 April	4,235,172	2,695,354	6,930,526
Funds balance at 31 March	4,264,058	1,656,325	5,920,383

24. Financial instruments

The carrying amount of financial instruments measured at fair value through income and expenditure at 31 March were:

	Year ended 31 March 2021 Group £	Year ended 31 March 2021 Charity £	Year ended 31 March 2020 Group £	Year ended 31 March 2020 Charity £
Financial assets				
Instruments measured at fair value through Statement of Financial Activity	37,641,635	34,143,737	27,478,789	26,540,614

Legal and administrative details

Trustees (Directors and Members)

Chairman	D L Mayhew CBE	
Other Trustees	N Antill C Carter S Cramer CBE M Cooper G Dennison	Dr R Evenett C Van Den Brul MBE Dr R McKernan CBE FMedSci Prof RJ Howard
Company Secretary	P Dunn	
President	The Rt Hon David Cameron	
Executive Team	Hilary Evans, Chief Executive Ian Wilson, Deputy Chief Executive and Executive Director of Fundraising and Communications Philip Dunn, Executive Director of Finance and Operations	
Chief Medical Officer	Prof Jonathan Schott	

Grant Review Board

Prof Katie Lunnon [Chair]	Prof Louise Serpell
Dr Alexander Gerhard	Dr Paresh Malhotra
Dr Cheryl Hawkes	Prof Patricia Salinas
Prof David Brooks	Prof Patrick Lewis
Prof David Llewellyn	Dr Riccardo Marioni
Prof Delphine Boche	Dr Sandrine Willaime-Morawek
Dr Emma Kidd	Dr Selina Wray
Dr Janet Brownlees	Prof Stephen Wharton
Prof Jody Mason	Prof Tiago Outeiro
Prof John-Paul Taylor	Dr Wendy Noble
Dr Jon Brown	Prof Simon Mead (stepped down June 2021)

Clinical Trials Advisory Panel

Prof John O'Brien [Chair]	Dr Peter Watson
Prof Nick Fox	Prof Karl Herholz
Prof Chris Frost	Prof David Rubinsztein
Dr Vincenzo Libri	Dr Shahid Zaman
Prof Colin Masters	Prof Jane Armitage
Prof Peter Passmore	Prof Nicola Lautenschlager
Prof Craig Ritchie	Dr Iracema Leroi

Alzheimer's Research UK Drug Discovery Alliance Advisory Group

Dr Mike O'Neill (Chair)	Dr Karl Gibson
Dr Ian Waddell	Dr Jill Richardson
Prof John Atack	Dr John Kemp
Dr Todd Golde	Dr Richard Mead

Legal and administrative details (continued)

Clinical Policy Advisory Panel

Dr Charlotte Allan (maternity leave)
Dr Hilary Archer
Dr Bob Barber
Dr Daniel Blackburn
Dr Liz Coulthard
Prof Chris Fox
Prof Nick Fox

Dr Neil Graham
Prof Rob Howard
Prof David Llewellyn
Dr Ian Maidment
Prof Simon Mead
Dr Cath Mummery
Prof Peter Passmore

Dr Ross Paterson
Prof Jonathan Schott
Dr Ash Venkataraman
Dr Seb Walsh
Dr Emma Wolverson

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

03681291

Auditors

RSM UK Audit LLP, Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk, IP33 3SB

Bankers

Lloyds TSB Bank plc, Business Service Centre, Castle Park, Cambridge, CB3 0AR
Bank of Scotland, 600 George Road, Edinburgh, EX11 3XP
Barclays Bank plc, 9 - 11 St Andrew's Street, Cambridge, CB2 3AX

Solicitors

Withers LLP, 20 Old Bailey, London, EC4M 7AN
Taylor Vinters, Merlin Place, Milton Road, Cambridge, CB4 0DP

Investment Advisor

Quilter Cheviot, Senator House, 85 Queen Victoria Street, London, EC4V 4AB

Thank you

None of our work would be possible without the support of thousands of people up and down the country. We would like to say a huge thank you to everyone who chose to support us in 2020/21. Your donations, however large or small, are taking us further towards our vision of a world free from the fear, harm and heartbreak of dementia.