

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA
(a company limited by guarantee and not having share capital)

For the year ended 31 March 2019



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

Company Number SC149069

Charity Number SC022315

Directors' Report, Strategic Report and Financial Statements

For the year ended 31 March 2019

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Directors' Report – including Strategic Report

1. References and administrative details

Alzheimer Scotland - Action on Dementia is the registered name of the organisation. Operationally, the organisation is known as Alzheimer Scotland (and this title is used throughout this report).

Scottish charity number: SC022315 Company registration number: SC149069

Principal and registered office

160 Dundee Street
EDINBURGH
Scotland
EH11 1DQ

Chief Executive

Henry Simmons

Company Secretary

Kevin Craik

Solicitor

Russel + Aitken LLP
22-24 Stirling Street
DENNY
FK6 6AZ

Auditor

BDO LLP
Citypoint
65 Haymarket Terrace
EDINBURGH
EH12 5HD

Banker

The Bank of Scotland plc
20-22 Shandwick Place
EDINBURGH
EH2 4RN

Directors

David McClements (Convener)
Ian Bell (Treasurer)
Archie Noone (Vice Convener)
Diane Goldberg (Honorary Secretary)

Noni Cobban – Resigned November 2018
Caroline Crawford
Susanne Forrest
Dianne Howieson
Alan Jacques
John Laurie
Mary-Frances Morris
Pamela Brankin
Tom Carroll
Keith Chapman
Bernard O'Hagan
Jayne Pashley
Tracey Ward – Appointed November 2018

2. Structure, governance and management

Alzheimer Scotland is a company limited by guarantee and has obtained permission from the Registrar of Companies to omit the word 'limited' from the company name. Alzheimer Scotland is governed by its Memorandum and Articles of Association (last amended November 2013) and the Rules of the Organisation (last amended December 2018).

The Directors of the Company, in this Report referred to as “the Directors”, are elected from the membership for three-year terms of office by the members at the Annual General Meeting (AGM). The office bearers of the organisation are elected from and by the Directors. Alzheimer Scotland has increased its membership as at March 2019 to 9,180 (8,824 members - 2017/18). The Board of Directors (who are also the Trustees of Alzheimer Scotland for the purposes of charity law) established a Nominations Committee in 2016/17 for the purpose of recruiting new Trustees, and this worked successfully with five new trustees recruited to the Board during 2017/18 and one during 2018/19. Member’s contribution on winding up is £1.

Each year there is an induction and training session for new and continuing Directors. Each Director receives a Directors handbook. Throughout the year Directors are encouraged to visit services and attend conferences organised by Alzheimer Scotland as well as spend time with the Executive Directors as part of their induction.

The Board is responsible for the governance, strategic direction and priorities of the organisation and for approving the annual budget. The management of the organisation is delegated to the Chief Executive and Executive Directors.

Alzheimer Scotland is an active member of several umbrella organisations: Alzheimer’s Disease International, Alzheimer Europe, Coalition of Care and Support Providers in Scotland, the Alliance (formerly Long Term Conditions Alliance Scotland) and the Neurological Alliance. These relationships serve a number of purposes – they help to develop ideas in different markets by sharing expertise and also to pool resources to provide better services.

The Board meets monthly, except in July and November, to oversee day-to-day management. The Board comprises the four office bearers and up to twelve other members of the Board. The Chief Executive attends all Board meetings. The other Executive Directors attend as and when required.

The Board reviews the most significant risks to the organisation at every Board meeting. The main areas of concern continue to be the impact of the economic downturn on public sector budgets and potential reductions in funding for the organisation’s commissioned services and on its fundraised income. In addition, cyber-security and potential data breach risks have also moved up on the risk register. Alzheimer Scotland is working hard at reducing the reliance on public sector funding and over the last few years has been fortunate to receive an increase in its legacy income, which has offset some of these pressures.

3. Objectives and activities

The objectives of Alzheimer Scotland, which are stated in the Memorandum of Association, are:

- i) to promote the welfare and rights of people in Scotland with Alzheimer’s disease and other dementias and those who care for them;
- ii) to provide care, support and information for people with dementia and those who care for them;
- iii) to assist, advise and work with other organisations and individuals in their work in relation to dementia and to promote collaboration between them;

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- iv) to identify the needs of people with dementia and those who care for them, to establish objectives and policies for meeting those needs, to draw the attention of all concerned to those needs, objectives and policies and to keep under review the extent to which those needs are being met;
- v) to provide, promote and assist in the provision of information, training, education, research and development relating to dementia;
- vi) to encourage and assist in the establishment of local groups and branches of the organisation or other bodies with objectives related to the organisation.

These objectives can be summarised in four equally important basic aims:

- i) to be the national and local voice of and for people with dementia and their carers in Scotland;
- ii) to improve public policies for the benefit of people with dementia and their carers in Scotland;
- iii) to provide and secure the provision of high quality services for people with dementia;
- iv) to provide and secure the provision of high quality services for the carers of people with dementia.

The purpose of all four aims is to improve the quality of life experienced by people with dementia and their carers.

In order to achieve these aims, Alzheimer Scotland seeks local authority funding and public donations mainly for local and where appropriate national services. Alzheimer Scotland fundraises to be able to campaign, raise awareness, support research, develop innovative approaches to supporting people with dementia and their carers and fill the gap in funding short-falls. Alzheimer Scotland works closely with people with dementia and their carers to assist them to speak out on behalf of others living with the illness. Partnership working with national and local government and other organisations is also vital.

At 31 March 2019, Alzheimer Scotland had 520 staff (552 - 2017/18) - the average number of full time equivalent employees during the year was 342 (346 - 2017/18) - and 964 active volunteers (938 – 2017/18) operating in 60 sites throughout Scotland. Alzheimer Scotland's commitment to working with volunteers throughout the organisation is a strength because of the wide-ranging experience and knowledge they bring to governance, service provision and fundraising.

4. Mission

Our mission is to make sure no one faces dementia alone. Our aims are to be the foremost provider of support services and information for people with dementia, their families and friends throughout Scotland and to be a leading force for change.

To fund our work, we rely on voluntary donations from the public, companies and trusts, in addition to the fees and grants we receive for providing services to Local Authorities (LA), other funding partners and the local communities in which we work.

5. Strategy Update

5.1 Achievements and performance

We continue to make considerable progress towards creating a robust and influential platform in our mission of making sure no one faces dementia alone. This has included progress in terms of our policy work, campaigns, awareness raising, Dementia Nurse Consultants, service provision (including Link Workers, Dementia Advisors, Dementia Resource Centres (DRCs) and Community Support), research and fundraising.

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The key financial and operational performance indicators monitored by Alzheimer Scotland's management team include internal quality ratings, Care Inspectorate gradings, customer satisfaction survey results, social media presence, maintaining an acceptable level of staff turnover and sickness and, more recently, the findings from an in-depth staff engagement survey.

Alzheimer Scotland's Strategic Plan for 2016-19 was rolled out in October 2016 under the nine themes highlighted below:

1. Raising Awareness & Fundraising Marketing
2. Raising Profile
3. Influencing Change & Promoting Rights
4. Improving our Practice & Innovation in Localities
5. Investing in our People
6. International Engagement, Collaboration & Partnership
7. Research & Innovation
8. Raising Funds & Increasing Investment
9. Developing New Opportunities & Digital Transformation

Progress against the Strategic Plan is reported to the Board every 6 months. The Strategic Plan for 2019-22 is currently being developed and will be rolled out in November 2019.

5.2 Risk Management

Effective risk management is at the heart of the successful delivery of our strategy and for protecting the future sustainability of Alzheimer Scotland. We continue to prepare for the challenging financial climate by ensuring that all our systems and processes are effective and efficient in supporting the delivery of our strategy. One of the main objectives of our Strategic Plan is to achieve significant efficiency savings in everything we procure and commission, as well as minimising all our non-essential costs. Our aim is to protect the level, quality and scale of our frontline operations by reducing and controlling all other expenditure.

Other risks that we face include:

Reputational risk – We rely on all our staff and volunteers delivering a high quality of service at all times to minimise risk as much as possible, as well as on our internal procedures regarding our registered care, support service provision and administrative functions. We have a good external indicator of the success of high quality through our Care Inspectorate grades, which continue to be very good.

Financial risk – We focus on maintaining sufficient funds to meet our charitable objectives. We carefully monitor this risk through a system of financial reporting that compares actual results against the monthly budget. Our investments and reserves policies are set to ensure that we have the ability to cope with variations in income and retain adequate liquidity to meet liabilities as they arise. Credit risk on amounts owed through incoming resources is low.

Health and Safety – This continues to be a risk priority for us. Operational procedures are in place that set out the appropriate best practice and standards to be followed and these are audited periodically to ensure compliance. We also have a robust training programme in place and we have previously sent all our Locality Leaders on an Institution of Occupational Safety and Health training programme. We also purchased a new on-line e-learning suite of training programmes that has made it easier for our staff to learn from relevant health and safety courses.

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Information Security – This item is ever higher on the risk programme of many organisations. It is vitally important that we defend our IT systems from malicious attacks and protect the personal data we hold from unauthorised access and misuse. We recently invested in additional protection measures and brought on board IT security consultants to help ensure that the organisation remains secure. Policies and procedures are also in place for protecting data within the working environment. The organisation was also awarded the Cyber Essentials badge in March 2018; this was retested in March 2019 and retained.

Organisational Change and Sustainability – This item is key to delivering our strategy and business plans in a measured and successful manner.

Strategic Risk – This item is relevant to the external environment in which we operate. That environment continues to present uncertainties arising from the challenges and major changes facing social care partners, especially around funding. We manage the impact of these risks through our planning and performance processes.

The Executive Directors have in place procedures for review and assessment of the business, compliance and environmental risks which may impact upon the activities of the organisation and the achievement of our aims and objectives.

These procedures include an annual written Risk Management Review, which is discussed and approved at the Finance Audit Committee (FAC) before being presented to the Board. “Risk and Governance” also forms a regular item in the Chief Executive’s monthly reports to the Board.

The Risk Management review and assessment include:

- Classifying and understanding the risks to which the organisation is potentially exposed;
- Identification and assessment of actual specific risks and the potential exposure in terms of probability and financial/operational impact;
- Selecting several key risks and agreeing strategies to mitigate and/or obviate each risk;
- Reporting to Executive Directors and the Board about how those risks are managed and monitoring of our potential exposure.

6. Directors’ Report

6.1 Staff

Our people are our most valued asset, and our success is made possible through the immense support, loyalty and hard work of everyone who works here.

Alzheimer Scotland is committed to ensuring that our policy and practice in relation to employment represent and value the ideals of respect, dignity, fairness, and are free from discrimination. We aspire to promote equality as described by the nine protected characteristics in law.

Alzheimer Scotland acknowledge the direct correlation between engagement, the health and wellbeing of our employees and the outcomes that we can deliver for people living with dementia. We are committed to supporting every employee to achieve their personal potential, to use their voice effectively and to feel they have a stake in everything we do towards delivering our vision. Alzheimer Scotland demonstrates this commitment through the principles of the Fair Work Framework as we work towards embedding the dimensions of the framework across every aspect of our employment practice.

There is an ongoing commitment to support the Staff Engagement Group as the formal consultation body representing the views and opinions of our people and to recognise the pivotal role of this

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Group in supporting the overall drive to enable high levels of engagement and collaboration across every aspect of Alzheimer Scotland. Our aim is to be recognised as one of the top employers to work with in Scotland.

6.2 Internal communications

We updated our Internal Communications Strategy during 2018 to continue to aid staff engagement and their participation in organisation-wide activities and processes, along with increased awareness of national messaging and position statements. We also started a monthly Chief Executive briefing that all staff can view so as to hear directly from the Chief Executive on the latest plans and initiatives.

6.3 Volunteering

The contribution from volunteering continues to grow and this year we have introduced role descriptors so that volunteers and people who support them in localities have clarity about what is expected of them in whatever role they are taking on. We had a successful Volunteer Gathering in February 2019, supported by Stirling Highland Hotel, where volunteers from across Scotland came together to share their experiences of volunteering and hear about some of our innovations in research and digital working, as well as the therapeutic value of music for people living with dementia.

Without the ongoing support and commitment of volunteers we would not be able to deliver the range of activities we currently offer.

6.4 Policy and campaigning

Our policy and campaigning activity is underpinned by our commitment to:

- Human rights-based principles
- Evidence-based research
- Partnership and collaboration
- Building consensus, and
- Promoting and supporting the active voice of people with lived experience of dementia.

Campaigning for change

The approach described above has enabled Alzheimer Scotland to play a significant role in shaping each of Scotland's three National Dementia Strategies and influencing and improving practice.

The responsibility for delivering the National Dementia Strategy commitments sits with Scotland's Health and Social Care Partnerships (HSCPs). HSCPs have devolved authority and financial autonomy to make decisions about how to meet the health and social care needs of their local populations.

In the last decade we have worked in partnership with key stakeholders to support the delivery of the National Dementia Strategy commitments and progress has been made. We have seen significant improvement in areas such as diagnosis rates, post diagnostic support, acute hospital care, national educational frameworks, Allied Health Profession interventions and new rights-based standards. However, despite this progress it is increasingly evident that there is a substantial gap between the intention of national dementia policy and local implementation.

A key priority for Alzheimer Scotland has been to ensure that within each of our localities people with dementia, their families, carers and our members, are empowered to have a collective and active voice, and opportunities for meaningful engagement so as to influence local decision making. This year we continued to develop our capacity at local level to ensure that people with dementia, families and carers have a meaningful, collective and active voice at local level. We have worked

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with locality colleagues and our national involvement groups (SDWG and NDCAN) to support engagement events with local people. To support this, and to ensure that local active voice networks are fully informed, we have developed local area briefings for every Health and Social Care Partnership, setting out the progress or gaps in local delivery of key commitments.

Delivering Fair Dementia Care for People with Advanced Dementia

In January 2019, Alzheimer Scotland published the “Delivering Fair Dementia Care for People with Advanced Dementia” report. This report was informed by the Fair Dementia Care Commission, which was established by Alzheimer Scotland to consider the growing evidence of the inequities faced by people with advanced dementia. The commission, a small group of experts led by the former First Minister Henry McLeish, worked with Alzheimer Scotland over an 18 month period to inform the report and make recommendations about what needed to change to deliver fair dementia care.

This report highlights that dementia is caused by progressive and terminal neurological disease processes such as Alzheimer’s disease. Unlike those with other progressive and complex illnesses, people with advanced dementia do not currently have access to the health and nursing care necessary to meet the increasingly complex needs which arise in advanced dementia. In addition, and because of this, people with advanced dementia, their families and carers are disproportionately affected by the costs of social care charges.

The publication of the report marks the beginning of one of the most important national campaigns led by Alzheimer Scotland. The campaign seeks to end the inequities faced by people living with advanced dementia, their families and carers in the lack of access to the health and nursing care they need and the disproportionate impact they face from the costs of social care.

The report makes several recommendations aimed at ending these inequities. The key recommendations are that:

- The Scottish Government commits to recognising that the needs of people with advanced dementia are Health Care needs and ensuring equality of access to appropriate health and nursing care, which is free at the point of delivery.
- The Scottish Government commits to investigating the costs of implementing appropriate and free health care for those living, and dying, with advanced dementia.

While the Scottish Government have acknowledged the publication of the report and are currently considering its findings and recommendations, this is a long-term campaign and we are working to build public and political support for it through a targeted social media campaign, as well as engagement with supporters, key stakeholder groups and organisations at local and national level. A key aim of the campaign is to build support among the main Scottish political parties and ask them to include a commitment to deliver the recommendations of the report in their election manifestos for the Scottish Parliament elections in May 2021.

Healthcare

Our Alzheimer Scotland Dementia Nurse Consultants continue to support the Dementia Champions programme (which now has over 900 graduates), working to deliver improvement in acute hospital care. We have also been working with the Alzheimer Scotland Dementia Nurse Consultants group to develop a strategic report of their contribution to improvement in acute hospital care for people with dementia and setting out their priorities for improvement going forward. (This report was published in June 2019.)

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Our National Allied Health Professions (AHP) Consultant continues to lead the implementation of 'Connecting People, Connecting Support'. Developed collaboratively with the Scottish Government and the AHP community and utilising the experiences of people living with dementia, 'Connecting People, Connecting Support' sets out a framework for how allied health professionals in Scotland can improve their support for people with dementia, families and carers to enable them to have positive, fulfilling and independent lives for as long as possible.

We also continue to work with the Scottish Government and local partners to take forward the recommendations of the Transforming Specialist Dementia NHS Care report. This report, commissioned by the Scottish Government, is a detailed review of the nature and challenges of specialist dementia care across Scotland. It introduces a vision of what a good specialist dementia unit should be, including the roles and skills required by the teams, the quality of care, the size of specialist dementia units and crucially highlights that, in many areas, current units are not fit for purpose and must be rebuilt. The report also develops a model of safe transition for those whose needs do not require this level of specialist care.

Participation, research, and international engagement

High quality research is crucial to Alzheimer Scotland and to Scotland in the pursuit of excellence in responding to dementia. It drives innovation in policy and in practice and is a key element of what we do as an organisation. It can also attract substantial investment to Scotland's dementia research community. As well as investing in our Dementia Research Centre and Brain Tissue Bank at the University of Edinburgh, and our Centre for Policy and Practice at the University of the West of Scotland, we have developed strategic partnerships with a range of Scotland's universities based on the areas of research expertise of each institution.

Alzheimer Scotland has a key role in the facilitation, collaboration and investment in Scottish dementia research. Crucially, we often act as an intermediary in bringing key stakeholders in dementia research together and facilitating collaborative research which can build on the strengths and the significant contribution of Scottish dementia researchers. A key aim is to promote Scotland as a good place to carry out dementia research. This requires both investment in Scotland and participation in dementia research.

We continue to support the work of the Scottish Dementia Research Consortium (SDRC), which brings together researchers, practitioners, social scientists and policy makers who are working on all aspects of dementia research across Scotland. In the past year we have been working with the consortium to map out the contribution of Scottish-based dementia researchers in dementia research. As well as demonstrating this contribution, the mapping provides a crucial baseline to identify further areas of research and potential areas for funding opportunities and investment.

Throughout this year we have been engaged in discussions with research, clinical, technical and academic partners to explore how we can make the most effective use of our collective skills and resources to improve the research capacity in Scotland. This is important because research is crucial to improvement in all areas of practice, and supports our focus on prevention, better care and potential future treatments or cure. A key area of development has been working with stakeholders to ensure a clear, straightforward and empowering route for people to participate in research. Based on our engagement, we have developed a proposal to promote Join Dementia Research as that single access point, with other stakeholders working together to make Scotland an attractive place for dementia researchers and investment.

There is increasing evidence that up to 30% of dementia cases may be preventable at a population level. Our understanding of the risk factors, health inequalities and disease processes is creating a paradigm shift in how we respond to dementia as a public health priority. Throughout this year we

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have been holding discussions with the Scottish Government to develop a brain health and prevention strategy for Scotland.

Alzheimer Scotland's international reputation continues to grow and there is considerable interest in our human rights and evidence-based approach to developing public policy. This attracts a large number of international visitors who wish to learn from Alzheimer Scotland's approach in digital innovations, creative practice, and policy and campaigning. In early 2019 we began to develop a proposal to establish the Alzheimer Scotland International Centre, in partnership with the University of the West of Scotland. The International Centre will offer learning opportunities for international visitors. We are currently developing the business model for the Centre with partners.

6.5 Localities

In the past year Alzheimer Scotland has continued to develop within our localities. Our local work has become even more focused, through the introduction of the 7 Dimensions Model and the Locality Path, thus providing ever greater clarity on our intended aims and objectives for locality teams of staff and volunteers and overall improved clarity for the whole range of people we engage with.

On a geographical basis, we reviewed the number of localities in which we operate and reduced them from 38 to 21. This took account of natural connections and streamlined our activities following changes the previous year in home support services. We have also been introducing the role of Locality Leader across the localities. This is a natural development of the previous Service Manager role and ensures that a locality-wide overview is undertaken in each area. This has been well received both internally and externally. We now provide activities and supports across the majority of Scotland.

We also continue to develop our Dementia Resource Centres (DRCs) and now have 19 across Scotland. We have undertaken refurbishments of premises in Motherwell, Inverness, West Dunbartonshire, East Dunbartonshire and West Lothian (Livingston). We have also taken on a property lease at Kelso in the Borders.

Our community-based groups and activities have increased significantly in the past year with 2,457 sessions in Dementia Cafes taking place with 32,275 attendees over the year. Our Dementia Advisors, Community Activity Organisers and volunteers held 1,139 activity groups, supporting over 6,000 people living with dementia. We also held 2,401 groups supporting people living with dementia and their carers and these were attended by 25,463 people over the year.

In our day services, we provided over 35,775 sessions, enabling people to take part in meaningful activities which support them and their families to continue to manage and live as well as possible with dementia.

Alzheimer Scotland's 75 Post Diagnostic Support Link Workers have provided support to people around many parts of the country and have had over 60,000 direct contacts, including nearly 40,000 face to face meetings or phone calls. The support provided aids people in remaining connected with their communities or in reconnecting where connections have previously been lost and so help people to live in their community for longer.

We have held 796 Dementia Friends sessions in localities for large and small businesses and groups of interested people, raising awareness and understanding of dementia and working towards ensuring that communities can be more understanding and accessible to people living with dementia and their families. These sessions alone have reached nearly 11,000 people.

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Our number of Volunteer Coordinators has increased across the country, resulting in a growth in the number of volunteers who are supporting a whole range of activities and events within our localities. Volunteers help with staffing our Resource Centres and a whole range of our activities from musical groups to our Day Services, as well as helping to raise much needed funds to support our ongoing work.

We continue to be regulated and inspected by the Care Inspectorate throughout the year, with the focus now being on our Day Services and Supported Living Service. The changes to home care have meant a reduction in the number of inspections taking place, due to the reduction in the number of registered services and the frequency of required inspection. All of the registered services we provide continue to be graded at 4 (good), 5 (very good) or 6 (excellent).

We continue to build staff capacity and confidence in Self Directed Support (SDS) to support people living with dementia and families. Our Self-Directed Support in Action learning programme is now embedded at the Enhanced level of the Promoting Excellence Framework. Two sessions of this learning programme were delivered in 2018 to 20 Alzheimer Scotland and Caledonia Social Care colleagues. The digital SDS toolkit is now available on our intranet, ALIS, and the Dementia Circle website.

SDS specific enquiries have increased on last year. We supported 4 pieces of SDS research throughout the year, promoting recruitment opportunities for people living with dementia and family involvement. Alzheimer Scotland was represented at 12 national SDS events and 7 local events throughout the year.

6.6 Workforce Development

During the year we delivered the first Future Leaders programme in partnership with the Social Enterprise Academy, representing an investment in our people who want to progress within Alzheimer Scotland but are not currently in a leadership or management role. Though not intended as a fast track into a promoted role, the confidence and increased connectivity to Alzheimer Scotland that the programme offered resulted in 6 participants successfully securing promoted roles.

We are currently in year 3 of a 4 year partnership with The Lens intrapreneurship programme, with a 36% increase in applications from the previous year. These are innovative ideas which could make a positive difference to people living with dementia and their families. The first Lens projects are now ready to be replicated. We recognise the value of The Lens programme in engaging our workforce and so plan to brand an internal programme of intrapreneurship once our partnership with The Lens programme concludes.

Our external specialist dementia training has been particularly successful this year with income almost double the target. Customers represent a diverse range of participants from Police Scotland to Edinburgh International Book Festival to the entire 960- strong Home Care workforce of North Lanarkshire Council.

We recognise the value of Alzheimer Scotland colleagues who have the same role but are based in different localities coming together to share practice and learn from each other. We now facilitate 9 such communities of practice, each of which has met 4 times during the year, with each of those roles developing expertise and consistency across the country.

We are working towards closer engagement with Scotland's social work system in the fulfilment of our ambitions. We are developing relationships with social work educators in Scotland's universities and are co-ordinating social work student placements with the intention of giving students a quality

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experience with Alzheimer Scotland that will introduce them to our rights-based approach and motivate them to influence the future social work workforce, through sharing with their colleagues their positive experience with us.

6.7 Development

Dementia Dog Project

Alzheimer Scotland's collaboration with Dogs for Good in the Dementia Dog Project, initially started as a concept from students at the Glasgow School of Art which had the aim of finding fresh perspectives into service design for people living with dementia.

With the help of funding, this early idea developed into a world-first formal pilot to train assistance dogs for people living in the early stages of dementia. This resulted in the successful training and placement of three dementia assistance dogs with families in east Scotland, helping maintain a structured home routine, be a social connector within the community and an emotional anchor for both the person with dementia, and their carer.

In 2016, the project received a transformational injection of funds from the Life Changes Trust, enabling the training and placement of a further eight assistance dogs with couples in Scotland. The dogs can help remind someone to take medication, regulate sleeping patterns, help them dress, increase physical activity and boost confidence to help enable the person with dementia to live at home for longer with their family.

To help achieve these benefits, the Dementia Dog team worked in close collaboration with the Scottish Prison Service and Paws for Progress Community Interest Company to establish Scotland's first prison-based assistance dog training programme. Prison participants complete an introductory dog training and welfare course run by Paws for Progress and then progress to working with the Dementia Dog team to help with the training of assistance dogs. The programme aims to develop the participants' employability skills, enhance their engagement with education through Fife College and make a positive and lasting contribution through the provision of highly trained assistance dogs to help people living with dementia in the community. To date, 14 men in custody have benefited through involvement in the training of five dementia assistance dogs.

Paws for Progress are working with the University of Stirling to monitor overall rehabilitative outcomes. Already in this short space of time, participating men have gained an impressive number of SQA qualifications in topics such as Communication, Numeracy, Working With Others, Animal Care and Dementia Studies.

This year has seen the successful placement of all 8 of the new dogs, which completes our obligations under the Life Changes Trust funding agreement. They join Kasper, Oscar and Alex from our original pilot, and means the Dementia Dog family is growing not only in number but also in geographical spread – with working dogs now located from Aberdeen, Fife and Tayside to Stirlingshire, Glasgow and Edinburgh. We continue to support the families in many ways and our team in many cases provide a conduit to other community supports and events in their local areas.

The families also feel part of the Dementia Dog community, with opportunities afforded recently for them all to meet and share their journeys. The evaluation continues to the end of the project in August 2019, on completion of which we will make the findings and outcomes widely available.

In addition, our Community Dogs work helps motivate people who may be feeling isolated through their diagnosis, to reconnect with activities in their community. This work is spreading throughout the Central Belt, with many individuals who may not qualify for a full-time assistance dog now benefiting through this innovative approach to boost their long-term confidence and reduce social

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isolation. We are working closely with the Caledonia Social Care team and Town Break in Stirling who are referring people they work with who could benefit.

With the training of our current dementia assistance dogs now complete, work has started on a public fundraising campaign to raise the money required to secure a future for the Dementia Dogs programme and continue this life changing work.

Purple Alert

Purple Alert is a smartphone app which helps to find people living with dementia if they become lost. Developed by Alzheimer Scotland alongside People Living with Dementia, the app is free to download and use. A family can upload a profile for the person they care about and can raise an alert which is shared with the Purple Alert community within a 30-mile radius. It has been developed alongside partners, including Police Scotland to ensure it fits with their missing persons protocols.

We continue to promote and provide information at national and local levels to enable people to download Purple Alert - <http://dementiacircle.org/products/purple-alert>

Alzheimer Scotland is committed to offering this app free at point of download to support families. It is our first digital support offering and we hope to increase these over the coming year.

2018/19 has been a great year for Purple Alert with over 7,000 downloads. Eight people have used the app and all were found safe and well in under 4 hours. Purple Alert has been operating for a year and we have seen our community of users growing exponentially. Alzheimer Scotland is very grateful to our corporate sponsors who enable us to carry out our work and to make our communities safer for people living with dementia. We have had a high level of interest from partners across Scotland and we are working with them towards integrating Purple Alert into their organisations and workforces. We also have a list of improvements we want to make to the app and are now looking for additional funding to make this possible.

Tech Team

In 2018/19 our digital team developed and delivered Confident Conversations about Technology learning days to over 1,600 practitioners from partner organisations across Scotland. These practitioners can help families to consider technology as part of their care plan and can signpost to other sources of support.

Other supports we developed in this period included the use of Virtual Reality for therapeutic sessions and to support the development of procedural memory; the use of technology alongside our Dementia Dog Project, having them activate automated tasks around the home by interacting with Internet of Things devices; development of custom voice skills for Amazon Echo and Google Home, (experience and testing has shown that this is a desirable and enjoyable way to find and receive information); the use of Digital Dementia Resource Centres where anyone can come in and see technology in action, from using a video doorbell, to operating smart home devices like Wi-Fi bulbs and voice activated TV controls, to asking Alexa what time the art class starts.

The team has also been working on a major piece of work for the Scottish Government, leading a consortium of 12 partners to unlock thinking around Citizen Technology. This Test of Change project will be central to a creative transformational shift, creating a platform for the visionary change required in the use of citizen technology.

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6.8 Communications & Marketing

Events

In 2018/19 we hosted our annual conference at the Edinburgh International Conference Centre and were delighted to welcome over 650 delegates, 52 exhibitors and 36 poster presentations. The theme of the conference was 'Making sure nobody faces dementia alone', with the final debate for the day chaired by TV broadcaster Eleanor Bradford. Delegates also participated in the 'Next Big Innovation' competition and voted 'CogniCare' as the winner of supportive funding.

Other national events hosted throughout 2018/19, included: the Scottish Dementia Research Consortium conference; Scotland's Dementia Awards with our partners at NHS Education for Scotland (NES) and the Scottish Social Services Council (SSSC) in celebration of World Alzheimer's Day; the Alzheimer Scotland Centre of Policy and Practice 'Celebration Lecture' at the new Lanarkshire campus; our own Staff, Volunteers' and Members' conference (including the AGM); along with the Alzheimer Scotland annual Winter Lecture, which welcomed 300 delegates to the Old Fruitmarket, City Halls, Glasgow and featured an intriguing lecture delivered by Professor Karen Ritchie, Research Director of the French National Institute of Medical Research, entitled 'Myths and dreams'.

Furthermore, throughout the year, there were a number of Dementia Resource Centre Openings after refurbishments at Clydebank, East Dunbartonshire, Inverness, West Lothian and Lanarkshire.

Membership

Membership has risen to 9,180 over the year and we had excellent member representation at key events including the annual conference, staff conference and AGM and the Christmas lecture. During the year, Henry Simmons, our Chief Executive, continued with the series of locality engagement sessions around the country, supported by local teams and the Public Policy team, with sessions delivered in Dalkeith, Kirkcaldy, Shetland, Aberdeen and Inverclyde. Local members were invited to these sessions along with MSPs, Dementia Friends, fundraisers, volunteers and local supporters. These sessions continued to be successful insights into people's experience of post diagnostic support and SDS, as well as care and support from Alzheimer Scotland. The sessions have also contributed to awareness - raising about the support Alzheimer Scotland can provide and why it is so vital to raise funds to continue these supports. We will carry on building the local engagement work, with our Policy team, to embed participation and support for the organisation, whilst facilitating a collective voice to influence the decision-making that has been devolved to the local Integrated Joint Boards.

Our Dementia in Scotland magazine continues to be one of the main opportunities to communicate with our members and has undergone a subtle transformation throughout the 2018/19 editions to focus more on featured articles, rather than short updates. Three editions were produced in 2018 (spring, summer and autumn), with a readership of 20,000. However, the newly revamped e-Newsletters are also proving to be an important method of communication with our members, as over 50% of our membership (for whom we have email addresses) are opening and engaging with the content. The e-Newsletters are being opened by 6,800 people (on average) every month.

Our membership has also been an active participant in our quest to secure a new website for delivery in 2019. Members have taken part in a mix of workshops (there were five held throughout Scotland) and online surveys, so that we can better understand what information and support they need from Alzheimer Scotland.

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Engagement

We have continued to nurture the online internal platforms of ALIS and Yammer, to streamline the number of organisational “asks” and access to information from the senior leadership team, and to ensure all employees feel engaged with the organisation’s mission and vision and feel supported as the vision for each locality evolves. Initial ideas have been placed for informational screen savers and locality marketing plans, but there are many more opportunities within this area and 2019 will see this approach as to how we engage with volunteers, fundraisers and campaigners extended.

Raising awareness

Dementia Awareness Week in 2018 shared the same strapline as the annual conference and the organisation; ‘Making sure nobody faces dementia alone’. This allowed us to focus on spreading the word about the importance of local support and general dementia information and facts. We produced easy to understand, ‘shareable’ infographics on dementia information, which were boldly branded and incorporated consistent simple calls-to-action to maximise engagement with our supporters, as well as to attract new stakeholders.

This approach helped social media activity flourish this year, with over one million reached and thousands engaged with Alzheimer Scotland online. There was also an increase in the number of supporters ordering participation packs, with more than triple the number of packs ordered in 2018, compared to 2017.

Over one hundred locality events took place across the country during Dementia Awareness Week 2018, reflecting the sheer scale of the campaign across Scotland. These events were diverse, from fundraising Tea and Blether events to shopping mall takeover days, and provided lots of attractive stories for PR engagement. Over 120 pieces of press coverage were secured throughout the week, including a prominent segment on BBC Radio Scotland.

Public Relations (PR) engagement continues to transition towards a more local approach, rather than responding to sensationalised headlines, resulting in over 1,557 press clippings generated throughout the year. This localised approach worked well for the launch of Memory Walks 2018, which was the first year without a media partnership supporting the event. Being able to identify and place inspirational fundraising stories across local listings, along with support from Scottish actor Martin Compston, resulted in nearly 100 press clippings. Further inspirational fundraising stories were able to be shared during the Change Dementia campaign in January 2019 with a two-page feature generated in the Sunday Mail, focusing on a London marathon runner who had lost both parents to dementia, along with coverage secured in key regional news titles. This localised PR support for Change Dementia, along with our change in approach to social media advertising, resulted in Alzheimer Scotland attracting an additional 70 people, to take part in various fundraising events throughout 2019.

In support of World Alzheimer’s Month we worked with the Johnston Press Group to place a local ‘letter to editor’ from Henry Simmons, which highlighted the ongoing gap between national policy and dementia care and support across communities. Further PR coverage was secured for the launch of ‘Delivering Fair Dementia Care for People with Advanced Dementia’ report in February 2019 across various media including The Herald, STV and the Daily Record.

With large awareness campaigns such as Dementia Awareness Week and Delivering Fair Dementia Care, along with the increased level of informational, personalised and localised posts, our online presence has also steadily grown over the year, with 23,937 followers on Facebook and 20,784 followers on Twitter secured by the end of the year, 14% and 6% increases respectively. A notable addition to our social media presence is the growth on our Instagram account, to keep up with developing audience trends, with 1,780 followers on Instagram a year on year increase of 39%.

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As part of our winter campaign, we released winter tips from the Alzheimer Scotland Dementia Nurse Consultants, to continue blending fundraising and policy asks with a demonstration of how Alzheimer Scotland is supporting individuals in their local community.

To continue increasing our awareness activities, the Memory Buses were refurbished and will be embarking upon a road tour of Scotland in 2019, along with investments placed in takeover days at Edinburgh Haymarket train station.

6.9 Fundraising

The fundraising income for the year has been very satisfactory and again highlights the enormous dedication of Alzheimer Scotland supporters, volunteers and colleagues to engage with the organisation and to act to ensure that we can sustain our important work. Without our wonderful supporters we would not be able to continue our work.

Overall £6.9m was raised in 2018/19, which is a fantastic achievement. Every donation we receive makes a difference and we have continued to ensure best practice in every aspect of our fundraising work. We do not operate door-to-door fundraising nor do we do on-street canvassing for direct debits, and we do not use call centres or issue cold-call mailings. All senior fundraising staff are members of the Institute of Fundraising and adhere to their practices and policies.

Legacies

In 2018/19 we received just short of £2.6m from generous supporters who left us gifts in their wills. This is the highest annual amount we have recorded from legacies. We will be looking to increase our information and publications around legacies during 2019/20 and will highlight the vital work that these legacies support.

Corporate Partnerships and Events

The Corporate and Events teams were brought together in September 2018 and engaged with supporters, volunteers and colleagues to raise over £1.5million in 2018/2019.

Events

Overall fundraisers brought in £258,000 for regional events, while sponsored and community events brought in £784,000 in 2018/19. We developed a supporter journey to improve engagement with our supporters and implemented an income tracker to record recruitment and fundraising targets. The team worked collaboratively with the Communications and Fundraising Support Teams to develop a robust digital recruitment strategy and improve internal processes. Over £65,000 was raised from the London Marathon, while the Zipline across the Clyde raised £48,000. The top performing events continue to be the Edinburgh Marathon Festival and Kiltwalk series. Alzheimer Scotland was ranked the top performing premier affiliate charity at the Edinburgh Marathon Festival and the 5th top performing charity across the Kiltwalk series.

Corporate Partnerships

The Corporate team went through a period of change in late 2018. The decision was made to rename the corporate fundraising team as Corporate Partnerships and bring additional support and skills into the team to expand our engagement with our corporate partners. Corporate partners included Iceland, Argos, HSBC, Hewlett Packard and Buzz Bingo which together generated £705,750 in income. We worked in partnership with Macmillan Cancer Support on the delivery of the DM Hall Ball which raised over £17,000 for Alzheimer Scotland, while our own annual Crystal Ball continues to perform well, raising just under £60,000. We also received a one-off donation of £50,000 from NEX plc following a nomination from one of their board members.

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Dementia Friends

In 2018/19, the number of Dementia Friends continued to grow, increasing from 60,000 to nearly 80,000. Our focus is to ensure that we engage with individuals and organisations through our face to face sessions to help them to understand the work that Alzheimer Scotland does. Over the course of 2018/19 we have continued to grow the number of Dementia Friends within Scotland's Emergency Services, creating over 1,600 to date. We have established new partnerships with entities such as Co-Op Funeral Care and William Hill/Scottish Racing Partnership, to ensure that people are supported to continue activities that are important to them. We continued to support students within Queen Margaret University, Napier University and Strathclyde University, preparing them for a career in Health or Social Care. We started work with the Scottish Parliament in 2018/19 and will be working closely with them to create a Dementia Friendly Parliament going forward. Across Scotland our Dementia Advisors are working with various organisations and groups to enable people to have a better understanding, thus continually growing the number of people who are Dementia Friends in their localities. We are also supporting communities to build Dementia Friendly communities, working towards Scotland being seen as a Dementia Friendly country.

Future Fundraising

During the Summer of 2018 we implemented a new overarching strategy for our fundraising team, and also took the opportunity to change the structure of the team, investing in new posts and more effectively co-ordinating the various elements of fundraising. We also brought in new payment systems and improved the IT systems, including an investment in staff training. We also introduced donation by contactless payment and better on-line payment options, as well as a new e-commerce platform for new merchandise lines. We will continue to ensure our database of donors is appropriately and adequately updated and held securely.

7. Financial review

We ended the financial year with a surplus of £745,771 (2017/18 deficit - £241,983).

The Statement of Financial Activities shows that total annual income of £16,793,175 was up by 2.8% (£16,330,550 – 2017/18), and total expenditure of £16,125,523 was down by 2.4% (£16,522,108 – 2017/18). Net gain on investments is £78,119 (loss of £50,425 – 2017/18). This gives us the net surplus of £745,771 (deficit of £241,983 - 2017/18).

Tangible assets increased by 3.6% from £7,035,110 to £7,291,253. This increase came about as a result of an extension being built on our Mid Lothian property, a new mini bus for our Renfrew Day Care service and the refurbishment/refresh of several of our existing properties, such as our East Dumbarton, Inverness, Clydebank, Livingston, Kelso and Falkirk properties. Details of fixed assets are shown in Note 13 to the financial statements.

The Group (being the charitable company, namely Alzheimer Scotland – Action on Dementia and our trading subsidiary, Dementia Scotland Limited) has free reserves of £3,648,428 (£3,277,454 - 2017/18).

The free reserves relate to services, branches and national office. Each service aims to have around twelve weeks' running costs as cash reserves, which means the unrestricted funds balance is less than the £3.7 million required. However, our investments with Sarasin would be liquidated back to cash if required. The Board of Directors considers the key measure of sustainability for Alzheimer Scotland to be the current and future liquidity cover, rather than the surplus or loss accounting position. Directors have decided that at all times we should maintain cash and readily realisable assets sufficient to fund twelve weeks of cash outflow. The twelve weeks' running costs is

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to allow, in the event of having to close all services and projects, for having sufficient funds to ensure a safe closure in terms of Care Inspectorate and staff notice periods.

The Directors approve recommendations for the use of funds from the General Funds for strategic commitments or restricted uses, taking into account the unpredictability of legacy income and the organisation's reserves policy. Each year decisions are made about the use of reserves when the annual budget is prepared and approved.

The Group has restricted funds of £1,173,220 (£1,295,228 - 2017/18). This includes restricted income funds of £147,710 and the restricted legacy reserve of £1,025,510. Restricted funds must be used for the purpose or area for which they were given, and the group seeks opportunities to use these funds, where appropriate, in agreement with the providers.

The endowment fund of £103,368 (£123,118 - 2017/18) is the Michael Clutterbuck Bequest. Under the terms of the bequest, the group retains the capital of £100,000 and when sufficient interest accumulates, spends the interest on innovative home support services. During the financial year, £20,000 was spent at our Fife service towards care at home transition costs.

Total funds are now £14,694,899 (£13,949,128 - 2017/18) (5.3% increase on 2017/18), £4,925,016 of which are net current assets. The proportion of total reserves that is unrestricted is 91.3% (89.3% 2017/18).

The principal funding sources for Alzheimer Scotland are Local Authorities (33%), NHS Boards (10%), Scottish Government and specific grants (8%), fundraising, trusts and donations (29%), legacies (15%), private individual payments for SDS and home private purchase (3%), investment income (1%) and Caledonia Social Care share of surplus (1%).

Most of the organisation's charitable expenditure is spent on care related services at 92.14%. The other 7.86% is split as follows: fundraising 2.74%, campaigning 0.67%, research 1.83%, involvement 2.08% and awareness raising 0.54%. Support costs included in the above is 7.29% of total expenditure and includes governance of 0.31%.

The organisation's banking policy is to minimise risk by holding liquid reserves in interest-bearing bank accounts. The organisation's investment policy was extended so as to invest through external fund managers Sarasin. Initially £1 million was placed with them in 2014/15 which will help secure future growth and better returns than are presently enjoyed by holding cash in low interest rate accounts. As a consequence of the sale of our previous premises at Drumsheugh Gardens, we invested a further £1 million with Sarasin in 2017/18. These investments are closely monitored by the Finance Audit Committee (FAC) at all their meetings; in addition, the investment managers meet with the FAC and then separately with the Board on an annual basis to discuss the investments and markets in general. The year-end listed equities balance is £2,328,813 (£2,157,204 - 2017/18).

The investment income of £100,384 (£71,518 - 2017/18) comprises bank interest of £25,192 and £75,192 income from our investments with Sarasin.

8. Future Plans

In 2019/20 we will continue to implement our locality vision, building on the successful introduction of the Locality Leadership Team concept last year and the matrix approach we developed that has enabled the unification of our support services, fundraising and policy campaigns in each locality. We will continue to focus on local fundraising in order to support the key roles of Dementia Advisor, Community Activity Organiser and Volunteer Co-ordinator. Alongside this we will seek to identify a

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small number of new Dementia Resource Centres and continue in our drive to take dementia to the high street.

2019 will mark the 10th anniversary of the Dementia Advisors and we will produce a report to celebrate this and mark the difference this investment has made for people with dementia, their families and communities across Scotland.

Building on our desire to ensure that our staff, volunteers and supporters are as connected, engaged and as well supported as possible and to fully embed the Fair Work Framework across all our work, we will set up a new People, Wellbeing and Engagement Directorate. This will merge our Human Resource, Workforce Development and Communication and Marketing Teams.

We will continue to support improvements within our General and Specialist Hospital environments and in particular this year we will produce a detailed report highlighting the work and impact of the Alzheimer Scotland Dementia Nurse Consultants. (This report was published in June 2019.) We will maintain our support to implement our AHP model and report, Connecting People – Connecting Support and we will support the implementation of our Transforming Specialist Dementia Care report. We will continue to work alongside our partners, NHS Education for Scotland and the SSSC to deliver the objectives of the Promoting Excellence Programme and maintain our partnership with the Focus on Dementia Team. We will work closely with the Scottish Government Dementia Policy Team in order to ensure the commitments within the National Dementia Strategies are delivered and we will also seek to improve our policy discussions and engagement with local authorities, in particular the social work practice and policy community.

Our main campaign will be to deliver on the findings of the “Delivering Fair Dementia Care for People with Advanced Dementia” report and ensure that these are fully committed to by the Scottish Government, based on cross party consensus. Alongside the Scottish Dementia Research Consortium and Centre for Dementia Prevention we will take a new campaign to the public on Dementia Prevention and Brain Health. We will maintain our investment and partnerships with the Alzheimer Scotland Research Centre at Edinburgh University and Alzheimer Scotland Centre for Policy and Practice (ASCPP) at the University of the West of Scotland. In partnership with ASCPP, we will explore the development of an International Centre and build a more meaningful educational and practice framework around the high level of international visitors that we host.

We will complete the restructuring of our Fundraising Team and ensure that we make every penny received count by investing in our locality path, research, nurses and ongoing campaigns. We will build on our strong media and communications platform, expanding our support base and continuing to grow our Dementia Friends throughout Scotland.

The collective voice of people with dementia and their carers will be at the centre of all that we do, and we will continue to work as closely as possible with members of the Scottish Dementia Working Group and the National Dementia Carers Action Network to ensure that our policy work, campaigns and direct support reflect their lived experience and expert views.

9. Going concern

The Directors have reviewed the financial position and financial forecasts, which cover the 3 years to March 2022, taking into account the levels of investments, reserves and cash, and the systems of financial control and risk management. As a result of this, the Directors believe that we are well placed to manage financial and operational risks successfully.

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Accordingly, the Directors have a reasonable expectation that the Charitable Company and the Group have adequate resources to continue in operational existence for the foreseeable future. As a consequence, they continue to support the going concern basis in preparing the annual accounts.

10. Statement of Directors' responsibilities

The Directors (who are as previously explained also the Trustees of Alzheimer Scotland for the purposes of charity law) are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Directors 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 the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditor

BDO LLP has expressed its willingness to continue in office as auditor of the company. The Finance Audit Committee of the organisation has reviewed and affirmed the effectiveness of the external auditor. A resolution will be proposed at the next AGM for the appointment of auditors.

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Provision of information to auditor at the time of approval of this report:

- So far as the Directors are aware, there is no relevant audit information of which the auditor is unaware, and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In approving the Directors' Annual Report, the Directors are also approving the Strategic Report in their capacity as Company Directors.

By order of the Board of Directors



.....
Hon. Secretary and Director

Diane Goldberg

Edinburgh 30th August 2019

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS AND TRUSTEES OF ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

Opinion

We have audited the financial statements of Alzheimer Scotland – Action on Dementia (“the parent charitable company”) and its subsidiaries (“the group”) for the year ended 31 March 2019 which comprise the consolidated statement of financial activities, the consolidated and company balance sheets, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent charitable company’s affairs as at 31 March 2019 and of the group’s incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements 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 related to going concern

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

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

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- **Other information**

The other information comprises the information included in the directors' report, strategic report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises: the directors' report – including strategic report. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the directors' Report included within the trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- proper and adequate 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 directors' 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 directors' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the

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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 determines 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 the 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 the 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

We have been appointed as 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 the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Martin Gill
Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh, UK

Date *6 SEPTEMBER 2019*

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**Consolidated Statement of Financial Activities (SOFA)
Incorporating income and expenditure account**

For the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £	Restated 2018 Total £
Income and endowments from						
Donations and legacies	4	6,787,999	140,430	0	6,928,429	5,408,177
Other trading activities	5	455,637	0	0	455,637	400,898
Income from charitable activities	6	524,928	8,676,696	0	9,201,624	9,496,307
Income from investments		95,117	5,017	250	100,384	71,518
Share of surplus of associate	15	107,101	0	0	107,101	0
Other (gain on disposal of tangible assets)		0	0	0	0	953,650
Total income		7,970,782	8,822,143	250	16,793,175	16,330,550
Expenditure on						
Raising funds	7	(440,063)	(603)	0	(440,666)	(428,187)
Charitable activities	8	(5,504,966)	(10,179,891)	0	(15,684,857)	(16,010,889)
Share of loss of associate	15	0	0	0	0	(83,032)
Total expenditure		(5,945,029)	(10,180,494)	0	(16,125,523)	(16,522,108)
Net gains/(loss) on investments		78,119	0	0	78,119	(50,425)
Net income/(expenditure)		2,103,872	(1,358,351)	250	745,771	(241,983)
Transfers between funds	20,22	(1,216,343)	1,236,343	(20,000)	0	0
Net movement in funds		887,529	(122,008)	(19,750)	745,771	(241,983)
Reconciliation of funds						
Total funds brought forward		12,530,782	1,295,228	123,118	13,949,128	14,191,111
Total funds carried forward	20-23	13,418,311	1,173,220	103,368	14,694,899	13,949,128

The consolidated statement of financial activities includes all gains and losses recognised in the year.

Prior year comparative breakdown across funds is shown in Note 3.

All results reflect continuing operations – highlighted further in Note 1(n).

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For the year ended 31 March 2019
Consolidated and Company Balance Sheets

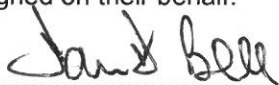
At 31 March 2019

	Notes	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	13	7,291,253	7,035,110	7,291,253	7,035,110
Investments	14	2,329,561	2,176,250	2,329,561	2,176,250
Investments in subsidiary and associate undertakings	15	149,069	41,968	126,000	126,000
Total fixed assets		9,769,883	9,253,328	9,746,814	9,337,360
Current assets					
Debtors: amounts due within one year	16	2,259,932	1,547,518	2,247,221	1,533,580
Cash at bank and in hand		4,198,544	4,555,888	4,190,476	4,534,013
Total current assets		6,458,476	6,103,406	6,437,697	6,067,593
Liabilities					
Creditors: amounts falling due within one year	17	(1,533,460)	(1,407,606)	(1,513,681)	(1,372,793)
Net current assets		4,925,016	4,695,800	4,924,016	4,694,800
Total assets less current liabilities		14,694,899	13,949,128	14,670,830	14,032,160
Funds					
Restricted income funds	20	1,173,220	1,295,228	1,173,220	1,295,228
Endowment funds	21	103,368	123,118	103,368	123,118
Total restricted funds		1,276,588	1,418,346	1,276,588	1,418,346
Unrestricted funds	22	13,418,311	12,530,782	13,394,242	12,613,814
Total unrestricted funds		13,418,311	12,530,782	13,394,242	12,613,814
Total Funds		14,694,899	13,949,128	14,670,830	14,032,160

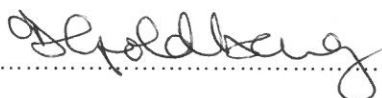
The surplus for the year of the charitable company being the parent company is £638,670 (2017/18 deficit £158,951).

No separate Statement of Financial Activities has been presented for the company alone, as permitted by section 408 of the Companies Act 2006.

The financial statements were authorised and approved by the Directors on 30th August 2019 and were signed on their behalf:



Ian Bell
Treasurer and Director



Diane Goldberg
Hon. Secretary and Director

Company registration number SC149069
Charity number SC022315

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

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Consolidated statement of Cash Flows

For the year ended 31 March 2019

	2019	2018
	£	£
Cash flows from operating activities		
Net (expenditure)/income for the reporting period (as per statement of financial activities)	745,771	(241,983)
Depreciation charges	512,341	466,123
(Increase)/decrease in debtors	(712,414)	1,126,609
Increase/(decrease) in creditors	114,233	(1,213,010)
(Gains)/losses on investments	(78,119)	50,246
Share of (gains)/losses of associates	(107,101)	83,032
Gain on disposal of fixed assets	0	(953,651)
Dividends, interest and rents from investments	(100,384)	(71,518)
Net cash provided by/(used in) operating activities	374,327	(754,152)
Cash flows from investing activities		
Proceeds from sale of fixed assets	0	1,278,900
Purchase of fixed assets	(756,869)	(242,549)
Proceeds from sale of investments	0	227,027
Purchase of investments	(93,485)	(1,271,027)
Purchase of associates investments	0	(125,000)
Dividends and interest from investments	100,384	71,518
Reduction in fixed term deposits	984,720	(11,245)
Net cash provided by/(used in) investing activities	234,750	(72,376)
Increase/(Decrease) in cash and cash equivalents	609,077	(826,528)
Cash and cash equivalents at start of year	2,021,382	2,847,910
Cash and cash equivalents at end of year	2,630,459	2,021,382
Analysis of cash and cash equivalents		
	2019	2018
	£	£
Cash in hand – bank	1,880,166	1,002,336
Cash held by investment manager	748	19,046
Notice deposits (less than 3 months)	749,545	1,000,000
Total for cash flow purposes	2,630,459	2,021,382
Term deposits	1,568,833	2,553,553
Less cash held by investment manager	(748)	(19,046)
Total cash at bank and in hand	4,198,544	4,555,889

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA
(a company limited by guarantee and not having share capital)

For the year ended 31 March 2019

Notes to the Financial Statements

1. General information

Alzheimer Scotland – Action on Dementia is a registered charity and company limited by guarantee, incorporated in Scotland, UK, company number SC149069. The nature of the Group's operations and activities are set out on pages 4 and 5. The charity is registered at 160 Dundee Street, Edinburgh, Scotland EH11 1DQ.

2. Accounting policies

(a) Basis of accounting

The accounts 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 (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charity and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires the Charity to exercise judgement in applying the entity accounting policies (see Note 2(w) below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Statement of Financial Activities and balance sheet consolidate the financial statements of the company, its subsidiary and its associate undertakings. The results of the subsidiary are consolidated on a line by line basis. Our associate Caledonia Social Care Limited will be consolidated on the equity method in future years once trading commences.

The company has used paragraph 4(1) of Schedule 1 to SI 2008 No. 410 "The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008" to reflect the special nature of the company's activities. Alzheimer Scotland – Action on Dementia constitutes a public benefit entity as defined by FRS 102.

The group's functional and presentational currency is GBP. The financial statements have been prepared to the nearest £1.

In accordance with Section 1 of FRS102, exemption has been taken from disclosing a statement of cash flows for the charitable parent company.

(b) Branch financial statements

The transactions of the company's branches are recognised on a cash basis. The Statement of Financial Activities includes the income and expenditure of the branches. The Balance Sheet includes the branch reserves and cash at bank and in hand held by branches.

(c) Public funding and trust grants

Public funding and trust grants are credited to the Statement of Financial Activities in the year for which they are receivable including government grants.

Deferred income represents amounts received either for future periods or before any performance conditions attached to the grants have been met. Deferred income is released to income in the period either for which it has been received or in which the performance conditions have been met.

(d) Donations and legacies

Donations and legacies are accounted for when receivable. The recognition criteria are entitlement, probable and measurement.

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For the year ended 31 March 2019

(e) Membership subscriptions

Membership subscriptions are for a financial year and are accounted for when receivable.

(f) Donated goods/services

On receipt, donated goods are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt or capitalised where they relate to capital items.

(g) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been attributed directly to one of the functional categories of expenditure in the Statement of Financial Activities on the basis of resources used.

(h) Allocation of expenditure

Raising funds include the costs incurred in generating income from donations and legacies, retail trading costs, fundraising event costs and publicity costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities expenditure enables Alzheimer Scotland – Action on Dementia to meet its charitable aims and objectives. Governance costs are associated with the governance arrangements of the charity, and relate to the general running of the charity at a strategic level.

These costs include audit fees, directors' indemnity, insurance and costs associated with meeting constitutional and statutory requirements such as cost of Directors' meetings. Support costs are those costs which enable fund generating and charitable activities to be undertaken and include finance, HR, IT, and property maintenance. Where expenditure incurred relates to more than one cost category it is apportioned. The method of apportionment uses the most appropriate basis which is mainly time cost apportionment.

(i) Operating leases

Operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term. Any lease incentives are spread over the period of the lease.

(j) Tangible fixed assets

All fixed assets costing over £5,000 (2017/18 £5,000) including VAT are capitalised and depreciated.

(k) Cash flow and liquid resources

Cash flows comprise increases and decreases in cash and include cash in hand and cash at bank. Liquid resources comprise assets held as a readily disposable store of value. They include cash term deposits and bank notice accounts. Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from opening the account and cash held with the investment manager. There are two bank accounts established on 90 day access terms, the purpose of this is secure a higher rate of interest, there are interest penalties if access is needed before the 90 days expires, however this is factored into the cash-flow models to avoid such a development.

(l) Fund accounting

The unrestricted funds comprise of accumulated unrestricted surpluses and deficits. Restricted income funds are subject to restrictions imposed by the donor. The Endowment fund, which is permanent, represents the amount for which the capital must be retained and invested.

(m) Investments

Investments are revalued monthly so that when investments are sold, gains or losses which arose before the previous year-end have already been recognised. The Statement of Financial Activities includes unrealised movements in value arising from investment changes or revaluation at the year end, together with realised gains and losses on disposal of investments.

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(n) Associates

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions (along with the 31% holding, the associate loan agreement contains provisions that reinforce this significant influence).

We established a new employee owned entity, Caledonia Social Care Limited (CSC) during 2016/17. The entity started trading on the 3 April 2017 and Alzheimer Scotland has invested £125,000 in share capital and £475,000 by way of an interest-bearing loan. This cash was paid to CSC in April 2017 and this gives the charity a 31% share in the company, with 69% owned by the Employee Owned Trust. During the financial year the Board have agreed to change the loan to an one-off grant - a bad debt provision was applied against the loan in full in the previous financial year.

The investment has increased to £149,069 (note 15) on a consolidated group basis as recognition of the 31% share of the profit from CSC under the equity method of accounting. The investment recognised by the company remains at £125,000.

The purpose of the new entity was to allow us to transfer most our care at home service contracts and support staff – this resulted in a transfer of around 200 staff and £2.5m of home care service income being removed from our Income and Expenditure – because of the financial limitations of these contracts there will be no adverse effect to our Net Income or Expenditure line on this Statement of Financial Activities.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of financial activities includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings and joint ventures are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition. Any premium on acquisition is dealt with in accordance with the goodwill policy.

(o) Depreciation of tangible fixed assets

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:

Heritable property	50 years
Leasehold property	over the term of the lease
Other tangible fixed assets	5 years

(p) Pension costs

The company operates a defined contribution group personal pension scheme for a money purchase pension so there is no outstanding liability to the company or group. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

(q) Value added tax

The charitable company is not registered for VAT and accordingly expenditure includes value added tax where applicable.

(r) Financial instruments

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments. An analysis is given in note 19.

(s) Going Concern

The organisation has strong reserves of over £14.5m, which includes cash and debtors exceeding £6.4m. The trustees are of the view that the future plans of the organisation are sound and measures taken subsequent to

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the year-end to reduce operating costs have secured the long-term future of the organisation and that on this basis the charity is a going concern. A three-year forecast has been prepared to ensure the 12 month period from sign off is covered.

(t) Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

(u) Termination benefits

Alzheimer Scotland – Action on Dementia accepts that there are occasions when it may be necessary to make staff redundant or terminate their employment; our intention is to manage the business in a manner which results in secure employment for our employees and will always try to avoid the need for compulsory redundancies. Payments for redundancy are calculated on the basis of paying the statutory entitlements or above.

(v) Dilapidation provision

Our practice is to ensure that premises are maintained to a good standard throughout the lease term, such that the obligation arising at the end of the lease term is minimised. Dilapidations costs are estimated, and a provision has been established based on the estimated dilapidation costs of the individual leased properties, this is then adjusted as maintenance costs are incurred and new leases are taken out.

(w) Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

Determined whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the viability and expected future performance of that asset.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(x) Restatement of Trust Grants

We have restated our 2018 Trust grants and Other charitable income figures to reflect the movement of grants relating to our charitable activities (notes 4 and 6) by £489,589. This was done to fully reflect the income received was to deliver set charitable activity objectives as projects rather than general trust grant income. The SOFA is also restated to reflect this movement, from our Donations and Legacies line to our Income from Charitable activities. There was no adjustment to reserves.

(Y) Donated professional services

Donated professional services and donated facilities are recognised as income, if a value can be reliably measured, at the value to the charity when received. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services carried out by volunteers, including professional services provided directly by volunteers. The number of active volunteers of 964 has increased by 26 (2018: 938).

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3. SOFA prior year comparison disclosure

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Restated 2018 Total £
Income and endowments from				
Donations and legacies	5,123,398	284,779	0	5,408,177
Other trading activities	400,898	0	0	400,898
Income from charitable activities	557,042	8,939,265	0	9,496,307
Income from investments	67,327	3,696	495	71,518
Other (Gain on disposal of assets)	953,650	0	0	953,650
Total income	7,102,315	9,227,740	495	16,330,550
Expenditure on				
Raising funds	(427,539)	(648)	0	(428,187)
Charitable activities	(5,466,479)	(10,544,410)	0	(16,010,889)
Share of loss of associate	(83,032)	0	0	(83,032)
Total expenditure	(5,977,050)	(10,545,058)	0	(16,522,108)
Net gains/(losses) on investments	(50,425)	0	0	(50,425)
Net income/(expenditure)	1,074,840	(1,317,318)	495	(241,983)
Transfers between funds	(1,292,019)	1,292,019	0	0
Net movement in funds	(217,179)	(25,299)	495	(241,983)
Reconciliation of funds				
Total funds brought forward	12,747,961	1,320,527	122,623	14,191,111
Total funds carried forward	12,530,782	1,295,228	123,118	13,949,128

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4. Donations and legacies

	2019	Restated 2018
	£	£
Donations	3,903,466	3,925,075
Legacies	2,593,717	1,126,220
Trust grants	431,246	356,882
Total	6,928,429	5,408,177

2018 Trust grants figure reinstated to reflect the movement of grants relating to charitable activities to Other Charitable income.

5. Other trading activities

Other trading activities	2019	2018
	£	£
Events	258,240	203,981
Merchandise sales	154	2,837
Dementia Scotland including shops	197,243	194,080
Total	455,637	400,898

6. Income from charitable activities

	Provision of care related services	Awareness raising	Campaigning	Involvement	2019 Total	Restated 2018 Total
	£	£	£	£	£	£
Public funding	8,003,381	0	23,675	320,162	8,347,218	8,490,418
Service user income	408,076	0	0	0	408,076	423,584
Other charitable income	334,581	53,672	41,861	16,216	446,330	582,305
Total	8,746,038	53,672	65,536	336,378	9,201,624	9,496,307

2018 Other Charitable income figure reinstated to reflect the movement of operational grants from Trust grants

Public funding included the following Scottish Government grants:

	2019	2018
	£	£
TEC Funding – Development	596,732	406,983
Dementia Nurses Funding	173,675	170,872
AHP Project	148,662	123,600
Section 10, Social Work (Scotland) Act 1968	167,000	167,000
Integrated Co-ordinated approach	13,000	0
Promoting Excellence Funding – 2016 funds returned	0	(9,625)
Total	1,099,069	858,830

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7. Raising funds

	Activities undertaken directly £	Support costs (Note 9) £	2019 Total £	2018 Total £
Fundraising costs	254,472	20,633	275,105	261,118
Trading activities	165,561	0	165,561	167,069
Total	420,033	20,633	440,666	428,187

Types of activities undertaken to generate funds were trust applications, events, appeals and shops. Support costs are calculated at 7.5% of fundraised costs. This is the percentage calculated to cover national office support functions including Human Resources, IT, Finance and Governance costs.

8. Charitable activities

	Activities undertaken directly £	Support Costs (Note 9) £	2019 Total £	2018 Total £
Provision of care related services	13,743,882	1,114,368	14,858,251	15,177,961
Awareness raising	80,809	6,552	87,361	99,486
Campaigning	100,317	8,134	108,451	109,162
Involvement	310,915	25,210	336,125	308,123
Research	294,669	0	294,669	316,157
Total	14,530,593	1,154,264	15,684,857	16,010,889

Operating lease rentals of £220,796 (2018 £211,207) are included in activities undertaken directly. An impairment provision of £0 (2018 £475,000) in relation to the loan to our associate is included within the 'Provision of care related services.'

9. Analysis of support costs

Support cost	Fundraising incl. shops £	Provision of care related services £	Awareness Raising £	Campaigning £	Involvement £	2019 Total (Note 7&8) £	2018 Total £
Governance (note 10)	1,161	47,117	79	662	400	49,419	49,868
Management	2,842	155,767	945	1,091	3,621	164,266	119,404
Finance	5,054	277,020	1,680	1,939	6,440	292,133	339,332
IT	7,191	394,138	2,390	2,759	9,162	415,640	352,878
Human resources	4,385	240,326	1,458	1,683	5,587	253,439	335,206
Total	20,633	1,114,368	6,552	8,134	25,210	1,174,897	1,196,688

Support costs were apportioned on the basis of the total of direct expenditure, except research which was excluded from the apportionment because research comprises large sums with negligible support costs.

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10. Governance costs

Governance costs	2019 £	2018 £
Audit fees	23,670	19,650
Non-audit fees for tax compliance	0	725
Directors' indemnity insurance	2,372	1,828
Directors' meetings and other costs (includes AGM costs)	23,377	27,665
Total	49,419	49,868

Within Directors' meetings and other costs, 4 members of the Board received travel and subsistence expenses of £763 (2018 - 5 members received £2,572). The organisation has put in place qualifying third-party indemnity provisions for all of the directors of the Group.

11. Staff payroll costs and numbers

Staff payroll costs and numbers	2019 £	2018 £
Wages and salaries	9,029,399	8,931,654
Social security costs	701,980	691,191
Pension costs	422,319	422,101
Redundancy and termination	100,830	228,949
Total	10,254,528	10,273,895

Number of employees earning between £60,000 and £70,000	2	2
Number of employees earning between £70,000 and £80,000	0	0
Number of employees earning between £80,000 and £90,000	0	1
Number of employees earning between £90,000 and £100,000	1	0

The total number of employees during the year was 520 staff (2018: 552) and the average number of full-time equivalent was 342, which comprised 217 support staff and 125 administrative staff (2018: 230 support staff, 116 administrative, total: 346).

12. Key Management Remuneration and Related parties

The total amount of the five key management personnel is £373,728 (2018: £405,569).

These management personnel are the Executive Directors who are authorised by the Board to make decisions on the day to day running of the organisation. This includes financial, staffing and operational decisions. The remuneration of the charity's key management is set, monitored and reviewed by a Remuneration Committee, subject to final Board approval. The overall pay award budget for the key management posts will take into account factors such as external benchmarking, performance of individual role holders and other factors such as affordability, etc.

No trustees received any remuneration from the company during the year (2018 - £nil).

Russel + Aitken received £46 (2018 - £1,647) for legal advice given during the year at their standard price. David McClements, a member of Board is also a member of Russel + Aitken.

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June Carroll through her company Saol Nua, married to Tom Carroll a member of the Board, received £28,966 (2018 £0) for consultancy relating to merchandising and marketing.

Alzheimer Scotland hold 31% of the shares in Caledonia Social Care Limited and has a significant influence over the entity and as such this has been recorded as an associate company. Included within the Company Investments in Associates, Note 15, is the initial £125,000 share capital, with our share of the 2017/18 deficit deducted and the share of the 2018/19 surplus added.

13. Tangible fixed assets

Group and Company	Freehold property	Leasehold property	Motor vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
Cost					
At beginning of the year	7,230,250	173,329	253,925	2,193,244	9,850,748
Additions	50,848	0	47,895	669,741	768,484
Disposals	0	0	0	(27,987)	(27,987)
At end of the year	7,281,098	173,329	301,820	2,834,998	10,591,245
Depreciation					
At beginning of the year	(1,041,758)	(116,999)	(217,303)	(1,439,578)	(2,815,638)
Depreciation	(145,370)	(4,333)	(19,516)	(343,122)	(512,341)
Disposals	0	0	0	27,987	27,987
At end of the year	(1,187,128)	(121,332)	(236,819)	(1,754,713)	(3,299,992)
Net book value at the beginning of the year	6,188,492	56,330	36,622	753,666	7,035,110
Net book value at end of the year	6,093,970	51,997	65,001	1,080,285	7,291,253

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14. Investments - funds

Investments – funds (Group and Company)	2019	2018
	£	£
Market value:		
At 1 April 2018	2,157,204	1,163,629
Purchase of investments at cost	93,485	1,271,027
Disposals at opening book value	(49)	(232,240)
	2,250,640	2,202,416
Movement in market value	78,118	(45,212)
Management fees	55	0
Cash held for investment	748	19,046
At 31 March 2019	2,329,561	2,176,250
Represented by:		
Listed equities	2,328,813	2,157,204
Cash held for investment purposes	748	19,046
	2,329,561	2,176,250
Fixed income	324,884	311,735
UK equities	464,444	395,691
Global equities	1,100,603	1,008,745
Property	217,646	225,657
Alternative investments	100,814	154,639
	2,208,391	2,096,467
Liquid investments	120,422	60,737
Cash	748	19,046
At 31 March 2019	2,329,561	2,176,250
Investments held at cost:		
Listed equities	2,220,289	2,126,852
Cash held for investment purposes	748	19,046
	2,221,037	2,145,898

Listed investments included in the fund are overseas investments of £1,372,111 (58.9%) (2018: £1,312,279, 60.3%).

Investments are held within Sarasin Endowment Fund Class A INC.

The Directors consider the value of the investments to be supported by their underlying assets, as appropriate.

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15. Investments – subsidiary and associate undertakings

2019	Group £	Company £
At 1 April 2018	41,968	126,000
Share of surplus of associate	107,101	0
At 31 March 2019	149,069	126,000

2018	Group £	Company £
At 1 April 2017	125,000	126,000
Share of loss of associate	(83,032)	0
At 31 March 2018	41,968	126,000

Details of the subsidiary and associate undertakings at the balance sheet date are as follows:

Subsidiary	Principal activity	Class of Share	Holding %	Aggregate capital and reserves £	Surplus after distribution for year £
Dementia Scotland Limited 160 Dundee Street, Edinburgh, Scotland, EH11 1DQ SC296817	Retail & Events (minimum sponsorship)	Ordinary	100	1,000	0
Dementia Scotland Limited - Summary of Results				2019	2018
				£	£
Turnover				197,242	194,080
Operating expenses – operations				(165,660)	(167,069)
Operating expenses - audit fees				(4,420)	(4,775)
Gift to Alzheimer Scotland - Action on Dementia				(27,162)	(22,236)
				0	0
Net assets				1,000	1,000

Associate	Principal activity	Class of Share	Holding %	AS Investment £	Share of surplus for the year £
Caledonia Social Care Limited, 81 Oxford Street Glasgow, G5 9EO SC537263	Provision of care at home	Ordinary	31	125,000	107,101
Caledonia Social Care Limited				2019	2018
				£	£
Aggregate capital and reserves				202,643	(142,844)

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16. Debtors

Amounts due within one year	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Service debtors	352,371	350,605	348,464	350,605
Other debtors	1,629,447	864,730	1,656,623	886,715
Prepayments	278,114	332,183	242,134	296,260
Total	2,259,932	1,547,518	2,247,221	1,533,580

17. Creditors: amounts falling due within one year

	Notes	Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Deferred income	18	311,982	297,904	301,540	285,215
Trade creditors		325,877	307,959	298,368	306,313
Accruals		488,801	513,244	482,798	507,922
Other creditors		167,043	107,487	191,935	93,090
Pension costs		46,796	0	46,718	0
Social security costs and other taxes		192,961	181,012	192,322	180,253
Total		1,533,460	1,407,606	1,513,681	1,372,793

18. Deferred income

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Balance brought forward	297,904	926,820	285,215	918,070
Deferred income receivable	311,982	251,654	301,540	247,715
Deferred income released to statement of financial activities	(297,904)	(880,570)	(285,215)	(880,570)
Balance carried forward	311,982	297,904	301,540	285,215

Deferred income comprises payments received in advance of the expenditure made of before any performance conditions attached to the items of income have been met. The amounts below mostly refer to payments in advance for our AHP project, Dementia Nurse Consultants and other smaller grants, all of which will be utilised within 12 months.

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19. Financial Instruments

	Group 2019	Group 2018	Company 2019	Company 2018
	£	£	£	£
Financial Assets				
Financial Assets at fair value through income & expenditure	2,478,630	2,218,218	2,455,561	2,302,250
Financial assets measures at amortised cost	6,180,362	5,771,223	6,195,563	5,771,333
Financial Liabilities				
Financial Liabilities measured at amortised cost	1,028,517	928,691	1,019,819	907,325

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Financial assets at fair value include investments held with Sarasin, cash held for investment purposes (note 14) and Investments in subsidiary and associate undertakings (note 15).

Financial assets measured at amortised cost include cash at bank and in hand, loans to associates, service debtors and other debtors.

Financial liabilities measured at amortised cost is measured at initial recognition less any repayments of the principal and these include trade creditors, other creditors, amounts due to associated undertakings, accruals and pension contributions.

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20. Restricted funds

	Notes	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Fund balances carried forward £
Income funds:						
National Office	a	23,129	1,185,314	(1,103,265)	(39,020)	66,158
Services	b	0	7,243,009	(8,410,838)	1,195,978	28,149
Life Changes Trust - Dementia friendly communities	c	2,443	0	(864)	(1,579)	0
Life Changes Trust - Befriending and peer support	d	0	18,801	(25,191)	6,390	0
Life Changes Trust - Befriending and peer support	e	8,683	6,475	(20,819)	5,661	0
Life Changes Trust - Dementia friendly communities	f	2,571	(1,133)	(2,137)	699	0
Life Changes Trust - Dementia dog	g	36,258	145,436	(134,456)	(12,154)	35,084
Post Code Lottery - Befriending project	h	23,344	75,000	(81,194)	0	17,150
Celtic Football Club – Befriending project	i	0	29,318	(28,149)	0	1,169
		96,428	8,702,220	(9,806,913)	1,155,975	147,710
Other funds:						
Restricted legacy reserve	j	1,198,800	10,475	(183,765)	0	1,025,510
Research reserve	k	0	109,448	(189,816)	80,368	0
		1,198,800	119,923	(373,581)	80,368	1,025,510
Total company and group restricted funds		1,295,228	8,822,143	(10,180,494)	1,236,343	1,173,220

Notes:

- a. Income from Local authorities and Scottish Government restricted to various projects includes SDS work, AHP post and Internships, Dementia dialogue and Section 10 grant relating to Social work.
- b. Income from Local authorities, Health boards and Scottish Government restricted to core service delivery.
- c. Life changes trust - Dementia friendly community 3 year project based in West Dunbartonshire.
- d. Life changes trust – Befriending and peer support 5 year project based in Glasgow.
- e. Life changes trust – Befriending and peer support 5 year project based in Lanarkshire.
- f. Life changes trust – Dementia friendly community 3 year project based in Dumfries.
- g. Life changes trust – Dementia dogs 3 year assistance dog project, nationwide.
- h. Post code lottery – Dementia befriending 2 year project in Fife and Lothians.
- i. Celtic football club – Dementia befriending 2 year project in Glasgow.
- j. Restricted legacy reserve income is from bequests that specify an area or purpose for the donations to be spent.
- k. Research reserve income is where bequests and donations specify to fund research into dementia.

Income funds include funds received through local authorities which must be spent in accordance with the conditions imposed by the relevant authority. The transfers column shows the charity moving its own funds from one heading to another so that funds are available where needed to meet charitable and other expenditure; this includes transfers between unrestricted and restricted funds and includes; internal funding relating to any service development plans, transferred to cover redesign of services, reserves covering all our

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fixed assets and internal rents paid by services housed within owned properties. The subsidiary companies have no restricted funds.

21. Endowment fund

	Group and Company	
	2019	2018
	£	£
The Michael Clutterbuck Bequest		
Opening Balance	123,118	122,623
Interest	250	495
	123,368	123,118
Expenditure	(20,000)	0
Closing balance	103,368	123,118

The Michael Clutterbuck Bequest was established to fund initiatives providing nursing or home care for people with Alzheimer's disease. Approval from the Board to release £20k for Fife HS transition hours was approved during the financial year. The Bequest is not accessible as general revenue for Alzheimer Scotland – Action on Dementia the sum of £100,000 is to be retained.

22. Unrestricted Funds

	Fund balances brought forward	Income	Investment gain/(loss)	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£	£
General funds	12,613,814	7,666,438	78,119	(5,774,948)	(1,189,181)	13,394,242
Total company unrestricted funds	12,613,814	7,666,438	78,119	(5,774,948)	(1,189,181)	13,394,242
Subsidiary undertaking profit and loss account reserves	0	197,243	0	(170,081)	(27,162)	0
Share of profit of associate	(83,032)	107,101	0	0	0	24,069
Total group unrestricted funds	12,530,782	7,970,782	78,119	(5,945,029)	(1,216,343)	13,418,311

The Board of Alzheimer Scotland – Action on Dementia established a legacy policy to ensure that the most efficient use is made of legacy income.

The transfers column shows the charity moving its own funds from one heading to another so that funds are available where needed to meet charitable and other expenditure; this includes transfers between unrestricted and restricted funds and includes; internal funding relating to any service development plans, transferred to cover redesign of services, reserves covering all our fixed assets and internal rents paid by services housed within owned properties.

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23. Analysis of assets and liabilities among funds

	General Funds	Restricted Funds	Endowment Funds	Total Funds
2019	£	£	£	£
Company				
Tangible fixed assets	7,291,253	0	0	7,291,253
Investments – Sarasin	2,329,561	0	0	2,329,561
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,647,428	1,173,220	103,368	4,924,016
Total	13,394,242	1,173,220	103,368	14,670,830
Group				
Tangible fixed assets	7,291,253	0	0	7,291,253
Investments – Sarasin	2,329,561	0	0	2,329,561
Investments – subsidiary and associate undertakings	149,069	0	0	149,069
Net current assets	3,648,428	1,173,220	103,368	4,925,016
Total	13,418,311	1,173,220	103,368	14,694,899
2018	£	£	£	£
Company				
Tangible fixed assets	7,035,110	0	0	7,035,110
Investments – Sarasin	2,176,250	0	0	2,176,250
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,276,454	1,295,228	123,118	4,694,800
Total	12,613,814	1,295,228	123,118	14,032,160
Group				
Tangible fixed assets	7,035,110	0	0	7,035,110
Investments – Sarasin	2,176,250	0	0	2,176,250
Investments – subsidiary and associate undertakings	41,968	0	0	41,968
Net current assets	3,277,454	1,295,228	123,118	4,695,800
Total	12,530,782	1,295,228	123,118	13,949,128

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24. Pension and retirement benefits

The company operates two pension schemes both of which are NEST Compliant. The first is a defined contribution group personal pension scheme. As the pension scheme is a defined contribution money purchase scheme, no liabilities for pensions arise for the company or group. The second scheme is one that all staff can access for auto-enrolment purposes.

The assets of these schemes are held separately from those of the company in independently administered funds.

The contribution for the year amounted to £422,319 (2018 - £422,101).

25. Operating lease commitments

	Group		Company	
	Land & buildings 2019 £	Land & buildings 2018 £	Land & buildings 2019 £	Land & buildings 2018 £
The company had total commitments under non-cancellable leases expiring as follows.				
Within one year	234,441	218,639	218,441	199,591
2-5 years	386,543	459,409	342,543	459,409
Over 5 years	0	0	0	0
Total	620,984	678,048	560,984	659,000

Operating lease expense charged to the SOFA for the year amounted to £250,945 (2018 - £222,547)

