

Alzheimer Scotland
Action on Dementia



*(a company limited by guarantee
and not having a share capital)
Company Number 149069
Charity Number SC022315*

Directors' Report and Financial Statements

For the year ended 31 March 2013

**Alzheimer Scotland - Action on Dementia
(a company limited by guarantee and not having share capital)**

**Directors' Report and Financial Statements
For the year ended 31 March 2013**

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References and administrative details

Alzheimer Scotland - Action on Dementia is the registered name of the organisation. Operationally, the organisation is known as Alzheimer Scotland.

Scottish charity number SC022315 **Company registration number** 149069

Principal and registered office

22 Drumsheugh Gardens
Edinburgh
EH3 7RN

Chief Executive

Henry Simmons

Auditor

BDO (UK) LLP
Citypoint
65 Haymarket Terrace
EDINBURGH
EH12 5H

Solicitor

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

Banker

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

Directors

John Laurie (Convener)
Ian Bell (Treasurer)
Arlene Chalmers (Secretary)
Findlay McQuarrie (Vice Convener)

Neill Anderson (resigned April 2013)
Barbara Barnes
Gillian Boardman
Patricia Payne
Jim Fry

Christine Ross
Dianne Howieson
Alan Jacques
David McClements
Sheila Hardie

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Noni Cobban
Lynda Hogg
Agnes Houston
Rose Mary Bowes
Douglas Philips
Christine McGregor

John Starr
Caroline Brown
Patricia Laughlin
Barbara Mitchelmore
Kenneth Valentine

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 and the rules of the organisation.

Directors are elected from the membership for three-year terms of office by the members at the annual general meeting. Council has the power to co-opt up to five members. The officers of the organisation are elected from the Directors by the membership. Alzheimer Scotland has increased its membership to 4,842 (2011/12 4,264 members).

Each year there is an induction and training session for new and continuing Directors. Each Director receives a Directors' handbook which is updated annually. Throughout the year Directors are encouraged to visit services and attend conferences organised by Alzheimer Scotland.

The members elect in general meetings the Council, that is, the Directors. There are three kinds of Council member: individual members (14), regional representatives (8) and corporate representatives (8). Council is responsible for the strategic direction and priorities of the organisation, approving the annual budget and delegating oversight of the day-to-day operation of the organisation to the Executive Committee whose members they elect. The management of the organisation is delegated to the Chief Executive and Executive Directors.

Alzheimer Scotland collaborates with many partner organisations and has a long-standing relationship with the Dementia Services Development Centre at the University of Stirling. It is an active member of 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 Council appoints an Executive Committee which meets monthly, except in July and when the Council meets, to oversee day-to-day management. The Committee comprises the four office bearers and up to ten members of Council. The members of the Executive Committee during the year ending 31 March 2013 were:

Barbara Barnes
Ian Bell
Gillian Boardman
Noni Cobban
Dianne Howieson
Alan Jacques

John Laurie
David McClements
Christine McGregor
Findlay McQuarrie
Arlene Chalmers
John Starr

The Chief Executive and the other Executive Directors attend Council and Executive Committee meetings.

The Appendix lists the various committees that report to Council and their memberships.

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The Directors have regularly reviewed the most significant financial risks to the organisation. The main areas of concern continue to be the impact of the economic downturn on public sector budgets and potential reductions in funding for our commissioned services and on our fundraised income.

We have continued to benefit from donations and support from the Scottish public and our corporate supporters. This combined with the positive relationships we have with our local authority partners who commission many of the services we provide and the good value for money our services represent, has meant that we have managed to protect our essential services and avoid significant reductions. In fact, some of our services have been able to grow their range of individual support, both through increases in services commissioned by local authorities and through individuals directly commissioning their own services. In the current and predicted public sector funding climate, direct commissioning is likely to be the main area of service development in the coming years.

Risk Management

We have been preparing for the challenging financial climate by ensuring that one of the main objectives of our strategic plan is to achieve significant efficiency savings in everything we procure and commission, as well as bearing down on all our non-essential costs. Our aim will be to protect the level, quality and scale of our front line operations by reducing and controlling all other expenditure.

The re-tendering and tendering approaches that some local authority partners are forced to take as a result of local procurement protocols continue to pose a significant threat to our existing services. Some local authorities have developed alternative approaches to re-tendering, including negotiated tenders and service redesign. This has proven to be a very successful way of meeting both our needs and maintaining a consistent and quality service for people with dementia and their families.

Reputational risk continues to be another critical area. We rely on all our staff delivering a high quality of service at all times and, as well as our internal procedures, we have a good external indicator of the success of this in our Care Inspectorate grades, which continue to be very satisfactory. The Directors have in place procedures for review and assessment of the business, compliance and environment risks which may impact upon the activities of Alzheimer Scotland and the achievement of our aims and objectives. These procedures include an annual risk management review, which is discussed and approved at the Finance Audit Committee before being presented to Council. Risk and Governance forms a regular item in the Chief Executive's report to the Executive Committee and Council.

Review and assessment includes:

- Classifying and understanding of 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 a number of key risks and agreeing strategies to mitigate and/or obviate each risk.
- Reporting to management and the Council about how those risks are managed, and monitoring of our potential exposure.

Staff

Alzheimer Scotland is committed to the principle of equal opportunities and to creating a working environment in which staff are treated with dignity and respect and that is free from unlawful discrimination, victimisation or harassment on the grounds of colour, race, nationality or ethnic origin, religion, age, sex, marital status, gender reassignment, sexual orientation or disability of any kind. Should an existing employee suffer a disability, it is Alzheimer Scotland's policy to take all reasonable steps to accommodate that disability and to assist the employee to continue their career with the organisation in their existing role where possible or in an alternative position.

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We are continuing to use the Promoting Excellence Framework as a benchmark for all our staff. We have not yet achieved our goal of ensuring that as a minimum all our staff are trained to dementia skilled level. Next year we will make further investments in this programme and continue to ensure that staff skills are maintained through a range of development programmes and training to build capabilities in our people and through a performance appraisal system, which identifies the necessary training needs.

Our achievements are only possible with the support of the trained and talented people who work for Alzheimer Scotland. Our staff across all our services continue to deliver a high quality of support and commitment to people with dementia, their families and carers. Supporting our frontline staff to do the best job they can remains the central focus of all our managers and support services. We have continued to build on the important role of the Staff Representative Group and, this year, we increased the number of representatives to, on average, two per region. The aim of this group is to ensure that we listen and respond to the views of staff, which is especially important for us, given the dispersed nature of our activities and locations. Our Human Resource Strategy has targeted further improvements in the areas of turnover and staff absence and this has continued to deliver good results, with contracted staff turnover levels remaining very satisfactory at 14.4%. Turnover of sessional staff has increased slightly to 28.6%, which is acceptable in this type of position. The staff absence figure is 6.2%.

Objectives and activities

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

- i) to promote the welfare 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;
- 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 objects related to the organisation.

These objects 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 to secure the provision of high quality services for people with dementia;
- iv) to provide and to 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 public funding for local services. We fundraise in order to be able to campaign, raise awareness, support research, develop innovative approaches to supporting people with dementia and their carers, and fill the gap of 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 2013, Alzheimer Scotland had 992 staff (969 2011/12) and 677 (522 2011/12) active volunteers operating in 60 sites throughout Scotland. Alzheimer Scotland's commitment to using volunteers throughout the organisation is a strength because of the wide-ranging experience and knowledge they bring to governance, service provision and fundraising.

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Achievements and performance

Overall, this has been another successful year for the organisation, with substantial progress towards creating a strong and stable platform in our mission of making sure no one goes through dementia on their own. In particular, we have made good progress in terms of our policy work, campaigns, awareness raising, dementia nurses, dementia advisors, research, service provision and fundraising.

It is a tribute to the hard work of all our staff and volunteers that Alzheimer Scotland was the proud recipient of the 2012 SCVO Charity of the Year Award. We were also delighted to receive awards in two categories of the 2012 Dementia Awards, for our Post Diagnostic Service in East Renfrewshire and for our strong partnership with statutory agencies in Argyll and Bute.

As part of our commitment to quality Alzheimer Scotland was in June of this year awarded Recognised for Excellence 3 stars, at the Scottish Awards for Business Excellence. This was the welcome culmination of a rigorous process of application starting in December 2012, led by our Development Team, and of a thorough assessment by Quality Scotland, who looked in great detail at every aspect of how we work as an organisation and talked to a cross-section of staff in coming to their decision to make the award.

Policy and campaigns

Over the past year and more our public policy work has seen major successes which have led to better outcomes for people with dementia, their partners, families and carers. By positioning ourselves as a contributing organisation and critical friend we have been able to work with a broader range of key stakeholders as an equal partner across many areas of public policy. These include The Scottish Government; NHS Education for Scotland (NES); Scottish Social Services Council (SSSC), NHS boards, the Convention of Scottish Local Authorities (COSLA); Association of Directors of Social Work (ADSW); professional bodies; universities and more. Our engagement with a greater range of stakeholders has provided us with a platform for shaping and influencing many areas of public policy.

Alzheimer Scotland has made a significant contribution to the development of key areas of the National Dementia Strategy during 2012/13. A major policy success is the HEAT¹ target for post-diagnostic support. Based on our five pillar model this national commitment to offer every person diagnosed with dementia with a minimum of one year post diagnostic support from a named link worker is a world leading achievement.

Another major policy success has been the health minister's announcement of the introduction of a 10 point action plan to support the implementation of the Standards of Care for Dementia. Significant progress has been made in delivering improvements in acute hospital care for people with dementia. Alzheimer Scotland dementia nurse consultants, the Dementia Champions programme, Promoting Excellence framework and the Standards of Care for Dementia are making a positive impact. Nevertheless we have been increasingly concerned about continued numbers of people reporting poor experiences in acute hospitals and the areas of improvement highlighted in Health Care Improvement Scotland inspection reports. In late 2012 the Chief Executive held talks with the Cabinet Secretary and proposed the introduction of an action plan based on a clearly defined leadership structure within NHS Boards. The action plan will be included in the revised National Dementia Strategy, published in June 2013.

Between October 2012 and January 2013 Alzheimer Scotland, in partnership with the Scottish Government, ran a series of dialogue events in Inverness, Fort William, Dumfries, Dundee and Bellshill and Paisley. These events were attended by over 500 people who represented a broad range of individual and organisational stakeholders, including people with dementia and carers. The dialogue events were designed to inform the direction of the revised National Dementia Strategy for 2013/16. Alzheimer Scotland, the Scottish Dementia Working Group (SDWG) and our National Dementia Carers Action Network are all currently represented on an expert working group which is finalising the key areas of commitment for the 2013/16 National Dementia Strategy.

¹ Health improvement, Efficiency & governance, Access to services, Treatment appropriate to individuals

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In September 2012 we published our policy report *Delivering Integrated Dementia Care: The 8 Pillar Model of Community Support*. This report has been a timely contribution to the dementia strategy dialogue and around the integration of adult health and social care. We were successful in gaining agreement from the Scottish Government to include the 8 Pillar Model in the Dementia Dialogue events. At the same time we embarked on dialogue with other stakeholders including the COSLA, ADSW, Government officials and the Cabinet Secretary.

We also distributed the report to a wide range of key stakeholders to seek support for the model. Support for the model among these stakeholders and positive feedback from the dementia dialogue events provided an excellent platform to take the 8 Pillar Model forward. In December 2012 the Scottish Government and COSLA's Health and Wellbeing Executive agreed to work together with Alzheimer Scotland to test the 8 Pillars Model in four or five test sites across Scotland. This agreement now forms one of the commitments of the Draft National Dementia Strategy for 2013/16. The short timescale in which we achieved support for the 8 Pillars model and ultimately the commitment to test the model has exceeded our expectations.

Early in 2012 we produced a manifesto for the local government elections in May. Our election manifesto asked every candidate to sign a pledge to make dementia a priority in the community in which they stood for election. A combination of writing individually to every candidate and using social media to acknowledge and publicise sign up proved successful. 342 candidates signed the pledge. 158 (46%) of those who signed the pledge were elected. This represents 13% of council wards across Scotland and provides an excellent base on which to build local connections.

Senior managers and policy staff have also represented the organisation on Scottish Government and other steering groups in relation to important areas of policy. These include the Self Directed Support Programme Board and Regulations and Guidance steering group. We have been represented on COSLA's National Development Group for Older People's care which is responsible for the review of the National Care Home Contract. We have also been represented on COSLA's Non Residential Care Charging Guidance steering group which is reviewing the current guidance in order to reduce variation and increase transparency around non-residential community care charging. In 2012 this group produced revised local authority guidance on charging for non-residential care services. A sub group continues to work on some of the outstanding legal issues with the current guidance, in particular around the current interpretation of charging couples based on joint resources.

Service development

The most significant development of the year has been the continued expansion of our post-diagnostic support work. More change fund partnerships have started to address this after we were successful last year in securing Government commitment to a year's post-diagnostic support for everyone diagnosed with dementia, with a HEAT target starting from April 2013. It is pleasing to report how many local authority partners and NHS colleagues have chosen to develop their post-diagnostic work in partnership with us. We ended the year with 44 confirmed Dementia Link Worker posts, and put in place a specialised programme of induction and regular updates for these staff.

Together with other work, we are now providing funded post-diagnostic support in 22 local authority areas. This outcome demonstrates that our aim of positioning the organisation not only as a provider but as a partner and contributor within both national and local government and the NHS is working well. This is also an excellent example of what is being achieved as a result of the interconnected strategy and synergy between our services, development, fundraising and policy teams.

Despite the challenges facing local authorities, many are working to avoid retendering, and this year we have been involved in a number of areas in more open forms of negotiation. Notwithstanding the pressure on public sector finances, in some areas we have received small uplifts, although in others there has been no uplift and a few applied a cut this year. Whilst the picture is not consistent across the country it is a positive indication of the priority being maintained for dementia in many local areas.

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Our commitment to a personalised approach continued to contribute to growth in our one-to-one support services. The total support we provided grew by 6%, with almost all of this accounted for by self-commissioned services, which now form 20% of all the 1:1 support we deliver, up from 15% last year. Our new services including those in Ayrshire, Perth and Kinross, Highland, Dundee and Inverclyde contributed to this as did development in a number of existing services. Most notably, in one area where we lost a service through retendering we now provide more support through individual commissioning than we previously provided.

Privately purchased services continue to account for most self-commissioned support, and are up 31% on last year, forming 15% of all hours. However it is encouraging to see that self-directed support is growing at an even higher rate, from what has been a low base, and is up by 68%. We have been leading in promoting self-directed support for people with dementia for some years now, and anticipate greater take-up once the new legislation is in place.

Day care provision fell, with a weekly average of 970 sessions used (down 7%). This was due mainly to working with our local authority partners on radical redesign of services in two areas. Both took effect from the start of the year. Instead of day care, in East Ayrshire we now provide a support service for younger people with dementia, community-based support and post-diagnostic support, while in Moray we are delivering an innovative dementia-specialist reablement pilot.

We remain proud of the quality of our services. In 2012 the Care Inspectorate carried out more inspections than in the previous year, although some services did not receive an inspection. 12 services were inspected; 66% of grades received were 5 (very good) and 8% were 6 (excellent), compared with 50% 5's and 10% 6's (for 10 services inspected) the previous year.

Another key measure of quality is what people using the service and carers think, and collated customer satisfaction survey responses from 409 people with dementia and 831 carers using 29 of our services were very positive indeed. Using a scale similar to the Care Inspectorate, good or above ratings were 96.3% from people with dementia (compared with 95.4% last year) and 92.1% from carers (compared with 94.6%).

Underpinning our quality, we continued our programme of bringing all support staff to Skilled level on the Promoting Excellence framework with our programme of 8 days of specialist training or accredited prior learning. However, it is disappointing that this programme has gone more slowly than anticipated, and we have had to extend the deadline for completion. We also began our Enhanced programme for managers, Dementia Advisors and Link Workers.

Establishing our high profile and high quality Dementia Resource Centres is raising the profile of dementia and tackling stigma. We ended the year with 12 Centres in operation. This year we invested in purchasing new properties in Motherwell, Clydebank and Kilmarnock, and converting a rented shop front in Stranraer. Our Resource Centres are significantly increasing our prominence in local communities and improving access to information and support. Dementia Advisors based in new Dementia Resource Centres are seeing significant increases in the number of enquiries; for example the number of referrals received by the Dementia Advisor in Dumfries almost doubled in the six months following the opening of the Centre.

The Dementia Advisor network is now at full scale. Additional funding from the Tesco charity of the year partnership allowed us to add one further post, in Angus, during the year, and funding from the Lloyds Banking Group charity of the year partnership allowed us to plan a post in North Lanarkshire. Once this is in place we will have 31 full and part-time posts, covering 28 local authorities. In the few areas of Scotland where we do not have Dementia Advisors, these are covered by equivalent funded roles, or in the case of Orkney and the Western Isles, by the full time Dementia Nurse Consultant posts we fund, which will be able to take advantage of the smaller population sizes.

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The Dementia Advisors took 2,867 referrals, and used a light-touch approach to help people with dementia and their families and carers to access support and to cope with challenges. They had 2,514 individual meetings with people with dementia and/or carers plus 3,104 instances of telephone support and 1,031 of support by email. Alongside support for individuals and families, they have worked creatively within local communities. They continue to develop and support initiatives as diverse as dementia cafés, football reminiscence groups, knitting groups, movie groups and musical groups. Their work in communities is wide-ranging, including work with the police and fire services, schools, housing associations and sports centres. In our second Dementia Advisor customer satisfaction survey of 293 people, 98% rated the service as good, very good or excellent, up from 95% last year.

Innovation in service development has been a strong theme, with some creative collaborations being developed over the year. We are piloting a pilot web-based person-centred planning tool, and January saw the launch of a project with Glasgow School of Art and Glasgow Caledonian University to develop dementia-related smartphone apps.

Our Dementia Circle project is involving people with dementia and carers in testing products for use at home that make a real difference to people's independence, and new funding this year from West Lothian Council is helping to extend the scope of the project.

The innovative Dementia Dog research project, in partnership with Dogs for the Disabled, Guide Dogs for the Blind and Glasgow School of Art, hopes to demonstrate that trained dogs can support routines, provide reminders, and act as emotional anchors as well as being companions and bridges to the local community, as well as providing support to carers. The project has continued to attract great interest, and will feature in a BBC documentary. The first two dementia dogs in training at the Guide Dogs facility in Forfar were matched to people with dementia.

Our Dementia Nurse initiative, in partnership with the Scottish Government, saw the appointment of an Alzheimer Scotland Dementia Nurse Consultant or Specialist in almost every NHS board, although NHS Orkney is now reviewing the remit of the post and the follow on from the NHS Borders post which was funded in phase one of the Dementia Nurse initiative is currently under discussion. In addition we are funding a dementia nurse specialist for a day a month at the Golden Jubilee Hospital. The nurse and AHP consultants are now meeting bi-monthly, working on developments towards national aims and taking a national approach to signage and use of personal profiles in acute settings.

We are also hosting a national AHP Dementia Consultant post funded by the Scottish Government. This post holder will work with the three other national AHP Dementia Consultants and will take a lead role in developing and agreeing Memorandums of Understanding with host boards in partnership with the Scottish Government. The AHP Consultant will improve the understanding and engagement of AHPs with people with dementia and their families as well working with the AHP community to improve their understanding of the needs of people with dementia and their families. We agreed a partnership with the University of the West of Scotland establishing the Alzheimer Scotland Centre for Dementia Policy and Practice. The Alzheimer Scotland Dementia Nurse Consultants are now affiliated to the new Centre.

Our new external training business continued to grow, delivering 52 courses to 24 customers, approximately twice as many as the previous year. The forthcoming new website will improve our reach.

We continued to be centrally involved in the delivery of some of the key training initiatives under the Promoting Excellence knowledge and skills framework, including training a third cohort of Dementia Champions as change agents for acute care with our partners the University of the West of Scotland, bringing the total number of Champions to over 300.

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Information

The number of visits to our main website increased by 34% to 429,424. Visits to our Charter of Rights website increased by 30% to 17,541 while the Scottish Dementia Working Group website saw an 8% decrease to 4,914 visits. Development of our new website has now been completed and was launched in June of this year. Development of the new Scottish Dementia Working Group website will take place in a second phase of website development in Autumn 2013.

Circulation of our bimonthly e-newsletter increased by 35% and it is now sent to 15,196 email addresses. We continue to invite delegates at events we attend with information stands to sign up to receive our e-newsletter, extending our reach even further.

Our Freephone 24 hour Dementia Helpline continues to provide a lifeline for people with dementia and their partners, families and carers. This year calls were down 3% to 4,889 but our newly-introduced E-helpline responded to a further 168 enquiries from people who prefer to use this form of contact. While carers and family members continue to form the majority of callers (77% this year), the Helpline also took 255 calls from people with a diagnosis of dementia or who were worried about their memory (5.2% of total calls). 43% of calls came in outwith office hours, emphasizing the importance of maintaining a 24 hour support line.

Our publications continue to be in great demand – to supply the needs of our mobile information vehicles, our network of 30 Dementia Advisors and the increasing numbers of information stands and awareness raising sessions being delivered by our staff teams. The growing network of Dementia Champions and the Alzheimer Scotland Dementia Nurses in each NHS Board are also making heavy use of our leaflets to raise awareness in their wards and hospitals.

Our mobile information vehicles travelled the length and breadth of the country from Shetland to Dumfries and Galloway, reaching 1,600 people who came aboard for information and support.

As well as reprinting and revising several of our leaflets and booklets, we published Carers' Resource Guides for eight areas across Highlands and Argyll & Bute as part of a BIG Lottery funded research project. Our former Policy Director, Jan Killeen, produced *Dementia: making decisions. A practical guide for family members, partners and friends with powers of attorney, guardianship or deputyship* and *Dementia: autonomy and decision-making. Putting principles into practice. Research summary and recommendations for practice*, as part of a study funded by the Nuffield Foundation. We also produced or revised "Useful contacts" lists for 16 local authority areas being visited by our information vehicles.

Our guide to the standards of care for dementia in Scotland was distributed to every care home in the country together with a poster-sized copy of the Charter of Rights for people with dementia and their carers in Scotland.

Awareness raising

Alzheimer Scotland's profile continued to grow through 2012/13, as the organisation became increasingly associated with not only major policy developments, but also new and exciting work around supporting people with dementia in the community and recognising best practice.

Through April 2012, we campaigned to get local election candidates to sign up to our local *Dementia Manifesto* before the public went to the polls on May 3rd. As well as writing to candidates, we also engaged in an intensive Twitter campaign which worked very well for us. This was one of our first co-ordinated attempts to use social media in our awareness raising work. We succeeded in obtaining over 340 signatures and we now use social media much more frequently in publicising our work and activities.

In May 2012, the Dementia Dog project featured in the *Living Well with Dementia* exhibition at the Design Council in London. This generated huge media interest in the project, prompting widespread coverage across Scottish and UK media. This media interest is expected to continue as the project develops.

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Dementia Awareness Week 2012 focused on the theme of creativity and dementia. Our annual conference was extremely well attended and there were over 100 local events held by our staff, branches, shops and volunteers all over Scotland.

September 2012 saw the inaugural Scotland's Dementia Awards. A partnership between Alzheimer Scotland, NHS Education for Scotland, NHS Health and the Scottish Social Services Council; the event sought to recognise and celebrate best practice and innovation in dementia care and support. It attracted over 120 entries, narrowed down to 18 finalists and six winners from across Scotland. The event was live-tweeted, which worked well in raising awareness through health boards and local authorities. Local media took a particular interest and were keen to publish photos of award winners from their area.

Our report *Delivering Integrated Community Care: The 8 Pillars Model of Community Support* was also launched in September and generated media coverage across a variety of outlets local and national (including a lengthy exclusive in Third Force News). As this report has informed our awareness raising focus for 2013, it is likely that it will continue to receive coverage, particularly as its recommendations start to be implemented at local level.

Following our early forays into social media campaigning in early 2012, we have worked to increase our local use of social media through 2013. This is primarily through Facebook pages maintained and updated by a number of our local services. These are helping us to build an online presence that is both nationally and locally relevant, which is very helpful when promoting events, activities and policy work.

Fundraising

Fundraising had another exciting and extremely productive year working in partnership with many new and existing supporters across Scotland. We continued our focus of raising funds for the very tangible areas of Dementia Nurses; Dementia Advisors; Dementia Helpline and Dementia Research. With this method we have continued the growth of new donors, supporters and members of Alzheimer Scotland, whilst promoting essential areas of our work.

We received generous donations from scores of charitable trusts and foundations, including a number of new supporters, who have helped to fund our core services as well as new projects like the Dementia Dog Pilot and our Dementia Resource Centres across Scotland.

Our corporate supporters continue to give invaluable support, both in the form of donations and also in the form of pro bono and in-kind support, volunteering and awareness raising. Alzheimer Scotland was a partner charity for the Martin Currie Rob Roy Challenge for a second successful year and received £60,000. We also benefited from a second year of support from the staff of Standard Life, who donated £118,000. We were delighted to be chosen, with our sister charity Alzheimer's Society, as Lloyds Banking Group's Charity of the Year for 2013 and 2014 following a staff vote. We are also privileged to have been selected as Home Retail Group's charity partner for the next two years. In October, we were honoured when the corporate team won the prestigious Scottish, Institute of Fundraising Award for 'Best Partnership with a Corporate' for our relationship with Tesco.

We once again held a successful Sportsman's Dinner at Hampden in October and raised over £11,000 from 100 guests for the Football Memories project. At our first Ladies Lunch in Glasgow in March, 82 ladies had an afternoon of fun and laughter and were informed about their work by a Dementia Nurse and Dementia Advisor and the event raised £6,500.

Over 30 sponsored events were promoted with over 1,600 participants taking part in them on our behalf; 37 runners raised £73,332 in the London Marathon; Edinburgh Marathon Festival of Running had 150 runners raising over £58,360; and Great Scottish Run raised £23,236; At Mugdock Park we had a very successful Memory Walk, (in partnership with and supported by Bupa Care Homes) - the event had over 200 participants and raised £42,000. (Bupa have kindly agreed to support the 2013 walk also).

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We continued to target both 'warm' and 'cold' supporters for our spring, summer and Christmas direct mail appeals and manage to grow our database by 771 new donors from 'cold' mailings. The Spring Appeal to raise funds for Dementia Nurses brought in £35,734, the summer appeal to support the Dementia Helpline £24,949 whilst the Christmas Appeal to raise funds for Dementia Research raised £36,876.

Following on from our successful door-to-door campaign in 2011, we recruited a further 402 new supporters from this method in 2012 generating additional annual income of £34,000. 95% of these new donors signed up for Gift Aid.

We held two separate telephone appeals to upgrade and reactivate warm supporters from our database. The upgrade appeal generated additional annual income of £6,488 with total regular income from reactivations £18,390 to the end of March 2013.

We were very honoured and grateful to receive over £1.9m in legacy income this year and we are now working on a strategy in order to ensure that those individuals who support us in this way have the opportunity to leave a lasting memory that will make a difference.

Gift Aid continued to be an excellent source of income, raising over £121,000 from more people participating in events and individual gifts rising.

The trend is moving towards our supporters doing their own fundraising. To support this last summer, we restructured community fundraising into a 'Do your own fundraising' team based at National Office and in the Glasgow, Argyll and Clyde and Highland regions. Support has ranged from people knitting scarves to craft fairs and people having their head shaved, and one brave supporter was sponsored to have a tattoo in memory of her Gran who had dementia. We have worked with Rotaries, Round Tables, clubs, schools and other groups all raising funds and creating awareness.

Our three Regional Fundraisers have been supporting our services and individuals fundraising in aid of Alzheimer Scotland whilst also working on a number of projects throughout the year including a Sponsored Firewalk with over 25 people raising £5,500; The Stand Comedy Night raising £1,000 and a Craft Night raising over £1,500 in Glasgow area; Highland also supported a number of fundraisers and raised £4,500 from an annual Line Dance Marathon.

Our three charity shops based at Golspie, Forres and Renfrew continued to make a significant impact locally and donated locally over £82,000, some of which will fund a Dementia Advisor post in Moray and services in Highland and Renfrew.

Financial review

While the economic environment continues to be difficult, we achieved excellent financial results and ended the year in a strong financial position. The primary reason for this was an increase in legacy income.

The statement of financial activities shows that total incoming resources of £18,076,447 was up by 13.00% (£15,989,196 2011/12), and total resources expended of £16,166,545 was up by 9% (£14,837,173 2011/12). The net incoming resources was £1,909,902 (£1,152,023 2011/12) which is 10.6% of total incoming resources (7.1% 2011/12).

Fixed assets increased by 21.1% from £3,959,278 to £4,793,824, mainly as a result of the purchase of new properties in Motherwell, Clydebank and Kilmarnock, less overall depreciation. The provision of these new properties has increased our reach and commitment in local communities and has allowed us to expand our service provision. They will additionally provide long-term savings as compared to rental costs. Details of fixed assets are shown in Note 10 to the financial statements.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

Directors' Report

For the year ended 31 March 2013

The group has unrestricted reserves (including property) of £11,648,379 (+17.32%) (£9,928,488 2011/12) comprising unrestricted income funds of £4,453,572, the unrestricted legacy reserve of £2,080,005 and designated reserves of £5,114,802.

The unrestricted income funds relate to services, branches and national office. It is the organisation's policy that service reserves will not normally be transferred to other services. Each service aims to have four to six weeks' running costs as cash reserves, which makes the unrestricted income funds greater than the £1.4m required.

The Directors approve Executive Committee recommendations for the use of funds from the unrestricted legacy reserve and the unrestricted income reserves 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 unrestricted legacy reserve increased by 21.5% from £1,712,235 to £2,080,005.

The designated reserves are land and buildings, £4,151,034, used by Alzheimer Scotland in pursuance of the charity's objectives; the property management reserve of £215,895 for improvements and repairs to property; fixtures and fittings in owned properties and vehicles of £564,793 and a Service Development Fund of £183,080.

The group has restricted reserves of £1,091,113 comprising restricted income funds of £245,994, the restricted legacy reserve of £347,074 and the research reserve of £454,625. Restricted reserves must be used for the purpose or area for which they were given, and the group seeks opportunities to use these reserves, where appropriate, in agreement with the providers.

The research reserve comprises donations and legacies restricted for research.

The endowment fund of £119,839 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.

Total reserves are now £12,859,331 (+17%), £8,065,507 of which is net current assets. The proportion of total reserves that is unrestricted is 91% (91% 2011/12). Unrestricted reserves are the most flexible type of reserves.

The principal funding sources for Alzheimer Scotland are local authorities (47%), NHS Boards (7%), Scottish Government and specific grants (5%), fundraising, trusts and donations (19%), legacies (13%) and other (9%).

Most of the organisation's expenditure (87.8%) is spent on care related services, 1% of expenditure is spent on awareness raising, 1% on campaigning, 1.5% on involvement, 1% on research and 0.26% on governance. Fundraising accounts for 3.44% of expenditure and support costs 4% of expenditure.

The organisation's investment policy is to minimise risk by holding liquid reserves as cash, in interest-bearing bank accounts. The interest earned in 2012/13 was £132,220 (2011/12 £160,005).

Future plans

During 2012 we reviewed the work of our services and service managers, we explored a new model of local management and we undertook a broad stakeholder review of our strategic plan and the general pressures and future challenges facing the organisation. This process led us to determine that much of our existing strategic direction and themes remained current. We identified two main areas of priority.

One area will be responding to the integration of health and social care services which the government will legislate on during the year. This will mean a considerable change in local areas, and will also mean that new partnerships will be established and new opportunities and threats to local dementia strategies will emerge. In order to ensure that the voice of people with dementia, their partners and families are listened to within these new local arrangements we will invest in our local infrastructure and create new roles that will further develop our local membership, engagement and policy representation. This new infrastructure will ease the pressure on our local service managers who have been attempting to meet this demand.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

Directors' Report

For the year ended 31 March 2013

This will also support our second priority area which is the challenge of maintaining and developing as high a quality of service provision as possible in a continually challenging environment. To this end we will release our service managers to focus more on the quality of their practice and support this by reshaping the work of the Development Team.

Since the 2012 AGM we have also been reviewing our corporate governance arrangements. A short term working group has been reviewing our structure and the Articles and the Rules of the Organisation. The outcomes and recommendations of this group will be presented at the Annual General Meeting. The result should be a more streamlined decision-making body that will be more focused on the main issue of effectively governing the organisation.

At the same time we will propose the establishing of an Members' Advisory Forum, which will facilitate an engagement process with the many stakeholders who want to support and influence the work of Alzheimer Scotland, and will provide us with the opportunity to explore and better understand current issues, test new ideas and consider strategic priorities at both national and local level.

We will set out these new objectives in our strategic plan in 2013 and ensure that the organisational structure is fit for the future challenges we anticipate. In order to build on our strengths we will also undertake a full review of our brand and our marketing strategies, and will consider how we can continue to increase our membership, improve our local engagement processes and support our local branches. We will develop a more federal approach to our regional management and introduce regional fundraising, membership and engagement strategies.

Our main service objective will be to continue our specialist focus on delivering high quality small-scale dementia-specific services, and to support our statutory partners in meeting the new HEAT target on post-diagnostic support for people with dementia, through the provision of trained specialist Dementia Link Workers, who work at Enhanced level on the Promoting Excellence Framework.

We will refine and continue our Promoting Excellence programme to bring all our staff to the appropriate level on the framework.

We will continue to develop our Dementia Resource Centre network and have budgeted for the purchase of a further three properties to convert.

We will continue to refine the work of our Dementia Advisors and ensure that our approach to community development delivers meaningful inclusion and engagement of people with dementia in mainstream community activities. Our own delivery focus will remain on providing opportunities for peer support and on specialist therapeutic activities delivered by Skilled level staff. Part of this will include involvement in a range of Dementia Friendly Community Initiatives and working with many partners to achieve this throughout Scotland.

As well as developing a local policy focus we will continue at a national level to shape and support the delivery of the second Scottish Dementia Strategy, which is to be launched in June. Pilots of our 8 Pillars Model of Integrated Dementia Care have formed part of the new Scottish Government strategy and we will work with partners to support these. We will also support the proposed national dementia improvement programme which will encompass the 10 key action points within Acute Care and will widen this focus to other areas of health and social care.

We will continue to jointly fund the Alzheimer Scotland Nurse Initiative with the Scottish Government, offering each NHS Board the opportunity of three years funding for the post. As the three year funding commitment finishes we will enter into new arrangements with NHS Boards and we will offer a £10,000 contribution to sustain these positions and ensure the national work continues. NHS Lothian and NHS Ayrshire and Arran have already accepted this funding and agreed to a new Memorandum of Understanding.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

Directors' Report

For the year ended 31 March 2013

We will continue to support the work of our research centres in Edinburgh University and University of the West of Scotland and use their expertise and research findings to inform our policy, campaigns and training agendas. In order to encourage a greater pooling and collaboration within the broad dementia research community in Scotland we will fund the development of the Scottish Dementia Research Consortium. This will be the culmination of our work throughout this year to bring together researchers and develop a stronger collaborative approach to research from across the clinical, scientific, social, population and psychology research communities. A constitutional and governance arrangement has been agreed and next year we will develop the membership, elect an Executive Committee and Chair prior to formally launching the Consortium in autumn.

We will develop a small bursary programme in partnership with both Edinburgh and Stirling Universities in order to encourage Scottish dementia practitioners to undertake enhanced academic learning in dementia and help build future capacity and skills.

We will consolidate the work of the National Dementia Carers Action Network and we will invest in the appointment of a coordinator in order to help promote and build the group's capacity for engagement.

We will continue to make a substantial investment in the Scottish Dementia Working Group and we will seek to support the group's development at a local policy level, as well as continuing to support the group's work at a European level through Alzheimer Europe's European Dementia Working Group.

We will continue to support the work of Alzheimer Europe through the Chief Executive's role as a Board member and we will maintain our commitment to international campaigns through our membership of ADI.

We will continue to build on our national and local fundraising ensuring that the local communities, businesses and individuals who go to immense lengths to support our work and raise funds for us see a clear and tangible return in their area through our investments in Dementia Resource Centres, Dementia Nurses, Dementia Advisors, Dementia Research Centres and crucially in supporting our local services and Dementia Helpline.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company 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 company and of the profit or loss of the company 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 estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 requirements of the Companies Act 2006.

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

Directors' Report

For the year ended 31 March 2013

Going concern

After making appropriate enquires, the Board confirms that it has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly it continues to adopt the going concern basis in preparing the financial statements.

Auditor

BDO LLP has expressed its willingness to continue in office as auditor of the company. The Finance Audit Committee has reviewed and affirmed the effectiveness of the external auditor. A resolution will be proposed at the next Annual General Meeting for their reappointment.

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.

By order of the board



Secretary and Director

Arlene Chalmers

Edinburgh 30 August 2013

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

For the year ended 31 March 2013

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

We have audited the financial statements of Alzheimer Scotland – Action on Dementia for the year ended 31 March 2013 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

For the year ended 31 March 2013

Matters on which we are required to report by exception

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

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

BDO LLP

12 SEPTEMBER 2013

Martin Gill (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Edinburgh

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Consolidated Statement of Financial Activities
Incorporating income and expenditure account
For the year ended 31 March 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2013 Total £	2012 Total £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income - donations and legacies		4,328,099	396,729	0	4,724,828	4,186,063
Activities for generating funds	2	1,114,640	0	0	1,114,640	1,066,520
Investment income - interest receivable		118,354	12,064	1,802	132,220	160,005
Total incoming resources from generated funds		5,561,093	408,793	1,802	5,971,688	5,412,588
<i>Incoming resources from charitable activities</i>						
Provision of care related services		1,171,474	10,694,376	0	11,865,850	10,419,354
Awareness raising		34,525	0	0	34,525	100,086
Campaigning		27,130	100,000	0	127,130	50,580
Involvement		0	77,254	0	77,254	6,588
Research		0	0	0	0	0
Total incoming resources from charitable activities	4	1,233,129	10,871,630	0	12,104,759	10,576,608
Total incoming resources		6,794,222	11,280,423	1,802	18,076,447	15,989,196
Resources expended						
<i>Costs of generating funds</i>						
Cost of generating voluntary income		(770,251)	0	0	(770,251)	(1,013,373)
Shops		(66,056)	0	0	(66,056)	(56,702)
Total costs of generating funds	5,7	(836,307)	0	0	(836,307)	(1,070,075)
<i>Resources expended on charitable activities</i>						
Provision of care related services		(121,722)	(14,683,972)	0	(14,805,694)	(13,051,753)
Awareness raising		0	(53,508)	0	(53,508)	(148,275)
Campaigning		0	(193,556)	0	(193,556)	(149,998)
Involvement		0	(78,345)	0	(78,345)	(228,913)
Research		0	(160,751)	0	(160,751)	(150,000)
Total resources expended on charitable activities	6,7	(121,722)	(15,170,132)	0	(15,291,854)	(13,728,939)
Governance costs	8	(22,647)	(15,737)	0	(38,384)	(38,159)
Total resources expended		(980,676)	(15,185,869)	0	(16,166,545)	(14,837,173)
Net incoming/(outgoing) resources before transfers		5,813,546	(3,905,446)	1,802	1,909,902	1,152,023
Transfers	15,16	(4,093,655)	4,093,655	0	0	0
Net incoming resources		1,719,891	188,209	1,802	1,909,902	1,152,023
NET MOVEMENT IN FUNDS		1,719,891	188,209	1,802	1,909,902	1,152,023
Fund balances at 1 April		9,928,488	902,904	118,037	10,949,429	9,797,406
FUND BALANCES AT 31 MARCH	15,16,	11,648,379	1,091,113	119,839	12,859,331	10,949,429

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The statement of financial activities includes all gains and losses recognised in the year.
All results reflect continuing operations.

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Consolidated and Company Balance Sheets

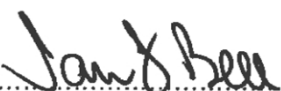
At 31 March 2013

Company Number 149069
Charity Number SC022315

	Notes	Group		Company	
		2013 £	2012 £	2013 £	2012 £
Fixed Assets					
Tangible assets	10	4,793,824	3,957,278	4,793,824	3,957,278
Investments in subsidiary undertakings	11	0	0	2,000	2,000
		<u>4,793,824</u>	<u>3,957,278</u>	<u>4,795,824</u>	<u>3,959,278</u>
Current assets					
Sundry Debtors	12	2,315,811	2,432,782	2,322,960	2,430,203
Cash at bank and in hand		7,788,859	6,873,879	7,775,582	6,868,232
Total current assets		<u>10,104,670</u>	<u>9,306,661</u>	<u>10,098,542</u>	<u>9,298,435</u>
Creditors: amounts falling due within one year	13	<u>(2,039,163)</u>	<u>(2,314,510)</u>	<u>(2,035,035)</u>	<u>(2,308,284)</u>
Net current assets		<u>8,065,507</u>	<u>6,992,151</u>	<u>8,063,507</u>	<u>6,990,151</u>
Total assets less current liabilities		<u>12,859,331</u>	<u>10,949,429</u>	<u>12,859,331</u>	<u>10,949,429</u>
Reserves					
Unrestricted funds	15,18	11,648,379	9,928,488	11,648,379	9,928,488
Restricted funds	16,18	1,091,113	902,904	1,091,113	902,904
Endowment funds	17,18	119,839	118,037	119,839	118,037
		<u>12,859,331</u>	<u>10,949,429</u>	<u>12,859,331</u>	<u>10,949,429</u>

The financial statements were authorised and approved by

the directors on **30 August 2013** and were signed on its behalf:


.....

Treasurer
Ian Bell


.....

Secretary and Director
Arlene Chalmers

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Consolidated Cash Flow Statement

For the year ended 31 March 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	21	1,876,063	699,952
Return on servicing of finance			
Interest received		95,047	160,005
Capital expenditure and financial investment			
Purchase of fixed assets		(1,056,130)	(1,724,015)
Increase in cash		<u>914,980</u>	<u>(864,058)</u>

Reconciliation of net cash flow to movement in cash and bank balances			
Increase / (Decrease) in cash in the period		914,980	(864,058)
Opening net cash and bank balances		<u>6,873,879</u>	<u>7,737,937</u>
Closing net cash and bank balances		<u>7,788,859</u>	<u>6,873,879</u>

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Notes forming part of the financial statements

For the year ended 31 March 2013

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, and are in accordance with applicable accounting standards in the United Kingdom. In addition, the company accounts are in accordance with the Statement of Recommended Practice - accounting and reporting by charities (SORP 2005) and the Companies Act 2006; and the subsidiary undertaking accounts are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Statement of Financial Activities and balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

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

(b) Parent company result

The surplus for the year of the company is £1,909,902 (2012 surplus £1,152,023).

(c) 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.

(d) 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 received. Deferred income represents amounts received either for future periods or before preconditions for use are fulfilled. Deferred income is released to incoming resources in the period either for which it has been received or in which the preconditions are met.

(e) Donations and legacies

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

(f) Membership subscriptions

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

(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 resources expended in the Statement of Financial Activities on the basis of resources used.

(h) Allocation of resources expended

Costs of generating funds include the costs incurred in generating voluntary income, 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 enable Alzheimer Scotland 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 Director's 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.

(k) Tangible fixed assets

All fixed assets costing over £5,000 (2012 £5,000) including VAT are capitalised and depreciated.

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Notes forming part of the financial statements

For the year ended 31 March 2013

1. Accounting policies - continued

(l) 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

(m) Pension costs - FRS17 compliance

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.

(n) Value added tax

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

2. Activities for generating funds

	2013	2012	2013	2012
	£	£	£	£
Fundraising income				
Trust grants & trust donations	637,435	475,046		
Events, appeals and other fundraising	349,482	471,973		
Shops	<u>126,301</u>	<u>113,871</u>		
			1,113,218	1,060,890
Sales & rentals			<u>1,422</u>	<u>5,630</u>
			<u><u>1,114,640</u></u>	<u><u>1,066,520</u></u>

3. Fundraising income

Included in 'voluntary income - donations and legacies' and 'activities for generating funds' is the following fundraising income:

	2013	2012	2013	2012
	£	£	£	£
Voluntary income - donations and legacies			4,724,828	4,186,063
Activities for generating funds				
Trust grants & trust donations	637,435	475,046		
Events, appeals and other fundraising	349,482	471,973		
Shops	126,301	113,871		
Sales & rentals	<u>1,422</u>	<u>5,630</u>		
			<u>1,114,640</u>	<u>1,066,520</u>
			<u><u>5,839,468</u></u>	<u><u>5,252,583</u></u>

4. Incoming resources from charitable activities

	Provision of care related services	Awareness raising	Campaigning	Involvement	Research	2013 Total	2012 Total
	£	£	£	£	£	£	£
Public funding	10,694,376	0	100,000	77,254	0	10,871,630	9,445,596
Service user income	1,036,152	0	0	0	0	1,036,152	813,999
Other charitable income	<u>135,322</u>	<u>34,525</u>	<u>27,130</u>	<u>0</u>	<u>0</u>	<u>196,977</u>	<u>317,013</u>
	<u><u>11,865,850</u></u>	<u><u>34,525</u></u>	<u><u>127,130</u></u>	<u><u>77,254</u></u>	<u><u>0</u></u>	<u><u>12,104,759</u></u>	<u><u>10,576,608</u></u>

ALZHEIMER SCOTLAND - ACTION ON DEMENTIA

Notes forming part of the financial statements

For the year ended 31 March 2013

4. Incoming resources from charitable activities - continued

Public funding included the following Scottish Government grants:	2,013	2,012
	£	£
Dementia Nurses Funding	467,907	180,339
Self Directed Support Project Funding	103,517	39,900
Section 10, Social Work (Scotland) Act 1968	100,000	100,000
AHP Project	58,335	0
Promoting Excellence Funding	33,000	6,428
Post Diagnostic Pilot Project	30,000	30,000
Palative Care	30,000	0
Section 16B, NHS (Scotland) Act 1978	23,500	23,500
Dementia Strategy Dialogue	18,191	0
Joint Improvement	6,000	0
Dementia Dog Project Funding	0	25,000
Voluntary Sector Development Fund	0	13,000
Scottish Dementia Working Group Funding	0	12,000
Information and Publication Grant	0	10,256
	<u>870,450</u>	<u>440,423</u>

5. Costs of generating funds

	Activities undertaken directly	Support costs	2013 Total	2012 Total
	£	£	£	£
Fundraising costs	712,482	57,769	770,251	1,013,373
Shops	66,056	0	66,056	56,702
	<u>778,538</u>	<u>57,769</u>	<u>836,307</u>	<u>1,070,075</u>

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 and Finance.

6. Costs of charitable activities

	Activities undertaken directly	Research	Support costs	2013 Total	2012 Total
	£	£	£	£	£
Provision of care related services	13,772,739	0	1,032,955	14,805,694	13,051,753
Awareness raising	49,495	0	4,013	53,508	148,275
Campaigning	179,039	0	14,517	193,556	149,998
Involvement	72,469	0	5,876	78,345	228,913
Research	0	160,751	0	160,751	150,000
	<u>14,073,742</u>	<u>160,751</u>	<u>1,057,361</u>	<u>15,291,854</u>	<u>13,728,939</u>

Operating lease rentals of £237,581 (2012 - £243,582) are included in activities undertaken directly.

7. Analysis of support costs

	Fundraising incl shops	Provision of care related services	Awareness raising	Campaigning	Involvement	2013 Total	2012 Total
Support cost	£	£	£	£	£	£	£
Management	9,140	163,424	634	2,297	930	176,425	169,326
Finance	21,158	378,314	1,470	5,316	2,152	408,410	312,953
IT	15,081	269,668	1,048	3,790	1,534	291,121	103,679
Human resources	12,390	221,549	861	3,114	1,260	239,174	134,370
	<u>57,769</u>	<u>1,032,955</u>	<u>4,013</u>	<u>14,517</u>	<u>5,876</u>	<u>1,115,130</u>	<u>720,328</u>

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

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8. Governance costs	2013	2012
	£	£
Audit fees	17,090	15,400
Non audit fees	1,092	1,000
Directors' indemnity insurance	1,886	883
Directors' meetings and other costs (includes AGM costs)	18,316	20,876
	<u>38,384</u>	<u>38,159</u>

Within directors' meetings and other costs, 7 members of council received travel and subsistence expenses of £2,443.93 (2012 - 17 members received £3,780.68).

9. Staff payroll costs and numbers	2013	2012
	£	£
Wages and salaries	10,626,890	9,581,535
Social security costs	626,260	580,316
Pension costs	444,140	376,983
	<u>11,697,290</u>	<u>10,538,834</u>
Employee earning between £70,000 and £80,000	<u>1</u>	<u>1</u>

The average number of full time equivalent employees during the year was 415 which comprised 321 support staff and 94 administrative staff (2012: 285 support staff , 96 administrative - 381).

No member of council received any remuneration from the company during the year (2012 - £nil). David McClements, a member of council, is a partner in Russel + Aitken, which received £5,868.94 (2012 - £6,263.25) for legal advice given during the year at their standard price.

10. Tangible fixed assets	Heritable property	Leasehold property	Motor vehicles	Fixtures and fittings	Total
Group and Company	£	£	£	£	£
Cost:					
At 1 April 2012	3,962,105	173,329	237,922	580,105	4,953,461
Additions	778,600	0	0	277,530	1,056,130
Disposals	0	0	0	0	0
At 31 March 2013	<u>4,740,705</u>	<u>173,329</u>	<u>237,922</u>	<u>857,635</u>	<u>6,009,591</u>
Depreciation:					
At 1 April 2012	(504,782)	(90,998)	(116,259)	(284,144)	(996,183)
Charge for year	(84,889)	(4,335)	(34,285)	(96,075)	(219,584)
On disposals	0	0	0	0	0
At 31 March 2013	<u>(589,671)</u>	<u>(95,333)</u>	<u>(150,544)</u>	<u>(380,219)</u>	<u>(1,215,767)</u>
Net book value:					
At 31 March 2013	<u>4,151,034</u>	<u>77,996</u>	<u>87,378</u>	<u>477,416</u>	<u>4,793,824</u>
At 31 March 2012	<u>3,457,323</u>	<u>82,331</u>	<u>121,663</u>	<u>295,961</u>	<u>3,957,278</u>

During 2012/13 Alzheimer Scotland purchased fixed assets totalling £1,056,130. The assets purchased were: Dementia Resource Centres in Motherwell £222,326, Clydebank £362,627, Kilmarnock £155,166. IT replacement £130,160, Website £36,734, HR & payroll system £33,527 and £115,590 other. The fixed assets were purchased from cash reserves. The subsidiary undertakings have no fixed assets.

11. Investments in subsidiary undertakings	Group	Company
	£	£
At 1 April 2012	0	2,000
Additions	0	0
Losses	0	0
At 31 March 2013	<u>0</u>	<u>2,000</u>

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11. Investments in subsidiary undertakings - continued

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

Name of subsidiary undertaking	Principal activity	Class of share	Holding %	Aggregate capital and reserves £	Profit for year £
Dementia Scotland Limited	Retail	Ordinary	100	1,000	0
Alzheimer Scotland Renfrew Shop Limited	Retail	Ordinary	100	1,000	0

Dementia Scotland Limited - Summary of Results	2013 £	2012 £
Turnover	80,359	73,511
Operating expenses - operations	(24,602)	(21,902)
Operating expenses - audit fees	(2,064)	(2,047)
Interest receivable	0	0
Gift to Alzheimer Scotland - Action on Dementia	(53,693)	(49,562)
Profit for the period	<u>0</u>	<u>0</u>
Net assets	<u>1,000</u>	<u>1,000</u>

Alzheimer Scotland Renfrew Shop Limited - Summary of Results	2013 £	2012 £
Turnover	45,942	40,360
Operating expenses - operations	(41,454)	(34,800)
Operating expenses - audit fees	(2,064)	(1,986)
Interest receivable	0	0
Gift to Alzheimer Scotland - Action on Dementia	(2,424)	(3,454)
Profit/(Deficit) for the period	<u>0</u>	<u>120</u>
Net assets	<u>1,000</u>	<u>1,000</u>

Alzheimer Scotland Golspie Shop changed its name in June 2012 to Dementia Scotland Limited, the aim is to move the Renfrew shop and other trading activities into the one subsidiary company during 2013/14.

12. Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Service debtors	983,158	1,040,998	983,158	1,040,998
Other Debtors	1,192,393	1,221,554	1,201,574	1,221,554
Prepayments	140,260	170,230	138,228	167,651
	<u>2,315,811</u>	<u>2,432,782</u>	<u>2,322,960</u>	<u>2,430,203</u>

13. Creditors: amounts falling due within one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Deferred income (note 14)	843,417	1,042,321	843,417	1,042,321
Other creditors and accruals	950,674	1,044,908	946,546	1,038,682
Pension costs	49,045	47,088	49,045	47,088
Social security costs and other taxes	196,027	180,193	196,027	180,193
	<u>2,039,163</u>	<u>2,314,510</u>	<u>2,035,035</u>	<u>2,308,284</u>

14. Deferred income

	Group and Company	
	2013 £	2012 £
Balance brought forward	1,042,321	583,182
Deferred income receivable	843,417	1,042,321
Deferred income released to statement of financial activities	(1,042,321)	(583,182)
Balance carried forward	<u>843,417</u>	<u>1,042,321</u>

The subsidiary undertakings have no deferred income.

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15. Unrestricted funds	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2013 £
Income funds:					
National Office	1,291,603	1,909,353	(423,107)	(1,000,916)	1,776,933
Services	2,457,387	2,436,601	(32,002)	(2,288,807)	2,573,179
Branches	99,799	73,648	(79,256)	9,269	103,460
	<u>3,848,789</u>	<u>4,419,602</u>	<u>(534,365)</u>	<u>(3,280,454)</u>	<u>4,453,572</u>
Other funds:					
Unrestricted legacy reserve	<u>1,712,235</u>	<u>2,247,059</u>	<u>(26,504)</u>	<u>(1,852,785)</u>	<u>2,080,005</u>
Designated reserves:					
Research reserve	53,353	0	0	(53,353)	0
Service Development Fund	252,454	1,260	(31,856)	(38,778)	183,080
Property	3,457,323	0	(84,889)	778,600	4,151,034
Property fixtures, fittings & vehicles	417,623	0	(130,360)	277,530	564,793
Property management reserve	186,711	0	(102,518)	131,702	215,895
	<u>4,367,464</u>	<u>1,260</u>	<u>(349,623)</u>	<u>1,095,701</u>	<u>5,114,802</u>
Total company unrestricted funds	<u>9,928,488</u>	<u>6,667,921</u>	<u>(910,492)</u>	<u>(4,037,538)</u>	<u>11,648,379</u>
Subsidiary undertaking profit and loss account reserves	<u>0</u>	<u>126,301</u>	<u>(70,184)</u>	<u>(56,117)</u>	<u>0</u>
Total group unrestricted funds	<u><u>9,928,488</u></u>	<u><u>6,794,222</u></u>	<u><u>(980,676)</u></u>	<u><u>(4,093,655)</u></u>	<u><u>11,648,379</u></u>

The Council of Alzheimer Scotland established a legacy policy to ensure that the most efficient use is made of legacy income. The policy states that a legacy reserve be set up and released to fund activities as agreed by Council.

The transfers column shows the organisation 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.

16. Restricted funds	Balance at 1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2013 £
Income funds:					
National Office	0	332,606	(2,670,170)	2,337,564	0
National Office - Postcode Lottery	0	75,852	(75,852)	0	0
National Office - Comic Relief	0	25,650	(25,650)	0	0
Services	145,000	10,247,713	(12,040,033)	1,857,455	210,135
Services - Big Lottery	15,433	134,722	(146,580)	32,284	35,859
Branches	0	0	0	0	0
	<u>160,433</u>	<u>10,816,543</u>	<u>(14,958,285)</u>	<u>4,227,303</u>	<u>245,994</u>
Other funds:					
Restricted legacy reserve	408,970	176,404	(13,121)	(225,179)	347,074
Research reserve	333,501	237,888	(170,117)	53,353	454,625
Short Break reserve	0	31,200	(18,302)	(600)	12,298
Dementia Dogs reserve	0	18,389	(26,045)	38,778	31,122
	<u>742,471</u>	<u>463,881</u>	<u>(227,585)</u>	<u>(133,648)</u>	<u>845,119</u>
Total company and group restricted funds	<u><u>902,904</u></u>	<u><u>11,280,424</u></u>	<u><u>(15,185,870)</u></u>	<u><u>4,093,655</u></u>	<u><u>1,091,113</u></u>

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For the year ended 31 March 2013

16. Restricted funds - continued

Income funds include funds received through local authorities which must be spent in accordance with the conditions imposed by the relevant authority.

The restricted legacy reserve contains legacies received whose use is restricted by geographic area or purpose. The restricted services fund represents donations received from Standard Life to fund dementia advisers. The research reserve comprises donations received specifically to fund research into dementia.

The transfers column shows the organisation 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.

The subsidiary companies have no restricted funds.

17. Endowment fund

	Group and Company	
	2013	2012
	£	£
The Michael Clutterbuck Bequest		
Opening balance	118,037	116,358
Interest	1,802	1,679
	119,839	118,037
Less: expenditure	0	0
Closing balance	119,839	118,037

The Michael Clutterbuck Bequest was established to fund particular initiatives providing nursing or home care for people with Alzheimer's disease. The Bequest is not accessible as general revenue for Alzheimer Scotland; the sum of £100,000 is to be retained.

18. Analysis of assets and liabilities among funds

	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£	£	£	£
Company				
Tangible fixed assets	4,793,824	0	0	4,793,824
Investments	2,000	0	0	2,000
Net current assets	6,852,555	1,091,113	119,839	8,063,507
	11,648,379	1,091,113	119,839	12,859,331
Group				
Tangible fixed assets	4,793,824	0	0	4,793,824
Net current assets	6,854,555	1,091,113	119,839	8,065,507
	11,648,379	1,091,113	119,839	12,859,331

19. Pension and retirement benefits

The company operates a defined contribution group personal pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The contribution for the year amounted to £444,140 (2012 - £376,983). As the pension scheme is a defined contribution money purchase scheme, no liabilities for pensions arise for the company or group. This scheme will be NEST compliant for auto-enrolment purposes.

In addition to this, during 2012 we established a NEST compliant scheme for auto-enrolment purposes that all staff can access.

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20. Operating lease commitments

	Group		Company	
	Land & buildings 2013 £	Land & buildings 2012 £	Land & buildings 2013 £	Land & buildings 2012 £
The company had commitments under non-cancellable leases expiring as follows.				
Within one year	138,164	195,785	123,114	180,749
Total	138,164	195,785	123,114	180,749

21. Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2013 £	2012 £
Surplus on net incoming resources before transfers	1,909,902	1,152,023
Depreciation	219,584	144,322
Decrease/(increase) in debtors	154,144	(1,410,150)
(Decrease)/increase in creditors	(275,347)	973,762
Interest received	(132,220)	(160,005)
Net cash inflow from operating activities	1,876,063	699,952

22. Post Balance Sheet Events

Alzheimer Scotland purchased a property in Kilmarnock during March 2013 for use as a Dementia Resource Centre, refurbishment costs are likely to be in the region of £150,000, with work starting in July 2013. We have also made an offer (May 2013) of £200,000 on a property in Midlothian, which will be used as a day care resource.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

For the year ended 31 March 2013

Appendix

Committee Name	Chair Person	Members
Service Audit Committee	Noni Cobban	Gill Boardman Caroline Crawford Sheila Hardie (appointed November 2012)
Finance Audit Committee	Ian Bell	John Laurie Lynda Hogg Jim Fry Kenny Valentine Nigel Morecroft
Executive Committee	John Laurie	Gill Boardman Barbara Barnes Chris McGregor John Starr Alan Jacques Ian Bell David McClements Noni Cobban Arlene Chalmers Findlay McQuarrie Dianne Howieson
HR Committee	Arlene Chalmers	John Laurie Findlay McQuarrie Dianne Howieson
Awards Committee	Findlay McQuarrie	Gill Boardman Barbara Barnes
International Committee	Chris McGregor	Caroline Crawford James McKillop Noni Cobban Alan Jacques Susan Burn, SDWG Diane Goldberg Agnes Houston Lynda Hogg
Public Policy Committee	Douglas Phillips	Alan Jacques Lynda Hogg David McClements Neill Anderson Iain McIntosh Carolyn Johnston Isabel Marr Isabel Masson Jill Stavert John Armstrong Raymond Duffy Irene Oldfather, NDCAN Henry Rankin, SDWG