

Annual Report 2007-2008

ALZHEIMER SCOTLAND WE'RE HERE TO HELP



Alzheimer Scotland
Action on Dementia

TURNING UP THE HEAT ON DEMENTIA



Jim Jackson
Chief Executive

In last year's annual report we called on our members and supporters to join us in urging the Scottish Government to make dementia a priority.

The Government has listened to us and has announced a range of programmes aimed at delivering these improvements, including:

- a new target (a HEAT* target) for NHS Boards. By March 2011, each NHS Board is expected to have delivered agreed improvements in the early diagnosis and management of patients with a dementia, including an increase of a third in the number of people receiving a diagnosis
- the development of standards for Integrated Care Pathways for improved mental health services, including dementia, which set out detailed steps

towards the better integration of services, whether they are delivered by the NHS, local authorities, or the independent and voluntary sectors.

- announcing a commitment of £600,000 to be invested over the next three years on pilot projects for structured intervention, support, and information following diagnosis. Alzheimer Scotland and the Dementia Services Development Centre at the University of Stirling will be developing these projects.

The Public Health Minister has also established a Dementia Forum which provides ongoing input and advice to the Scottish Government on all parts of the dementia agenda. The forum is made up of people from a wide range of professions and backgrounds, including people with dementia and carers.



Rachel Guy
Fundraising
& Public Relations
Director



Stephen Balmer
Finance Director



Kate Fearnley
Health & Community
Care Director

“The Government has made tackling dementia a national priority to ensure more is done to improve support for those with dementia and for effective support to be offered at the earliest possible opportunity.” Public Health Minister, Shona Robison



Jan Killeen
Information & General
Policy Director

* Health improvement, Efficiency, Access, Treatment



Noni Cobban
Convener

CONVENER'S REMARKS



Christine McGregor
Vice Convener



Stan Cairnie
Treasurer



John Laurie
Secretary

The announcement that the Scottish Government has made dementia a national priority and the introduction of a new HEAT target for dementia were exciting developments and are evidence of the success of Alzheimer Scotland's campaigning efforts. The publication of the Standards for Integrated Care Pathways for Dementia in December 2007 is also an important step in placing the needs of people with dementia and their carers firmly on the policy map of the NHS in Scotland. The establishment of the Dementia Forum is further evidence of ministerial commitment and our Chief Executive's contribution to this group ensures that we can continue to influence policy.

Sound management and efficient use of resources have ensured that the past year has been successful on all fronts. The Dementia Awareness Week conference had record attendance from a wide range of stakeholders and provided the opportunity to launch the *Dementia Epidemic* report which will be an important reference for future campaigning and for influencing policy.

We are on a sound financial footing going forward into the second year of the Strategic Plan

'Growth, impact and excellence'
- ready to take up opportunities presented by the renewed focus on dementia. Fundraising has exceeded expectations which will enable the organisation to explore new avenues to reach greater numbers of people with dementia and their carers.

Exciting as new developments are, it is equally important to recognise the bedrock on which Alzheimer Scotland depends. Year after year, the organisation continues to provide day and evening care, home support, information, carer support and education, and a vital 24 hour Helpline in all regions of Scotland, all of which are only made possible by the loyalty and commitment of the staff and volunteers.

By the time this annual report is published, Jim Jackson, who has led the organisation as Chief Executive for the past 15 years, will have handed over the reins to Henry Simmons. This will herald change and renewal; however, Jim can feel justly proud that he is handing over at a time when Alzheimer Scotland is fit and strong, ready to run with the opportunities ahead.

Noni Cobban
Convener

SUPPORTING YOUNGER PEOPLE WITH DEMENTIA

At least 1,500 of the 63,000 people with dementia in Scotland are in their 40s, 50s or early 60s when they are diagnosed. Many of them still have jobs, mortgages and families to support, as well as an expectation of many years of active life to come.

Alzheimer Scotland has always supported people with dementia regardless of their age, but a growing number of our services and projects are devoted to younger people, that is those under 65.

15% of our home support users are under 65.

8% of our day care users are under 65.


Our Lothian Early Onset Support Service is one example, offering information, advice, emotional and practical support to younger people and their families across the City of Edinburgh, Midlothian, East and West Lothian. One of the many ways the service helps is to provide Day Clubs where people can socialise, get support from one another and take part in leisure activities they choose to do. The aim is to help people get the most out of life by taking part in normal everyday activities that anyone in that age group would take for granted. Each Day Club supports people at different stages of dementia so people can move from one club to another as their condition changes.

A lot of the time in Day Clubs is spent doing things outdoors (weather permitting) with walks, picnics, visits to galleries and museums and even fruit picking on the agenda, as well as longer day trips to places like the Falkirk Wheel.

The Thursday Day Club enjoyed a visit to the Myreton Motor Museum where many of the photos in this report were taken.



“I had to give up work and before I came to the club I just sat staring at the walls when my wife went out to work. Now I’ve got a structure to my day.”

A middle-aged man with short, graying hair and blue eyes is smiling warmly at the camera. He is wearing a green polo shirt with white stripes on the collar and sleeves. The background is a room filled with nautical-themed decorations, including various flags and a Union Jack. The lighting is bright, likely from overhead fluorescent lights.

"I really look forward to going to the club and meeting my friends. We have a laugh. I feel like I belong because everyone understands."

WINNING HEARTS AND MINDS: PUBLIC POLICY AND CAMPAIGNING



Government declares dementia priority

The headline event of the year was the commitment by the new Scottish Government to making dementia a national clinical priority. This was the result of many years of campaigning culminating in our Dementia Manifesto for the May 2007 elections and our national Dementia Awareness Week conference.

The next stage is to see the priority translated into action, and we are pleased to be a member of the Government's new Dementia Forum, chaired by the Minister. An early development from this Forum has been the setting of the new HEAT target for dementia, where we were closely involved in the discussions. Dementia is also being recognised as a priority in other Government pronouncements: the Scottish Budget Spending Review made reference to improving support to unpaid carers and prioritising improvement in the diagnosis, care and treatment of people with dementia.

Dementia Epidemic report

In Dementia Awareness Week we published a major report, *The Dementia Epidemic - where Scotland is now and the challenge ahead*. It highlighted the large and rapidly-growing numbers of people with dementia in Scotland and the economic impact, setting out strategies to manage or reduce the increase.

World Alzheimer's Day



On World Alzheimer's Day in September Professor Phil Hanlon gave our public lecture, speaking about risk reduction and its potential as a strategy to avoid the impending dementia epidemic. The Minister for Public Health launched our Schools Pack in Dundee when she attended a meeting of the Scottish Dementia Working Group.

National and local influence

We made sure we got our messages across to decision-makers through a combination of meetings with key people, responses to consultations and proactive work. Nationally, we met the Minister, and established a multi-disciplinary information guideline working group to advise NHS Quality Improvement Scotland and others. In the Scottish Parliament, we established a Cross Party Group on Alzheimer's Disease and had an information stand in the Garden Lobby.

Locally we held seminars on the Dementia Epidemic report with community planning partners in Glasgow and Inverness. Among the many national and local consultations we responded to was the Human Fertilisation and Embryology Authority's consultation on the ethical and social implications of creating human/animal embryos for research.

All this and more adds up to a concerted effort to win the hearts and minds of everyone who has an interest in dementia care.





Members of the Scottish Dementia Working Group at a conference

107 people attended the first ever Rarer Dementias Study Day in Glasgow.

Our Beyond Barriers palliative care project was launched in April 2007. Work is ongoing with 50 care homes to train 100 care staff as dementia champions and involve a similar number of supporting relatives/carers.

People with dementia and carers at the heart of the organisation

Involving people with dementia and carers is a key plank of our strategic plan. The Scottish Dementia Working Group, whose members all have dementia, goes from strength to strength, and was fortunate this year to secure renewed funding from Comic Relief. Among the Group's successes were meeting the Minister for Public Health, involvement in a General Medical Council workshop on consent, a petition to the Scottish Parliament Public Petitions Committee on access to Alzheimer's disease medications and presentations to many events in Scotland and internationally. Representatives from the Scottish Dementia Working Group have also contributed to the NHS Quality Improvement Scotland Integrated Care Pathway Group, the Care Commission Users and Carers Advisory Group, and the Dementia Forum.

The activities of our local involvement officers, branches and other involvement groups meant people with dementia and carers have had significant impact locally. Highlights include:

- changing the letter sent by a psychiatry department to patients following diagnosis
- getting a diagnosis audit in Aberdeen following a Positive Dementia Group discussion about the experience of getting a diagnosis
- people with dementia contributing to Glasgow University Social Work research
- carers from Glasgow Dementia Action Group meeting ward managers at a local hospital and compiling an information pack for Glasgow Royal Infirmary specialist dementia unit.



RAISING MONEY

We are very grateful for the large donation of £47,000 from Pfizer Ltd which met the balance of costs of our first dementia nurse.



Gail Kilbane, our first Dementia Nurse



Alva day care opening with Alan Hansen

We rely on fundraised income to maintain and develop our work for people with dementia and their carers across Scotland. This year, we raised a record £2,357,564 - 23% more than in 2006-07.

1,772 people made regular donations through direct debit, standing order or through payroll in Give As You Earn schemes, raising £115,612.

41 people remembered us in their wills, giving us £542,520 from bequests. Most of these legacies were unrestricted so we can use the income to help meet our priorities. Some

people wanted their bequest spent in a particular part of Scotland; others wanted the money spent on research.

Our services and regions raised £722,769 through corporate and trust donations and the fundraising efforts of staff and families and friends of service users.

Our summer appeal for our campaigning work raised £26,000 and our Christmas appeal featuring Alan Hansen totalled £34,000.

To all our donors we extend our heartfelt thanks.

For every £1.00 raised, 83p goes direct to our work and 17p goes towards raising the next £1.00.

We now have a record 3,399 members.



Just some of the 1,225 people who ran, walked, danced, abseiled, pedalled, parachuted, firewalked and gave up their birthday presents to raise £355,622.

AWARENESS RAISING



We distributed 250,000 copies of this leaflet.

“This is a good publication, with detailed information explained clearly in a patient-friendly language.”

Judge's comment on our risk reduction booklet.

Risk reduction

We continued our successful risk reduction campaign *Good for you, Good for your brain* with its key message that lifestyle choices may affect the likelihood of developing dementia in later life. The message seems to be getting through - our latest biennial public awareness survey shows that more people are aware of the action they can take to reduce their risk.

We were delighted when our booklet *Good for You - Good for Your Brain: the evidence on risk reduction and dementia* received a Highly Commended certificate in the British Medical Association Medical Book Competition.

Different media

We are always trying to find new ways of raising public awareness of dementia and new audiences for our messages. With more people reading newspapers online, we have used web-based banner adverts to promote our risk reduction messages. We had advertising slots on local radio and advertorials in newspapers and magazines as well as taking information stands to conferences and other events.

Different audiences

As well as presentations at major national and international conferences, our staff and volunteers are regularly asked to give talks to local groups such as Rotary Clubs, Probus groups, and Church Guilds. This year, we tried to engage a younger audience by developing a teacher's pack *Creating a dementia friendly community*. The pack is aimed at 10-12 year olds and contains teacher's notes, worksheets, quizzes and leaflets. It has been distributed to all primary schools in Scotland.



PLANS FOR THE FUTURE

The strategic plan for 2007-2010 - *Growth, impact and excellence* takes account of the changing context in which Alzheimer Scotland campaigns, raises awareness and provides services. It states that Alzheimer Scotland needs to strive for:

- sustainable service growth
- greater impact on public policies
- organisational excellence.

The results for the first year of this strategic plan are encouraging: home support services grew by 13%, dementia was made a national clinical priority and steps were taken to improve the organisation's team work and quality.

During the second year we will build on these results and aim for continued service development, implementation by the Scottish Government of its dementia initiatives, and advance further down the Quality Scotland approach to accrediting the organisation's quality assurance activities.

There has been a significant change in the political landscape of Scotland this year. This has led to a shift of policy emphasis; a new Concordat has been developed between the Scottish Government and local authorities meaning that local authorities will have far less ring-fenced or restricted funding and more control to develop local services. As a national organisation, we must ensure that we are represented and effective in our campaigns and policy work at both a national and local level.

Another emerging issue this year has been the increased level of local authority re-tendering exercises. If

this continues, it could present a significant threat to some of our more established services and we will devote the utmost attention and effort to engaging in this and protecting the services we provide to people with dementia and their carers. We will also continue to campaign with our partner organisations for a more person-centred approach to the commissioning of services and resist the re-tendering model as a main method of commissioning practice.

Running contrary to this development has been a shift in Government policy towards greater personalisation and self directed support of services. Some local authorities are more committed to this approach than others. If we want to continue to develop we will need to be able to embrace and promote the personalisation of services, shifting towards individual commissioning arrangements, at the same time continuing to satisfy the ongoing block funded service arrangements that might remain for some time.

The downturn in the UK's economic climate may also present some added challenges in the coming year. We will need to carefully monitor any negative impact on fundraised

income and do our best to counteract this. The impact on the daily cost of living might also lead to strong demands for greater pay settlements than we have predicted or budgeted for. Given that there is a current freeze on council tax increases, local authorities may seek to reduce levels of service to fund any such increase - this could have a significant effect on services for people with dementia and their carers.

We will need to ensure that we continue to be as efficient as possible and deliver services that are economically advantageous to local authorities, at the same time maintaining our role at the forefront of best practice and quality in the field of dementia.

Jim Jackson retired on 31 July 2008, having been the organisation's Chief Executive through almost 15 years of growth and change. The Directors wish him well in his retirement.

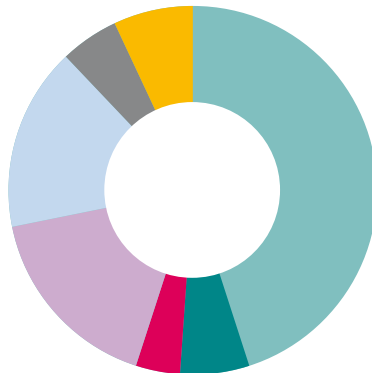
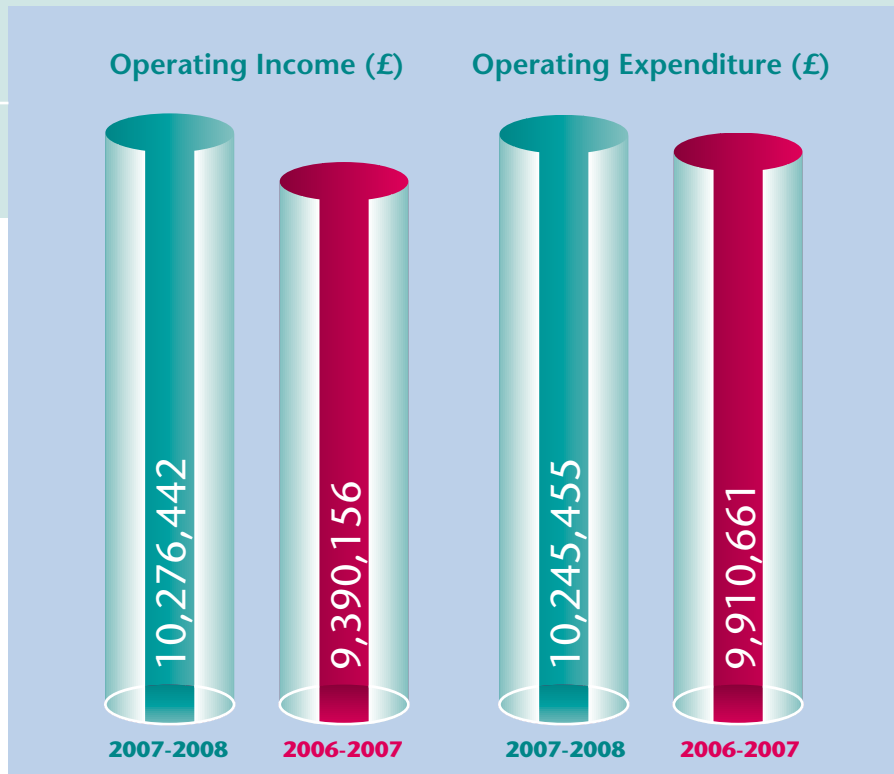
Henry Simmons (previously an Executive Director of ENABLE Scotland) joined Alzheimer Scotland as the new Chief Executive on 11 August 2008. He brings a wealth of experience which will enable Alzheimer Scotland to advance further the organisation's service, policy involvement and awareness raising achievements.



FINANCIAL SUMMARY

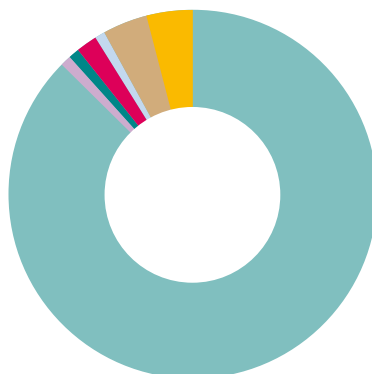
Operating income of £10,276,442 was up by 9.4%. Operating expenditure of £10,245,455 increased by 3.4%.

The operating surplus on the income and expenditure account is £30,987 which is 0.3% of income before taking account of legacy income and interest. This is a substantial improvement on the previous year's operating deficit of £520,505.



Income 2007-08

Local Authority Grants	45%
Health Board Grants	6%
Scottish Government Grants	4%
Mental Illness Specific Grant	17%
Fundraising, Trusts and Donations	16%
Legacies	5%
Other	7%



Expenditure 2007-08

Care related services	87.0%
Awareness raising	1.0%
Campaigning	1.0%
Involvement	2.0%
Research	1.0%
* Governance	0.0%
Fundraising	4.0%
Support costs	4.0%

* Less than 0.1%

The full Directors' Report and Financial Statements are available on request.

References and administrative details

Alzheimer Scotland - Action on Dementia is the registered name of the organisation. Day-to-day, the shorter name, Alzheimer Scotland, is used.

Scottish charity number SC022315
Company registration number 149069

Principal and registered office

22 Drumsheugh Gardens
Edinburgh
EH3 7RN

Chief Executive

Jim Jackson (retired 31 July 2008)
Henry Simmons
(appointed 11 August 2008)

Auditor: PKF (UK) LLP, 17 Rothesay Place, Edinburgh EH3 7SQ

Solicitor: Russel + Aitken LLP, 22-24 Stirling Street, Denny FK6 6AZ

Banker: The Bank of Scotland, 20-22 Shandwick Place, Edinburgh EH2 4RN

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 3,399 members, up 23% from 06-07.

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.

During the year Directors' Indemnity Insurance was reinstated.

The members elect the Council (company 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 senior staff.

Alzheimer Scotland collaborates with the Dementia Services Development Centre at the University of Stirling. It is an active member of Alzheimer's Disease

International, Alzheimer Europe, Community Care Providers Scotland, the Long Term Conditions Alliance Scotland and the Neurological Alliance.

The Council appoints an Executive Committee which meets monthly except when the Council meets to supervise and scrutinise management. The committee comprises the four office bearers and up to ten members of Council.

The Chief Executive and other members of the Senior Management Team attend Council and Executive Committee meetings.

Risk review

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, as set out in this report.

Review and assessment includes:

- identifying a number of risks to which the organisation is potentially exposed;
- ranking and prioritising each risk in terms of probability and financial/operational impact;
- selecting a small number of key risks and agreeing strategies to mitigate and/or obviate each risk.

For Alzheimer Scotland, the identified major risks are currently attached to a changing political climate in Scotland. The new Concordat between the Government and local authorities has removed the previously protected ring fenced and restricted funds. Local authorities will now be able to exercise greater local decision making in order to meet their assessed needs, in line with their Single Outcome Agreements. Local authorities are operating in a tighter financial climate with less money available yet significant levels of increasing need and demand.

The Directors have an ongoing risk management policy and plan to carry out the annual risk management review during 2008-09.

Objectives and activities

The objectives of Alzheimer Scotland are set out in the Memorandum of Association. These objects can be summarised in three 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 and their carers.

The purpose of all three 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 and fundraises in order to be able

to campaign, raise awareness and support people with dementia and their carers. 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 2008 Alzheimer Scotland had 785 contracted and sessional staff (345 full-time equivalent) and 581 active volunteers. 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.

The strategic and good practice programmes that contribute to the organisation's main targets are:

- people with dementia and their carers at the heart of the organisation
- service development and growth
- financial confidence and operational viability
- make dementia a national priority
- first class organisation
- internal policies and good practice
- co-operation with national and international bodies.

Achievements and performance

People with dementia and their carers at the heart of the organisation

See also page 6

The representative function of Alzheimer Scotland is only possible if people with dementia and their carers are brought into the heart of the organisation. There are two people with dementia and there are carers on the Council, our governing body, and many more active in local involvement groups and branches.

There are 11 local authorities where there is at least one person with dementia or carer involved with Alzheimer Scotland participating in local planning and consultative arrangements. There are also many initiatives where Alzheimer Scotland has enabled people with dementia and their carers to speak and influence local decision making.

Alzheimer Scotland's commitment to involving people with dementia and their carers throughout the organisation gives it an authentic and distinctive voice for its campaigning and representation work.

Increasing membership is also a mark of success.

Service development and growth

Many people know of Alzheimer Scotland through its practical services for people with dementia and their carers. Provision of care related services accounts for the greatest proportion (87%) of Alzheimer Scotland expenditure.

Home support increased by 13% but daycare declined by 4%. In part this was

due to the transfer of daycare funding in North Lanarkshire to home support. A small but significant start was made to funding home support through self directed care (direct payments) and private purchase.

Each week an average of 3,170 hours of home support were provided, 1,142 (+9%) people with dementia were assisted in this way during the year; 14% of home support users were aged under 65. An average of 1,411 sessions of day care were available each week, 1,103 people (-4%) received day care during the year and 8% of day care users were aged under 65.

The demand for information remains highest through the Alzheimer Scotland website. Website visitors increased by 25% to 34,040 per month. The number of documents downloaded per month increased by 22% to 9,776. However, calls to the Helpline declined by 19% following the introduction of anonymous call barring which unfortunately has been necessary in order to deter hoax callers. One off enquiries to services were down by 6% although the number of enquiries from carers was up by 7%.

The number of carer support group meetings declined by 8.5% but telephone support for carers by local services increased by 5% and ongoing support meetings with carers and people with dementia increased by 11%.

The number of referrals for services declined very slightly by 0.5% to 2,335.

The expansion of services has been mainly through incremental growth of existing services. Examples include Alzheimer Cafés in Kelso, Clackmannanshire & Invergordon, a new drop-in service in Dundee, the rarer dementia forums for carers and the 'getting on with living' course in Inverness.

For the last two years a full time dementia nurse post in the Royal Alexandra Hospital, Paisley, has been funded by Alzheimer Scotland. In 2008-2009 Alzheimer Scotland plans to fund two further dementia nurses.

Overall services have developed and expanded their scope, notwithstanding changes in the patterns of service use.

Make dementia a national priority

See also page 4 Public policy and campaigning

We were delighted when the new Scottish Government confirmed that dementia was to become a priority and when it was included as a national clinical priority in *Better health, better care*. This was the result of many years of campaigning by Alzheimer Scotland and others. The challenge for the Scottish Government is to translate this policy priority into sufficient good quality services to support the growing number of people with dementia. Through the establishment of the Minister's Dementia Forum and the HEAT target to increase the population of people with dementia who are diagnosed, the Scottish Government has made an excellent start.

Making dementia a priority is not just important for national policy makers, it is also crucial for NHS Boards, local authorities and any other organisation or institution that affects the lives of people with dementia and their carers. Awareness raising and campaigning are all year activities.

Research

The two Alzheimer Scotland Research Fellowships - the proteomic investigation of Alzheimer's disease and a post-mortem study to understand the spread of dementia pathologies at Universities of Newcastle and Oxford respectively entered their third year. The study of intensive home support for people with dementia at Glasgow Caledonian University finished and was published in June 2008.

Following discussion with the Alzheimer's Research Trust and the Alzheimer's Society, it was decided that two research fellowships for 2008-2011 should be awarded in conjunction with each of these organisations' application processes in order to avoid duplication of effort.

Fundraising

The organisation's achievements in its front line activities were sustained by the improvements in income generation across the organisation, especially in fundraising. Fundraised income of £2.36million was 23% more than the previous year. Legacy income of £543,000 was 44% more than the previous year.

Staff Development

The organisation continued to stress the importance of learning and development from induction through SVQ qualifications to post-qualification awards. All new staff are required to complete an induction to their responsibilities including health and safety at work. A first survey of all staff was carried out in order to benchmark their attitudes towards the organisation and to identify areas where the organisation could improve its staff support.

Financial review

See also Financial summary page 14

Fixed assets decreased by 2.5% from £2,224,440 to £2,169,078 as a result of depreciation. Details of fixed assets are shown in Note 10 to the financial statements.

The group has unrestricted reserves (including property) of £6,160,285 (+17%) comprising unrestricted income funds of £2,595,173, the unrestricted legacy reserve of £1,139,093 (+19%) and designated reserves of £2,226,019.

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 £1.2m upper target.

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 which was revised in November 2005. Each year decisions are made about the use of reserves when the annual budget is prepared. In 2006-07 it was decided to reduce the level of commitment from the unrestricted legacy reserve because the previously high level was no longer sustainable. However, the excellent income generation results in 2007-08 encouraged the Directors to approve some new areas of expenditure when the 2008-09 budget was set and to agree to consider further proposals for increased expenditure during the 2008-09 financial year. The unrestricted legacy reserve rose by 19% from £957,017 to £1,139,093.

The designated reserves are land and buildings, £1,991,456, used by Alzheimer Scotland in pursuance of the charity's objectives; the property management reserve of £108,467 for improvements and repairs to property; fixtures and fittings in owned properties and vehicles of £77,954 and a reserved sum for research of £48,142.

The group has restricted reserves of £999,726 comprising restricted income funds of £328,591, the restricted legacy reserve of £322,866 and the research reserve of £348,269. 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 £107,860 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.

The organisation's investment policy is to minimise risk by holding liquid reserves as cash, in high interest-bearing bank accounts. The interest earned in 2007-08 was £291,661.

Plans for the future

See page 12

Statement of Directors' Responsibilities

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

Company and charity law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required to give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources of the group, including its income and expenditure, for that period. In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985 and amendments thereto, and with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Auditors

It is the Directors' assessment that there is no relevant audit information which the auditors have not been made aware of and they have taken all necessary steps to ensure that the auditors have been made aware of all relevant audit information. PKF (UK) LLP is eligible for re-appointment as auditor to the group. Re-appointment will be proposed at the AGM.

By order of the board

Secretary and Director
John Laurie
Edinburgh 15 August 2008

Independent auditors' statement to the members of Alzheimer Scotland - Action on Dementia

We have audited the group and parent entity financial statements of Alzheimer Scotland for the year ended 31 March 2008 which comprise the consolidated income and expenditure account, the consolidated statement of financial activities, the consolidated and entity balance sheets, the

consolidated cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985 and to the charity's Directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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, the charity's members as a body and the charity's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

This report is made in respect of an audit carried out under the Companies Act 1985 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

Respective responsibilities of Directors and auditors

The responsibilities of the Directors for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with the Companies Act 1985 and comply with the requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK

and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and entity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and comply with the requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.
- the information given in the Directors' report is consistent with the financial statements.

PKF (UK) LLP
Registered Auditors
EDINBURGH, UK

Consolidated Income & Expenditure Account

For the year ended 31 March 2008

	2008		2007	
	£	£	£	£
Operating income		10,276,442		9,390,156
Operating expenses		(10,245,455)		(9,910,661)
Operating surplus/(deficit)		30,987		(520,505)
Legacies received		542,519		376,626
Interest receivable from legacy reserves	82,242		53,197	
Interest receivable from other reserves	209,419		158,395	
		291,661		211,592
Surplus for the year		865,167		67,713
Legacy surplus for the year transferred to other reserves		(624,761)		(429,823)
Surplus/(deficit) for the year transferred to other reserves		240,406		(362,110)

Directors

*denotes member of Executive Committee

Noni Cobban (Convener) *
 Christine McGregor (Vice Convener) *
 Stanley Cairnie (Treasurer) *
 John Laurie (Secretary) *
 Simon Backett
 Barbara Barnes *
 Gillian Boardman
 Janet Brown
 Arlene Chalmers
 Margaret Cheyne
 Ted Cleland
 Jacqueline Daly
 Geoff Earl
 Judith Grant
 Susan Hayward
 John Heenan
 Timothy Hewett
 Peter Hollis *
 Dianne Howieson *
 Alan Jacques
 David McClements *
 James McKillop
 Findlay McQuarrie *
 (elected to Executive 14 December 2007)
 Janice Menzies
 Lindsay Morrison *
 (elected to Executive 14 December 2007)
 Lorraine Ross (elected 9 November 2007)
 John Starr *
 Elma Stuart
 Helen Thomson (elected 9 November 2007)
 Margaret Wilkinson *

Notes

All trading arose from continuing activities.

There is no difference between the surplus on ordinary activities for the year stated above and its historical cost equivalent.

Consolidated & Company Balance Sheets

At 31 March 2008

	2008	Group 2007	2008	Company 2007
	£	£	£	£
Fixed Assets				
Tangible assets	2,169,078	2,224,448	2,169,078	2,224,448
Investments in subsidiary undertakings	0	0	2,000	2,000
	2,169,078	2,224,448	2,171,078	2,226,448
Current assets				
Sundry Debtors	343,960	282,042	340,941	280,454
Cash at bank and in hand				
- National Office	291,530	173,603	291,530	173,603
- Legacies unrestricted	1,339,093	957,017	1,339,093	957,017
- Legacies restricted	322,866	273,980	322,866	273,980
- Research reserve	396,411	370,018	396,411	370,018
- The Michael Clutterbuck Bequest	107,860	102,229	107,860	102,229
- Property Management	108,467	76,880	108,467	76,880
- Services	2,628,838	2,309,797	2,627,357	2,307,953
- Branches	81,973	113,937	81,973	113,937
	5,277,038	4,377,461	5,275,557	4,375,617
Total current assets	5,620,998	4,659,503	5,616,498	4,656,071
Creditors: amounts falling due within one year	(522,205)	(481,247)	(519,705)	(479,815)
Net current assets	5,098,793	4,178,256	5,096,793	4,176,256
Total assets less current liabilities	7,267,871	6,402,704	7,267,871	6,402,704
Reserves				
Unrestricted funds	6,160,285	5,262,301	6,160,285	5,262,301
Restricted funds	999,726	1,038,174	999,726	1,038,174
Endowment funds	107,860	102,229	107,860	102,229
	7,267,871	6,402,704	7,267,871	6,402,704

The financial statements were authorised and approved by the directors on 15 August 2008.



Treasurer
Stan Cairnie

Accounting policies

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 1985; and the subsidiary undertaking accounts are in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). Comparative figures have been reclassified to ensure comparability with the current period.

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 the option available in section 4 of the Companies Act 1985 and adapted the Companies Act formats 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 230 of the Companies Act 1985.

Parent company result

The surplus for the year of the company is £865,167 (2007 surplus £67,713).

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.

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.

Donations and legacies

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

Membership subscriptions

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

Consolidated Cash Flow Statement

For the year ended 31 March 2008

	2008	2007
	£	£
Net cash inflow from operating activities	636,377	159,823
Return on servicing of finance		
Interest received	291,661	211,592
Capital expenditure and financial investment		
Purchase of fixed assets	(28,461)	(293,239)
Increase in cash	899,577	78,176
Reconciliation of net cash flow to movement in cash and bank balances		
Increase in cash in the period	899,577	78,176
Opening net cash and bank balances	4,377,461	4,299,285
Closing net cash and bank balances	5,277,038	4,377,461

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.

Support costs

Support costs are apportioned to 'costs of generating funds' and 'costs of charitable activities' on the basis of the total of direct expenditure.

Governance costs

Governance costs are charged directly to the statement of financial activities when incurred and comprise audit fees, directors' indemnity insurance and directors' meetings and other costs.

Operating leases

Operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Tangible fixed assets

All fixed assets costing over £10,000 (2007 £5,000) including VAT are capitalised and depreciated.

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

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.

Value added tax

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

THANKS TO OUR GENEROUS SUPPORTERS

We do not have the space to include the trusts and corporate sponsors who made donations under £500. Nor can we thank all the very many individuals and groups who sent donations, took part in our sponsored events, held Tea Days, left us legacies, bought Christmas cards and especially those who asked family and friends to send us donations in memory of their loved ones. We remain, however, very grateful to all our donors for their vital support. We are also appreciative of the ongoing support of the Scottish Government, health boards and local authorities.

Charitable trust supporters

The A M Pilkington's Charitable Trust
Alexander Moncur Trust
Alfred McAlpine Business Services Benevolent Fund
Barchester Health Care Foundation
BIG Lottery Fund
The Binks Trust
The Blythe Family Trust
The Bottomley Charitable Trust
The Brownington Foundation
The Brownlie Charitable Trust
Comic Relief
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ELPD Charitable Trust
The Evelyn Drysdale Charitable Trust
The Gamma Trust
Glasgow Ayrshire Society
Grace Rae Trust
Highland Cross
Hugh and Mary Miller Bequest
The Ian Fleming Charitable Trust
The Ian Mactaggart Trust
The J & J R Wilson Trust
The James and Patricia Hamilton Charitable Trust
The J K Young Endowment Fund
The John Younger Trust
The JTH Charitable Trust
Lloyds TSB Foundation for Scotland
The Low & Bonar Charitable Trust
The M V Hillhouse Trust
The Mainhouse Charitable Trust
Margaret Cameron Trust
Margaret Murdoch Trust
The Martin Connell Charitable Trust
The Miller Foundation
Miss Agnes H Hunter's Trust
Miss E C Hendry's Charitable Trust
Miss I F Harvey's Charitable Trust

Miss Margaret Jane Stephen Charitable Trust
Miss Marion Broughton's Charitable Trust
The Misses Barrie Charitable Trust
Monklands Masters Charitable Trust
Mrs A M Garnett's 1973 Charitable Trust
Mrs M A Black's Charitable Trust
The Netherdale Trust
Noble Resolve Gospel and Temperance Mission Auxiliary
Northwood Charitable Trust
Polish Connections Scotland
Queensberry House Trust
The Riada Trust
Richard Fraser Charitable Trust
Row Fogo Charitable Trust
Servite Housing Association
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St Andrews Welfare Trust
The Susan H Guy Charitable Trust
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Tesco Charity Trust
Thomas Primrose Trust
The Twitten Charitable Trust
W M Mann Foundation

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Mollinsburn Inn
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Rangers Football Club plc
Resolution plc (now part of The Pearl Group Limited)
RS McColl
Schlumberger Oilfield UK
Scottish & Southern Energy plc
Scottish Enterprise Dunbartonshire
Shell UK
Shin-Etsu Handotai Europe Ltd
Smiths Gore
Solway Cafe
Student Loans Company
Talk Talk
Technip Offshore UK Ltd
Walker Dunnett & Co



President:
**Lord Sutherland
of Houndwood**
KT, FBA, FRSE

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Dumfries DG1 1EG
Tel: 01387 261303

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and Advice Centre
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Visit us at www.alzscot.org for over 500 pages of news, information, help, events, campaigns and more

The information in this Annual Report is also available in large print on our website, or call 0131 243 1453 for a free copy.



Alzheimer Scotland
Action on Dementia

Alzheimer Scotland - Action on Dementia is a company limited by guarantee, registered in Scotland 149069.

Registered Office:
22 Drumsheugh Gardens, Edinburgh EH3 7RN. It is recognised as a charity by the Office of the Scottish Charity Regulator, no. SC022315.

Photography: Peter Devlin, Ian Rhind Design: Holman Design