

Annual Report 2015

and Financial Statements



**Alzheimer's
Research
UK**

The Power to Defeat Dementia

Legal and administrative details

TRUSTEES (DIRECTORS AND MEMBERS)

Chairman DL Mayhew CBE

Other Trustees

JW Fawcett
M Cooper
R Evenett
S Cramer CBE
F Marshall
H Pattinson – resigned 9 Dec 15
AJ Thompson
A Tilbe – resigned 9 Dec 15
N Antill – appointed 28 January 15
C Carter – appointed 9 Dec 15
J Tanner – resigned 29 April 15
B Townsley OBE – appointed 24 June 15

Company Secretary

HB Bester

President

Robin, Countess of Onslow

Executive Team

Hilary Evans, Chief Executive
Dr Simon Ridley, Director of Research
Ian Wilson, Director of Fundraising

OUR PATRONS

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

GRANT REVIEW BOARD

Prof Stuart Pickering-Brown (Chairman)
Prof Johannes Attems
Prof Michael Coleman
Prof Andrew Doig
Prof Nick Fox
Prof Clive Holmes
Prof Lesley Jones
Dr Rick Livesey
Prof Simon Mead
Prof James Nicoll
Prof John O'Brien
Dr Michael O'Neill
Prof Bettina Platt
Prof Andy Randall
Dr Jill Richardson
Prof Karen Ritchie
Dr Tara Spires-Jones
Dr Robert Williams

INTERNATIONAL ADVISORY BOARD

Prof Bart De Strooper M.D, PhD
Dr Peter Davies
Prof Alison Goate D.Phil
Prof David Holtzman

CLINICAL TRIALS ADVISORY PANEL

Prof Clive Ballard	Prof John O'Brien
Prof Nick Fox	Prof Peter Passmore
Prof Chris Frost	Dr Richard Perry
Prof Clive Holmes	Prof Stuart Pickering-Brown
Prof Robert Howard	Prof Craig Ritchie
Dr Les Huson	Dr Philip Scheltens
Dr Mike Hutton	Dr Eric Siemers
Prof Roy Jones	Dr Peter Watson
Dr Vincenzo Libri	Prof Bengt Winblad
Prof Colin Mast	

ADDRESS

3 Riverside, Granta Park, Cambridge CB21 6AD

LEGAL STATUS

The charity was formed as a trust under a trust deed dated 4 August 1992 and became a company limited by guarantee on 10 December 1998.

REGISTERED CHARITY NUMBER 1077089

OFFICE OF THE SCOTTISH CHARITY REGULATOR NUMBER

SC042474

COMPANY NUMBER

3681291

AUDITORS

RSM UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk IP32 7FA

BANKERS

Lloyds TSB Bank PLC, Business Service Centre, Castle Park, Cambridge CB3 0AR
Bank of Scotland, 600 George Road, Edinburgh EX113XP
Barclays Bank Plc, 15 Bene't Street, Cambridge CB2 3PZ

SOLICITORS

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

INVESTMENT ADVISORS

Quilter Cheviot, 90 Long Acre, London WC2E 9RA

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Over the past 23 years, Alzheimer's Research UK has been dedicated to beating dementia. Our total investment in research since we began now exceeds £69m, and we have started work on our boldest ever programme of research, backed by our £100m Defeat Dementia campaign.

As the UK's leading research charity aiming to defeat dementia, our mission is to fund research that gives us the best chance of beating the condition sooner. We believe research has the power to transform the lives of people living with dementia. Thanks to our army of supporters, this year Alzheimer's Research UK has been able to invest £12.5m in our charitable activities, including £8.1m in new research – bringing our total current investment in research to over £28m across 128 pioneering projects. This has been a year in which we have continued our incredible growth: support for our work is still increasing, we have invested more than ever before in research, and we have huge ambitions to do even more.

The height of our ambition is matched only by the scale of the challenge. Dementia is our greatest medical challenge, with no treatments yet able to tackle the diseases that cause it. Currently 850,000 people are living with the condition across our country, with an estimated 700,000 people caring for their loved ones. Dementia is now the biggest killer of women in the UK and the second biggest killer of men. The condition causes untold devastation to countless people up and down the UK: these are the people who inspire our work, and are at the heart of everything we do.

Recent years have seen a real step-change in worldwide support for this challenge, with global leaders now focusing their attention on dementia. We are proud to have helped bring about this change through our campaigning work, and to be involved in a new era that has seen the G7 Global Action Against Dementia programme set to work. With the G7's ambition to find a disease-modifying treatment by 2025, work is now underway in earnest to try to reach this goal, and Alzheimer's Research UK is playing a central role.

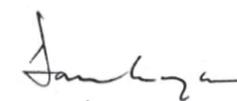
But the fight is still only just beginning, and we have much more work to do. Our £100m Defeat Dementia campaign to power transformational dementia research has made strong progress in its first year, but this is a five-year campaign with bold ambitions. Through the campaign, we are putting in place key infrastructure, cultivating innovative ideas, and backing world-class people and partnerships that have the ability to deliver on this ambition. In the past year alone, this work has seen:

- The launch of our Drug Discovery Alliance, a £30m network of Drug Discovery Institutes based at the University of Cambridge, University of Oxford and UCL (University College London), working to translate promising research breakthroughs into much-needed treatments.
- The opening of the Alzheimer's Research UK Stem Cell Research Centre, a £2m partnership between scientists at the University of Cambridge and UCL to understand how Alzheimer's develops and screen potential new treatments, which has been generously supported by the Alborada Trust.
- The start of the pioneering Insight 46 project to study 500 volunteers from the MRC National Survey of Health and Development, providing a wealth of information to inform risk reduction strategies and the early detection of brain changes which lead to dementia.
- Several major initiatives to drive collaboration between researchers in the UK and across the globe, helping to speed up research through the sharing of key expertise and resources.

You can read more about the progress of these initiatives and the Defeat Dementia campaign throughout this report.

None of this progress would be possible without the generosity of our many supporters. Thanks to individual donors, fundraisers and volunteers, our income has risen by 24.7% this year. This growing support – which was recognised when we were named Fundraising Charity of the Year at the National Fundraising Awards – tells us that the public are with us as we step up our fight against dementia. Our supporters know we have the vision to defeat dementia, and they are the reason we must keep pushing forward.

Our scientists now know more than ever about the diseases that cause dementia, and there is a greater sense of optimism than ever before about our ability to tackle them. Now is a crucial moment in time: we must capitalise on that knowledge to ensure we deliver on these hopes. Our plans may be ambitious, but as more and more people join our fightback, our determination to defeat dementia will only grow.



DAVID MAYHEW CBE
CHAIRMAN, December 2015

Report of the Trustees for year ended 31 August 2015

Dementia shatters lives and leaves countless families heartbroken. Today, 850,000 people in the UK are living with the condition, and its devastating effects ripple even further, with 700,000 people across the country caring for their loved ones. As our population ages, these numbers will continue to grow, and it's estimated that a third of children born in 2015 will develop dementia during their lifetime unless urgent action is taken. The answer, and the power to transform lives, lies in research.

As the leading dementia research charity in the UK and the leading dedicated charity funder of dementia research worldwide, Alzheimer's Research UK is at the forefront of the fight against dementia. Right now, we are investing nearly £28m across 128 research projects and programmes at centres of dementia research excellence across the UK. Our scientists are leading the way in the search for new understanding of Alzheimer's disease and other dementias, and we have a bold research strategy aimed at bringing benefits to people and families affected by dementia sooner.

REFERENCE AND ADMINISTRATIVE DETAILS

This is set out on page 2 of the report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Alzheimer's Research UK is a charitable company limited by guarantee and does not have a share capital. In the event of the charitable company being wound up, each member has guaranteed to contribute £1. As at 31 August 2015, there were 11 members. Currently, the maximum number of Trustees is 12. The Directors and Trustees are listed on page 2. We are a registered charity regulated by the Charity Commission for England and Wales and by the Office of the Scottish Charity Regulator (OSCR).

The Trustees meet five to six times a year, with key staff in attendance, in order to consider income and make decisions on strategy and recommendations for funding.

There are sub-committees involving Trustees on research strategy, finance/investments, audit/risk and legacy. These allow the Trustees to consider issues in more detail where needed.

The Board of Directors report to the Trustees approximately monthly in writing (when there is no Trustee meeting in the month) on income and activities and through regular discussion with the Chairman of the Trustees. Governance costs are modest and reflect the close link between staff and Trustees, who work with the volunteer Grant Review Board (GRB), International Advisory Board (IAB) and others to select grant applications, funding as many of the strongest as possible, as well as looking at key strategic areas. Alzheimer's Research UK is very grateful to Credit Agricole, Withers LLP Solicitors and the Wellcome Trust who provide rooms in London for Trustee meetings, sub-committee and Scientific Advisory Board meetings.

Appointment of new Trustees; their induction and training

New Trustees are appointed on the basis of recommendation or through advertising and networking, depending on the experience and key skills needed, and after interview by the Trustees.

The initial appointment of Trustees is until the December meeting and thereafter a Trustee is eligible for reappointment for three years, usually followed by a further term of three years. Exceptionally the Trustees/Directors may appoint a Trustee for a third term of three years. Trustees may require a Trustee to retire at any time by unanimous agreement (save for up to two dissenters). In view of the regular Trustee meetings, the Trustees have agreed to dispense with a formal Annual General Meeting as permitted by the Companies Act.

New Trustees attend a briefing meeting at ARUK's offices and meet with senior staff relevant to their own specialist skills. They are given an induction pack, including the Memorandum and Articles of Association, the strategic plan, Trustee meeting minutes for the past year, the most recent full accounts and Annual Review plus the monthly management accounts. Those new to the role of Trustee are also given the 'Good Trustee Guide' from the National Council for Voluntary Organisations and ongoing training.

Regional groups

ARUK has Regional Groups in London, County Durham, Enfield, Newquay and Huddersfield, with more in the pipeline. These groups not only raise vital funds for us, and represent us at local events or cheque presentations, but also greatly help raise our profile and support our network of research centres and local research in their areas.

Related parties

Alzheimer's Research Trading Limited is a wholly owned trading subsidiary of Alzheimer's Research UK; it commenced trading on 1 September 2011. The principal activity of the subsidiary company during the current year was the retailing of Christmas cards and calendars. An online shop has been developed and will be launched in the coming year.

Alzheimer's Brain Bank UK Ltd is a registered charity (number 1114578) and a company limited by guarantee (number 5762960) and has no share capital. It has two members, Alzheimer's Research UK and Alzheimer's Society (registered charity number 296645).

The main objectives of Alzheimer's Brain Bank UK are to protect and promote the health of the public. This is undertaken by establishing, promoting and maintaining banks of brain tissue for research into the causes of prevention, treatment and cure of Alzheimer's disease and associated neurodegenerative diseases through the Brains for Dementia Research (BDR) programme. BDR launched in

2008. So far, over 2,800 people have signed up to the BDR programme and over 300 people have generously donated their brains through BDR. There is a growing number of requests for this tissue from dementia researchers across the world, and BDR brain tissue has already been used in some important research publications.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm systems have been established to enable regular reports to be produced so that the necessary steps can be taken to reduce those risks. The Trustees have in place a consultancy at financial controller/director level to help with forecast modelling figures and to create the most informative and useful form of monthly accounts to enable expenditure on research at the highest rate, without putting Alzheimer's Research UK at an inappropriate risk. A formal risk register is used across the organisation and is monitored and owned by the Directors and reports into Trustees.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set. The public benefits from our work, through our world-class research and through our educational materials, website and campaigning to improve the outcomes of dementia research.

Use of volunteers

The paragraph above describes our Regional Groups. Volunteers also support us in a number of ways by sharing their personal story with the media, campaigning for government action, feeding their views into charity development, representing ARUK at events and helping us to maintain and develop our health information by taking on the role of information reviewer. Our volunteer recruitment campaign in January this year attracted a significant number of new volunteers, with a total of 736 people now signed up to help support our work.

Our Grant Review Board (GRB) and Clinical Trials Advisory Panel (CTAP) members are all volunteers as is our Expert Referee Panel. Our GRB and CTAP are a distinguished group of some of the world's leading dementia research experts who review grant applications before making recommendations for funding to our Trustees. We have also

benefited greatly from the voluntary expertise of the ARUK DDI Advisory Group (ADAG) comprising Dr Mike O'Neill, Dr Allan Jordan, Dr Ian Waddell and Prof David Holtzman.

We continue to seek international collaboration and our independent International Advisory Board (IAB) helps us to develop global partnerships and initiatives. Current IAB members include Dr Peter Davies and Professors Bart De Strooper, Alison Goate and David Holtzman.

Our Patrons also help us in a variety of ways in an entirely voluntary capacity.

OBJECTIVES AND ACTIVITIES

Objects in the Governing Document

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

The difference we aim to make

Dementia turns lives upside-down, causing untold heartache for those affected and their families. While existing treatments can help tackle some of the symptoms of some forms of dementia, they don't work for everyone and their effects wear off over time. For a person receiving a diagnosis of dementia today, there are currently no therapies capable of slowing or stopping the underlying damage to the brain.

Alzheimer's Research UK has put in place a bold strategy to help bring much-needed new treatments to people as quickly as possible. Through our Defeat Dementia campaign, we aim to raise at least £100m over five years to help us deliver on this ambitious vision, driving forward targeted research into new treatments, preventions and improved diagnosis. Our Research Strategy is designed to ensure we only fund research with the greatest potential to benefit patients, and our expertise enables us to adapt our approach when needed in line with changes to the wider scientific landscape. Through our campaigning work we aim to keep dementia high on the political agenda, and to help policymakers understand the actions government can take to help defeat the condition. The information we provide helps improve public understanding of dementia, and our communications work plays a key role in helping to change public perceptions of the condition.

Alzheimer's Research UK is a fast-moving, ideas-driven charity with a relentless determination to achieve our vision of a world free from the fear, harm and heartbreak of dementia. Our pioneering approach is underpinned by an efficient administration and sound governance, all of which help our donors to be sure that by supporting Alzheimer's Research UK, they are helping to make a real difference in the battle to defeat dementia.

Objectives for the year and strategies to achieve them

Since Alzheimer's Research UK was first founded in 1992, we have seen great strides in the charity's reach and in public support for our mission. We now have the foundations in place on which to build a transformational change in dementia research and help us move towards our vision.

Our objectives cover four main themes:

- 1) Research Strategy, 2) Information and Communication, 3) Influencing Policy, 4) Fundraising.

1. Research Strategy

We believe research has the power to defeat dementia. Our Research Strategy encompasses the full range of biomedical research, from bench to bedside, and into all forms of dementia. We fund the best ideas from the scientific community as well as key strategic initiatives, and our research programme is targeted at closing gaps in our understanding of dementia and translating research findings from the lab bench to bedside. Our £100m Defeat Dementia campaign is crucial to achieving these objectives.

Our funding has three core components: People & Partnerships, Innovation and Translation. Over the past 12 months the People & Partnerships element has seen us boost our Research Network, bringing together researchers to share expertise and vital resources, and partner with funders across the world to launch two new global funding initiatives. Our Innovation funding has seen us support pioneering new ideas from researchers with a focus on some of the key unanswered questions in dementia research, helping to drive forward our understanding of the condition. The Translation arm of our research programme is working to ensure this understanding is taken forwards, and in the last year has seen the launch of our £30m Drug Discovery Alliance to fast-track the development of new dementia treatments. Over the next year we will continue to push forward with these and new initiatives, always with the aim of bringing new treatments, preventions and improved diagnosis to people with dementia sooner.

2. Information and Communication

Good information is crucial for public understanding of dementia, and Alzheimer's Research UK is a trusted source for people with dementia, the media and the general public to learn about the condition. This year saw our first ever awareness campaign across broadcast and digital channels, designed to challenge misunderstanding about dementia and inspire people to join our fightback. A refresh of our brand has helped us to extend our reach and build more positive connections with the public, rallying even more supporters to our cause.

Our growing library of health information provides people affected by dementia with vital information about the condition, available treatments and risk reduction. These materials are all accredited by the NHS Information Standard, the gold standard for clear and evidence-based information. Our Dementia Research Infoline team are also helping to deliver telephone support for Join Dementia Research, a partnership between the National Institute for Health Research, Alzheimer's Research UK, Alzheimer's Society and Alzheimer Scotland. This national service allows people with and without dementia to take part in suitable research studies, and is playing a major part in increasing the numbers of people participating in dementia research.

Our busy press team has worked to maintain our position as the voice of authority on dementia research, providing expert opinion on major news stories throughout the year. We will continue to develop our relationships with national and regional media to help improve public understanding of dementia, and to ensure that research is reported fairly and accurately.

3. Influencing Policy

A general election year saw our Policy & Public Affairs team work with all political parties to ensure dementia research remains a priority, securing a renewal of the Prime Minister's Dementia Challenge and commitments to investment in research in the Conservative and Liberal Democrat Party manifestos. Alzheimer's Research UK is now helping to steer the new Government's 2020 Vision for tackling dementia.

On the global stage, we have played a central role in the continuing work of the G7 Global Action Against Dementia programme, working with the World Dementia Council and the World Health Organisation to secure progress in several key areas. Our involvement in this work has helped to foster collaborations to improve global regulation of new treatments, and has led to further investment in drug discovery, including the Dementia Discovery Fund, a first of its kind in dementia research.

Over the coming year we will build on this success with a programme of work to boost global collaboration and speed up drug development. We will continue to work with the government to ensure it is held to account on commitments made in the 2020 Vision, campaigning for an even greater scale of ambition and funding levels for research.

4. Fundraising

Alzheimer's Research UK relies on support from the public to power the fightback against dementia. In 2014/15 the strength of that support was demonstrated with a 22% increase in donations, our strongest ever fundraising year, and we were proud to be named Fundraising Charity of the Year at the National Fundraising Awards. Our Fundraising team have worked with a drive and passion matched only by that of our generous supporters, and this energy will be crucial as we strive to continue to deliver on the ambitions of our Defeat Dementia campaign.

Among our growing number of supporters are over 10,000 people who are making regular donations to help fund our work – our highest number ever – as well as thousands of committed fundraisers across the country, who help to power our research through a range of events, from bake sales to marathons. Our new partnership with parkrun has introduced tens of thousands of new people to the charity and our work, and we have enjoyed a growing level of support from corporate partners, whose staff have shown real enthusiasm for our cause.

This year has seen Defeat Dementia gather momentum. We launched our Insight 46 project with the aim of recruiting people to support a groundbreaking research project into the risk factors and early signs of dementia. These donors' generosity will help support leading researchers in a unique project, drawing on volunteers from a landmark 69-year study, the MRC National Survey of Health and Development. Meanwhile our Defeat Dementia Campaign Board of fundraising volunteers was formed, and will help drive our efforts to fund transformational dementia research throughout the campaign.

Strategic Report: 2015 Achievements and Performance

RESEARCH ACHIEVEMENTS

Over the last year we awarded 37 new grants for research, meaning that we have funded a total of 596 projects since we were founded in 1992. Right now, Alzheimer's Research UK funding is supporting 128 research projects and programmes in the UK and abroad worth a total investment of nearly £28m – cementing our status as the largest charitable funder of dementia research in the UK. This year saw our investment in new research increase further, with a total of £8.1m committed to pioneering new projects and £1.2m set aside for future investment in strategic research initiatives. Together these investments in research are helping to advance our understanding of the complex diseases that cause dementia, and identifying promising new leads for developing new treatments, preventions and improved diagnosis.

Each grant application we receive is subjected to rigorous peer review from leading experts in dementia research, to ensure that Alzheimer's Research UK supports only the highest quality research with the greatest chance of providing patient benefit. Our investment is targeted at research with the potential to solve key problems in dementia science, and every project is required to demonstrate how the knowledge gained could be translated into benefits for people with dementia – ensuring every penny we spend on research is directed towards improving lives.

Alzheimer's Research UK is ahead of the pack in its contribution to research. Our funding acknowledgements in published dementia research are far ahead of other UK fundraising charities, and we are proud to be one of the top three funders when public funding bodies are also included.

This year saw the launch of our £30m Drug Discovery Alliance, a network of three flagship Drug Discovery Institutes based at the Universities of Cambridge, Oxford and UCL (University College London). The Alliance will bridge the gap between fundamental science and the development of new treatments, working on early-stage drug discovery projects designed to fast-track research breakthroughs into real-world benefits for people with dementia.

TOP 10 FUNDRAISING CHARITIES FOR DEMENTIA RESEARCH	Number of published papers from Alzheimer's or dementia studies supported by UK fundraising charities in 2014
Alzheimer's Research UK	115
Alzheimer's Society	35
Parkinson's UK	24
British Heart Foundation	15
Stroke Association	14
Age UK/Research into Ageing Fund	12
Brain Research Trust	8
Motor Neurone Disease Association	8
Multiple System Atrophy Trust	7
Bristol Research Into Alzheimer's and Care of the Elderly	4

Number of articles published in the UK acknowledging funders from January 1 – December 31, 2014
Source: Web of Science

We have appointed three Chief Scientific Officers who will lead these Institutes alongside some of the UK's leading academic researchers based in each university, while recruitment is underway for world-class researchers to help drive forward this work.

The Alzheimer's Research UK Stem Cell Research Centre, based at the University of Cambridge, was also officially opened this year by Nobel Laureate Sir John Gurdon. The £2m centre, supported by The Alborada Trust, has enabled two world-class research centres – the Gurdon Institute at Cambridge and the Institute of Neurology at UCL – to combine forces to advance our understanding of Alzheimer's disease. Using cutting-edge techniques, scientists at the centre are transforming skin cells donated by people with Alzheimer's into networks of working brain cells, to help study the development of the disease and screen potential new treatments. Over the past year the centre has recruited a team of scientists with a strong track record in stem cell research. This team is already making significant progress in understanding how Alzheimer's disease starts in rare inherited forms of the disease, and has begun testing compounds to investigate their potential as treatments. Their work is also being aided by additional samples from the MRC National Survey of Health and Development, a long-running study that has followed a cohort of volunteers since their birth in 1946.

We were proud to launch a new chapter in this landmark 69-year study's history this year, when we announced that 500 volunteers from the study will be involved in research to understand the risk factors for dementia and identify early markers of the condition. Led by researchers at UCL's prestigious Dementia Research Centre, this project has been given a £3m funding boost from Alzheimer's Research UK with support from the Iceland Foods Charitable Foundation. The volunteers have already begun to have their first brain scans as part of this project, and the researchers will combine these scans, as well as blood, urine and DNA samples, with a wealth of information collected throughout the participants' lives. This unique project will aim to provide significant new insights into ways to reduce dementia risk, as well as improving our ability to diagnose the condition and understand the early changes in the brain which lead to dementia.

Our national Research Network was given a boost with a renewed investment of £1.2m. This funding supports 15 Research Network Centres of scientific excellence, and has expanded in size and geographical reach over the past year, bringing together over 1,000 researchers from 39 universities to accelerate research progress. The Network has strengthened collaborations between scientists, with researchers sharing crucial expertise between centres, and

has helped provide scientists in the initial stages of their careers with the skills needed to stay in dementia research – a vital step if we are to increase the number of researchers working on dementia.

As worldwide attention has been focused on the challenge of dementia, Alzheimer's Research UK has taken a lead in global collaboration, participating in joint research initiatives alongside funders from across the world. The launch of the Mechanisms of Cellular Death in Neurodegeneration (MCDN) funding scheme saw us join forces with the Alzheimer's Association (US-based) and the Weston Brain Institute in Canada, with the initiative designed to improve understanding of how brain cells die in diseases such as Alzheimer's – a key unanswered question in dementia research. A second initiative, Biomarkers Across Neurodegenerative Diseases 2 (BAND2), joins these three partners with The Michael J Fox Foundation for Parkinson's Research (US-based) to fund projects aimed at understanding the similarities and differences between a number of brain diseases. These funding initiatives are part of a worldwide effort to re-ignite dementia research on a global scale and increase collaboration between scientists working on the condition.

The Dementia Consortium – a unique £3m drug discovery collaboration between Alzheimer's Research UK, MRC Technology and pharmaceutical companies Eisai and Lilly – has awarded funding to its first two projects this year. Researchers at the University of Southampton are already putting this funding to work on a project to develop new treatments targeting inflammation in the brain, a process that is believed to cause additional damage to nerve cells in Alzheimer's disease. In a second project, a team at the International Centre for Genetic Engineering and Biotechnology in Trieste, Italy, will seek to develop a compound that could block the build-up of harmful proteins in people with frontotemporal dementia. Over the coming year we hope to expand this innovative partnership by involving additional pharmaceutical partners in the Consortium.

Research Outcomes

We carefully track the progress and outcomes of all our research projects to ensure that our supporters' donations are being put to good use by our dedicated researchers. Our grant-holders report to us with regular progress updates, allowing us to gain a wealth of information about our research portfolio. Since we awarded our first grant in 1998:

- We have funded a total of 596 projects, equating to a combined total of 1,405 years of research – that's 3.5 million hours our scientists have spent working tirelessly to defeat dementia.

- We have helped to bring scientists together to pool expertise and resources, speeding up progress in research. Over 200 new collaborations have been established as a result of Alzheimer's Research UK funding, with almost one in five of our grants leading to new partnerships.
- We have given a boost to the number of researchers working on dementia. A lack of scientists in dementia research has held back progress for many years, and our PhD scholarships and Fellowship programmes are designed to help tackle this problem by bringing more people into the field. We are proud that almost half of our former PhD students, and almost three quarters of our Fellows, are still working on neurodegenerative diseases today.
- Our funding has led to further investment from other organisations, providing a much-needed boost to the dementia research field. By seed-funding the best and most innovative ideas, our grants have resulted in further funding worth £117.3m, meaning many projects we first supported over a decade ago still have a continued legacy today. For every £1 Alzheimer's Research UK has invested in research, a further £2.62 has been secured by our researchers from other funders to progress their work.

In March we held our biggest ever Alzheimer's Research UK Conference in London, attracting over 450 delegates from the UK and further afield – a 50% increase on our 2014 attendance. A programme encompassing the full spectrum of biomedical research saw experts share the latest findings on a wide range of topics, from research into molecular changes in the brain to efforts to improve early diagnosis. The event remains the largest UK dementia research conference, and this year was our most successful yet, bolstering its reputation as a forum for researchers to exchange ideas and form important new collaborations.

Information and Communications achievements

An important part of our remit is to improve public understanding of dementia, a condition that is still surrounded by misunderstanding. This year saw us run our first ever awareness-raising campaign, designed to focus public attention on the need for research and challenge people's perceptions of dementia. The national advertising campaign was supported by celebrities Seth Rogen, James Nesbitt and Arlene Phillips, and appeared on major TV channels and in cinemas nationwide, backed up by a campaign across digital channels.

After a careful review of our brand, we took the opportunity to update its look and feel to help us inspire, motivate and unite a new generation of supporters. Our refreshed and more confident branding is helping us to forge better connections

with the public, reaching more people than ever before. In the past year, the number of visits to our new website has doubled and we have gained over 20,000 new supporters through our social media channels. In the first half of 2015, the YouGov Charity Index placed Alzheimer's Research UK as 6th out of 44 leading UK charities for positive public perception. Our plans for the coming year will see us build on this progress to further increase awareness of the charity's work and inspire more people to join our fightback.

We have expanded our popular library of health information, working with Public Health England to add a new leaflet, Reducing Your Risk of Dementia, and distributed our information leaflets to 9,298 GP surgeries, 13,458 care homes, 1,734 libraries and 139 memory clinics across the UK. We are proud to be certified by the Information Standard, a sign that the information we provide is clear, accurate, up-to-date and evidence-based. Our hard-working Dementia Research Infoline team answered 2,422 enquiries from the public, offering vital information about dementia, helping people to get involved in research and signposting to other relevant organisations. The team also played a key role in the delivery of Join Dementia Research, a partnership between the National Institute of Health Research, Alzheimer's Research UK, Alzheimer's Society and Alzheimer Scotland. Through this nationwide service we have contributed to a 60% increase in the number of people taking part in dementia research in the UK, with 11,309 new volunteers signing up through the service in 2014/15.

Our work with high profile supporters has helped us to boost our research over the past year. Arlene Phillips featured alongside supporters in a BBC Lifeline Appeal that raised nearly £40,000. Meanwhile our Hats Off To Research campaign saw a host of famous faces, including Simon Pegg, Helena Bonham Carter and Boy George donate their personal hats for an auction to back our work.

Our busy press team has contributed to an 18% increase in the charity's media coverage over the past year, showcasing our pioneering work and providing a trusted expert voice on dementia research. Our work with media volunteers and supporters has helped demonstrate the human impact of dementia to a wider audience, helping to galvanise support for our work. Across print and broadcast media, we have established positive relationships that have made us the go-to source for comment on major news stories – such as the announcement in July of findings from clinical trials of the Alzheimer's drug solanezumab. We were also able to achieve broad coverage of our policy report, Women and Dementia: A Marginalised Majority, as well as many of our new research initiatives such as the Drug Discovery Alliance.

Policy and Public Affairs achievements

In the past year the Policy and Public Affairs team have played an important role in keeping dementia research at the top of the political agenda. Through this work, Alzheimer's Research UK has provided leadership on both a national and global level, to ensure that research and access to treatments remain a key focus for governments, and that the global community is working together to speed up drug discovery.

In the run-up to the general election, our cross-party work resulted in key commitments to invest in dementia research in both the Conservative and Liberal Democrat Party manifestos. Our campaigning was successful in achieving a renewal of the Prime Minister's Challenge on Dementia in February, and Alzheimer's Research UK was heavily involved in drafting the Government's Vision 2020, which outlined its planned response to the dementia challenge over the next five years. As a member of the Vision 2020 Programme Board, we are now working to ensure that this vision includes an emphasis on research.

Throughout the year we have also played a key part in furthering the work of the G7 Global Action Against Dementia programme. Through positive engagement with the World Dementia Council and the World Health Organisation, we helped secure progress in key areas, fostering collaboration to improve the way new treatments are regulated, and boosting incentives for industry to invest in drug discovery for dementia – a critical step if new treatments are to become a reality. The Dementia Discovery Fund, which brings together investors to fund innovative pre-clinical research aimed at developing new dementia drugs, launched this year with Alzheimer's Research UK as a founding partner, alongside the UK Government and several major pharmaceutical companies.

We have also taken a lead on improving prevention research, bringing together experts in the field to explore the current barriers to this research and potential solutions. This work will continue over the coming year.

This year saw the launch of our report, Women and Dementia: A Marginalised Majority, which raised public awareness through events and major media coverage of the disproportionate impact dementia has on women. This work led to a series of international partnerships to explore potential solutions, and helped position Alzheimer's Research UK as a global leader on this issue. Our involvement in a joint report on the stigma of dementia helped shine a spotlight on the fear surrounding the condition, revealing the impact of stigma for people with dementia, their families, and for research progress. We have made good progress in raising awareness of Alzheimer's Research UK's work among the

2015 intake of MPs, and have increased our level of perceived effectiveness among MPs from 45% to 56% - the biggest increase of any charity this year.

Over the next year we will work to develop a global platform to improve collaboration of the scientific community and accelerate research progress. With a renewed sense of optimism among the research community about the prospects of potential new dementia treatments, we will also work with key organisations – including the NHS and the pharmaceutical industry – to understand what steps must be taken to ensure any cost-effective new treatments can be made available to patients as quickly as possible.

Fundraising achievements

Our work would not be possible without the support of the public. Once again we have seen our strongest financial year to date, raising a total of £16.5m – a 22% increase from 2014, reflecting the strength of support among the public for our cause. We never take this support for granted: every donation, big or small, every fundraising event and every gift in a Will is vital in our mission to defeat dementia.

Our fundraising team has worked carefully with third parties who are experts in telephone and face-to-face fundraising, and who feel as passionately about dementia research as we do. Working with agencies allows us to raise vital funds in the most cost-effective way; we closely manage their work on our behalf to ensure that our supporters have the best possible experience and that vulnerable people are protected. Through our Supporter Charter, we promise to make the best use of every donation we receive, to keep our supporters informed about our work and to treat their information with respect.

This year saw us pass an important milestone when the number of our supporters who are committed to donate on a regular basis grew to over 10,000. Regular donations are critical in enabling us to plan our programme of research, and this growth is a reflection of the care we take in building relationships with our supporters. This approach has helped us to grow our income across the board, an achievement that was recognised when we were awarded Fundraising Charity of the Year at the National Fundraising Awards. An overhaul of our digital donation process also led to us winning the Insight in Fundraising Award for Most Powerful Insight from Digital Analysis.

Staff at AXA Commercial Lines and Personal Intermediary voted to select us for a three-year national partnership that will see them aim to raise £250,000 for our Defeat Dementia campaign – with £35,000 raised through its first fundraising event alone. This corporate partnership is just one of a broad

portfolio that includes support from Waitrose online, The Perfume Shop, the Bank of England and others. Following our successful partnership with Iceland Foods, we received a further £150,000 donation from the company, while Legal and General have made a generous £30,000 donation to help us develop our information for children.

We launched an exciting three-year partnership with parkrun, which has seen 127 parkrunners joining #TeamARUKparkrun to fundraise for Alzheimer's Research UK at 150 events. Through this partnership, news about our work has reached tens of thousands of parkrunners and we have recruited 180 people to Join Dementia Research, a service which matches volunteers to suitable research studies. Our fundraisers continue to astound us with the challenges they undertake in their determination to help us beat dementia. This year saw our biggest ever group of Virgin Money London Marathon runners, with 96 people taking part, while the RideLondon-Surrey 100 was our most successful cycling event ever, with 42 riders helping to raise over £40,000 for our research. We were delighted to be selected as charity partner for the Ikano Robin Hood Marathon, our first partnership for an annual sporting event.

We are indebted to the 211 generous supporters who chose to leave gifts in their Wills, helping to fund a third of our research projects – a fundamental contribution in the fightback against dementia. A further 8,000 people chose to remember their friends and loved ones by making a donation to our work, raising over £1m. Giving in memory is a very special way to honour a loved one, and we are humbled by this support.

Donations from charitable trusts and foundations reached £2.2m in the last year, an increase of 45% from 2013/14. This year we were able to officially open the Alzheimer's Research UK Stem Cell Research Centre thanks to generous backing from The Alborada Trust, which is supporting the centre's work over five years. We received our first ever pledge of £1m from an individual donor in support of our Defeat Dementia campaign, with a total of 3.4m in donations secured by our Philanthropy team across the year.

A full review of our trading operation has also resulted in the development of our first online shop. Over the coming year, this project will be a valuable addition to our fundraising efforts and will complement the vital support we receive from all our fundraisers, supporters, corporate partners and charitable trusts.

Financial Review

Headline figures extracted from the Financial Statements show;

1. An increase in income of 24.5% (2014 – 29%)
2. An increase in spending on charitable activities of 28.7% (2014 – 21%)
3. An increase in research commitments entered into during the year, included in charitable activities of 5.9% (2014 – 13%)

During the year £12.5m was spent on charitable objectives of which £8.1m was committed to research projects compared to £7.6m in the previous year. Total commitments for research expenditure included in the balance sheet at 31 August 2015 were £19.6m (31 August 2014: £17m) of which £11.6m will be paid in the next financial year and the remainder before 2019.

Reserves policy

Generally research expenditure is recognised once the grant has been offered to the applicant at which point a commitment is deemed to exist. DDI commitments are recognised at the point that satisfactory progress has been achieved following a detailed scientific review and communicated to the facility. Future research expenditure is recognised before the corresponding income is received. This makes it difficult for ARUK to maintain a pre-determined level of general reserves.

The Trustees are mindful of the relatively long term nature of grant liabilities; the often significant delays between recognising grant creditors in the accounts and making payments to recipients; and the considerable diversity of ARUK's fundraising activities and asset portfolio when setting the reserves policy.

Consequently the level of the general fund is not an appropriate measure of the financial position and stability of the organisation. The Trustees therefore give careful

consideration to the charity's liquidity before entering into new financial obligations.

In order to provide flexibility to respond to charitable expenditure requirements, but without putting the Charity financially at risk, the reserves policy is that we should maintain cash and readily realisable assets sufficient to fund between twelve and twenty-four months of outstanding grants plus six months' total operating costs. At 31 August 2015 our liquidity, included as current assets, was sufficient to cover defined operating costs plus thirteen months of outstanding grants.

Investments power and policy

As set out by its constitution, ARUK has complete discretion to invest money which is not immediately required for expenditure. The performance of the investments, which are prudently managed by Quilter Cheviots, is overseen by the Investment Sub Committee which reports to the Board of Trustees.

The return on our investments over the period covered by this report has exceeded market returns on comparable investments. It is the ethical policy of ARUK specifically to exclude investments in the tobacco industry.

Future Plans

Dementia has been in the spotlight over the past year or more, with national and international leaders spurred into action by the enormity of the challenge. Alzheimer's Research UK's campaigning has helped to inspire this action, and with global attention focused on the dementia challenge, we are playing a key role in steering the response. Our expertise, and our vision, is helping to enable a transformational change in the dementia research landscape.

Our Defeat Dementia campaign has achieved much in its first year, laying the groundwork for future success. Soaring growth in public support for our work was recognised when we were awarded Fundraising Charity of the Year at the National Fundraising Awards, and we intend to build on this momentum to go even further – harnessing that support to power our world-class research programme, and inspiring even more people to join our fightback. We're making exciting progress, but as anyone affected by dementia knows, support for research is still as vital as ever.

The key background and motivators for our work:

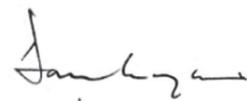
- Over 850,000 people are currently living with dementia in the UK, and the condition now affects 46 million people worldwide. As our population ages, it's expected that the number of people with dementia will exceed 1 million by 2025.
- The diseases that cause dementia are progressive, and with no treatments currently able to stop or slow them, no-one recovers from dementia. The condition is now the biggest killer of women in the UK, and the second biggest killer of men.
- Dementia's impact reaches all of us: the condition costs the UK economy nearly £24 billion each year. Worldwide, the annual cost of dementia has spiralled to US\$818bn.

- The global community is now recognising this challenge, with work underway to pull together a co-ordinated response. Alzheimer's Research UK has the ideas and the know-how to help deliver on the G7 nations' ambition to find a cure or disease-modifying treatment by 2025, and we are playing a key part in this work.
- Our Defeat Dementia campaign is already working to power vital strategic initiatives designed to bring benefits to patients sooner. These initiatives will bring more scientists into dementia research, drive forward treatment development, boost the number of people involved in dementia research and provide crucial insights into early detection and prevention strategies. As the UK's leading dementia research charity, we are driving real change and we are unrelenting in our ambition to transform people's lives.

Funds held as custodian

None.

By order of the Trustees.



DAVID MAYHEW CBE, CHAIRMAN, December 2015

Statement of Trustees' responsibilities

Statement of responsibilities of the Board of Trustees

The Trustees (who are also Directors of Alzheimer's Research UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Trustees are aware:

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

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

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Independent auditor's report to the trustees and members of Alzheimer's Research UK

We have audited the group and parent charitable company's financial statements of Alzheimer's Research UK ("the financial statements") for the year ended 31 August 2015 on pages 22 to 40. 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 exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 20 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 auditors 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 (APB'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 <http://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 August 2015; and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

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 and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

12 February 2016

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor Chartered Accountants,
Abbotsgate House, Hollow Road,
Bury St Edmunds, Suffolk, IP32 7FA

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

Consolidated statement of financial activities and summary income and expenditure account for the year ended 31 August 2015

	Note	Unrestricted Funds £	Restricted Funds £	2015 Total £	2014 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	4	13,953,257	2,579,789	16,533,046	13,508,238
Activities for generating funds		170,299	-	170,299	75,414
-Trading turnover of subsidiary	9	57,310	-	57,310	70,014
Investment income	5	696,095	-	696,095	578,886
Incoming resources from charitable activities		12,985	282,102	295,087	-
Share of gross incoming resources from joint venture		50	-	50	94,466
Incoming resources		14,889,996	2,861,891	17,751,887	14,327,018
Less gross incoming resources from joint venture		(50)	-	(50)	(94,466)
Total incoming resources		14,889,946	2,861,891	17,751,837	14,232,552
Resources expended					
Cost of generating funds					
Cost of generating voluntary income		4,972,071	-	4,972,071	3,510,950
Trading cost of subsidiary		49,894	-	49,894	69,633
Fundraising trading		89,217	-	89,217	33,414
Investment management costs		111,954	-	111,954	51,901
Charitable activities					
Research		8,663,851	647,042	9,310,893	8,754,239
Information		2,722,590	34,752	2,757,342	544,589
Advocacy		435,818	-	435,818	437,423
Governance costs		104,543	-	104,543	117,464
Total resources expended	6	17,149,938	681,794	17,831,732	13,519,613
Net (outgoing)/ incoming resources		(2,259,992)	2,180,097	(79,895)	712,939
Net interest in joint venture operating result	9	(9,109)	-	(9,109)	(8,419)
Net (outgoing)/ incoming resources before transfers		(2,269,101)	2,180,097	(89,004)	704,520
Transfer between funds	15	2,056,099	(2,056,099)	-	-
Net (outgoing)/ incoming incoming resources		(213,002)	123,998	(89,004)	704,520
Net realised gains on investments	9	(19,220)	-	(19,220)	53,936
Surplus/ (deficit) for the year		(232,222)	123,998	(108,224)	758,456
Unrealised gains on investments	9	10,457	-	10,457	566,807
Net movement in funds		(221,965)	123,998	(97,767)	1,325,263
Funds balance at 1 September		2,857,716	37,533	2,895,249	1,569,986
Funds balance at 31 August	14,15	2,635,951	161,531	2,797,482	2,895,249

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

Charity statement of financial activities and summary income and expenditure account for the year ended 31 August 2015

	Note	Unrestricted Funds	Restricted Funds	2015 Total	2014 Total
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	4	13,953,257	2,579,789	16,533,046	13,508,238
Activities for generating funds		170,299	-	170,299	75,414
Investment income	5	696,095	-	696,095	578,886
Income from trading subsidiary		8,743	-	8,743	9,172
Incoming resources from charitable activities		12,985	282,102	295,087	-
Total incoming resources		14,841,379	2,861,891	17,703,270	14,171,710
Resources expended					
Cost of generating funds					
Cost of generating voluntary income		4,972,757	-	4,972,757	3,512,808
Fundraising trading		89,241	-	89,241	33,432
Investment management costs		111,983	-	111,983	51,929
Charitable activities					
Research		8,666,161	647,042	9,313,203	8,758,873
Information		2,723,272	34,752	2,758,024	544,877
Advocacy		435,925	-	435,925	437,654
Governance costs					
		100,586	-	100,586	113,987
Total resources expended	6	17,099,925	681,794	17,781,719	13,453,560
Net (outgoing) / incoming resources before transfers		(2,258,546)	2,180,097	(78,449)	718,150
Transfer between funds	15	2,056,099	(2,056,099)	-	-
Net (outgoing) / incoming resources		(202,447)	123,998	(78,449)	718,150
Net realised (losses)/ gains on investments	9	(19,220)	-	(19,220)	53,936
(Deficit)/ surplus for the year		(221,667)	123,998	(97,669)	772,086
Unrealised gains on investments	9	10,457	-	10,457	566,807
Net movement in funds		(211,210)	123,998	(87,212)	1,338,893
Funds balance at 1 September		2,776,453	37,533	2,813,986	1,475,093
Funds balance at 31 August	14,15	2,565,243	161,531	2,726,774	2,813,986

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

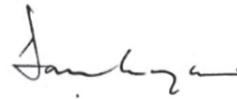
Consolidated balance sheet as at 31 August 2015

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

	Note	2015	2014
		£	£
Fixed assets			
Tangible assets	8	539,552	647,571
Investments	9	9,199,737	10,285,632
		9,739,289	10,933,203
Current assets			
Stocks	10	7,966	9,820
Debtors	11	1,281,478	1,421,814
Investments	9	5,490,693	4,457,625
Cash at bank		7,591,123	4,300,441
		14,371,260	10,189,700
Creditors: amounts falling due within one year	12	(13,282,641)	(8,470,674)
Net current assets		1,088,619	1,719,026
Total assets less current liabilities		10,827,908	12,652,229
Creditors: amounts falling due after more than one year	13	(8,030,426)	(9,756,980)
Total assets less total liabilities		2,797,482	2,895,249
Funds			
Restricted funds	14	161,531	37,533
Unrestricted funds			
General funds	15	(1,245,313)	186,909
Designated funds	15	3,881,264	2,670,807
		2,797,482	2,895,249

The financial statements on pages 21 to 37 were approved and authorised for issue by the Board of Trustees on 9th December 2015.

N. P. Antill
Trustee


DL Mayhew CBE
Trustee

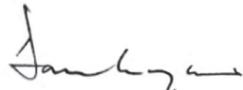
The notes on pages 25 to 35 form part of these financial statements.

Charity balance sheet as at 31 August 2015

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

	Note	2015	2014
		£	£
Fixed assets			
Tangible assets	8	539,552	647,571
Investments	9	9,110,037	10,186,823
		<u>9,649,589</u>	<u>10,834,394</u>
Current assets			
Debtors	11	1,338,378	1,485,807
Investments	9	5,490,693	4,457,625
Cash at bank		7,550,837	4,242,539
		<u>14,379,908</u>	<u>10,185,971</u>
Creditors: amounts falling due within one year	12	<u>(13,272,297)</u>	<u>(8,449,399)</u>
Net current assets		<u>1,107,611</u>	<u>1,736,572</u>
Total assets less current liabilities		<u>10,757,200</u>	<u>12,570,966</u>
Creditors: amounts falling due after more than one year	13	<u>(8,030,426)</u>	<u>(9,756,980)</u>
Total assets less total liabilities		<u>2,726,774</u>	<u>2,813,986</u>
Funds			
Restricted funds	14	161,531	37,533
Unrestricted funds			
General funds	15	(1,316,021)	105,646
Designated funds	15	3,881,264	2,670,807
		<u>2,726,774</u>	<u>2,813,986</u>

The financial statements on pages 21 to 37 were approved and authorised for issue by the Board of Trustees on 9th December 2015.

N. P. Antill 

N Antill
Trustee

DL Mayhew CBE
Trustee

The notes on pages 25 to 35 form part of these financial statements.

Consolidated cash flow statement for the year ended 31 August 2015

	2015	2014
	£	£
Net cash inflow from operating activities	2,626,280	3,211,237
Returns on investments and servicing of finance		
Investment income	696,095	578,886
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(66,648)	(391,309)
Payments to acquire investments	(2,754,507)	(3,180,194)
Disposal proceeds from sale of investments	2,888,971	3,023,798
Net cash outflow before management of liquid resources and financing	3,390,191	3,242,418
Management of liquid resources		
Movement in investment cash	(99,509)	(1,401,257)
Increase in cash in the year	<u>3,290,682</u>	<u>1,841,161</u>
Reconciliation of cash movement		
Net cash resources at 1 September	4,300,441	2,459,280
Increase in cash in the year	3,290,682	1,841,161
Net cash resources at 31 August	<u>7,591,123</u>	<u>4,300,441</u>

Reconciliation of net movement in funds to net cash inflow from operating activities

	2015	2014
	£	£
Net movement in funds in year	(97,767)	1,325,263
Investment income	(696,095)	(578,886)
Investment losses/(gains)	8,763	(620,743)
Depreciation	174,667	146,380
Loss on disposal of assets	-	46,702
Decrease/(Increase) in stocks	1,854	(415)
Decrease/(Increase) in debtors	140,336	(566,286)
Increase in creditors	3,085,413	3,450,803
Decrease in value of joint venture investment	9,109	8,419
	<u>2,626,280</u>	<u>3,211,237</u>

All cash resources held at the year end are in the form of cash at bank.

The notes on pages 25 to 35 form part of these financial statements.

Charity cash flow statement for the year ended 31 August 2015

	2015	2014
	£	£
Net cash inflow from operating activities	2,643,896	3,177,932
Returns on investments and servicing of finance		
Investment income	696,095	578,886
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(66,648)	(391,309)
Payments to acquire investments	(2,754,507)	(3,180,194)
Disposal proceeds from sale of investments	2,888,971	3,023,798
Net cash outflow before management of liquid resources and financing	3,407,807	3,209,113
Management of liquid resources		
Movement in investment cash	(99,509)	(1,401,257)
Increase in cash in the year	3,308,298	1,807,856
Reconciliation of cash movement		
Net cash resources at 1 September	4,242,539	2,434,683
Increase in cash in the year	3,308,298	1,807,856
Net cash resources at 31 August	7,550,837	4,242,539

Reconciliation of net movement in funds to net cash inflow from operating activities

	2015	2014
	£	£
Net movement in funds in year	(87,212)	1,338,893
Investment income	(696,095)	(578,886)
Investment losses/(gains)	8,763	(620,743)
Depreciation	174,667	146,380
Loss on disposal of fixed assets	-	46,702
Decrease/(Increase) in debtors	147,429	(615,593)
Increase in creditors	3,096,344	3,461,179
	<u>2,643,896</u>	<u>3,177,932</u>

All cash resources held at the year end are in the form of cash at bank.

The notes on pages 25 to 35 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 August 2015

1 Accounting policies

The financial statements are prepared in accordance with the Statement of Recommended Practice (SORP 2005), "Accounting and Reporting by Charities" the Companies Act 2006 and applicable accounting standards. The particular accounting policies adopted by the Trustees are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments.

Fund accounting

The charity maintains various types of funds as follows:

Restricted funds

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

Unrestricted funds

General unrestricted funds represent unrestricted income which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity. This also includes designated funds which represent amounts that have been set aside for specific purposes at the discretion of the Trustees.

Fund transfers

Transfers between restricted and unrestricted funds represent restricted income received where expenditure has already been provided for.

Basis of consolidation

The financial statements comprise the assets, liabilities and funds, and the statement of financial activities of Alzheimer's Research UK and its subsidiary. The financial statements also include the Charity's share of the profits or losses from joint ventures in the consolidated statement of financial activities and its share of the net assets is included in the consolidated balance sheet.

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for

repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income:

Grants receivable from government bodies

Grants are recognised in the statement of financial activities when the conditions for receipt have been complied with.

Gifts in kind and donated goods

Assets given for distribution by the charity are recognised as income for the year only when they are distributed. Where such undistributed assets exist at the year end, they are not included in the accounts but a note is provided of their estimated value. Assets given for use by the charity are recognised as incoming resources at their estimated market value when receivable. If they form part of the fixed assets at the year end, they are included in the balance sheet at the value at which the gift was included in incoming resources. Assets given in kind for conversion into cash and subsequent application by the charity are recognised as income in the accounting period when receivable.

Donations

Donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported in other expenditure. Donations are accounted for at the point when the Charity is entitled to the income, there is certainty of receipt and the monetary value can be measured with sufficient reliability.

Investment income

Investment income is accounted for when receivable. Tax recoverable relating to investment income is accounted for in the same period as the related income.

Legacies

Legacies are included in the Statement of Financial Activities when the charity is legally entitled to the distribution and the amount can be determined with accuracy and it is certain that the legacy will be received.

1 Accounting policies (continued)

Resources expended

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

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

Governance costs include expenditure in relation to the general governance of the charity. Such expenditure includes the costs incurred in relation to the constitutional and statutory arrangements of the charity.

Support costs are allocated to costs of generating voluntary income, fundraising trading, investment management costs, charitable activities and governance costs using a percentage based upon the direct expenditure allocation.

Grants payable

Grants payable are accounted for when the trustees have accepted a legal obligation to make the grant.

Charitable commitments

Commitments which are legally binding on the Trustees are accounted for as resources expended in the Statement of Financial Activities. Where the promise of financial support is not binding on the Trustees, such intentions may be accounted for by a transfer to a designated fund. Activities that are to be wholly financed from future income do not form part of such designation and are disclosed in a note to the accounts.

Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is provided to write off the cost of all assets over their expected useful lives as follows:

Fixtures and office equipment - 20% - 33% reducing balance

Leasehold improvements- over the period of the lease

Investments

Investments in the investment portfolio are stated at market value. Realised and unrealised gains and losses are shown separately in the appropriate section of the Statement of Financial Activities. The composition of investments is reviewed annually and split between fixed and current depending upon the nature of the investment category.

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

Stocks

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

Pensions

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

Leases

The annual rental of all operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Going concern

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

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees Report on pages 6 to 19. The group currently has significant liquid resources which are equivalent to the research commitments which have been made and are payable over the next five years. There are no borrowings. It is the purpose of the group to raise as much money as possible for purposes of funding research. The amount which is committed to research depends on the income raised and commitments are not made in anticipation of future income.

Detailed projections are produced for the next five years which together with availability of detailed financial information enables the assessment of the level of research commitments which can be made.

The Trustees are confident with the investments in infrastructure which have been made that the income levels set in the strategic plan can be met which will enable a significant increase in amounts committed to research.

2 Net incoming/ (outgoing) resources for the year

	2015	2014
	£	£
Net incoming/ (outgoing) resources for the year is stated after charging:		
Audit services - Charity and group audit services	15,700	15,200
- Trading subsidiary audit services	2,050	2,000
The above figures are exclusive of irrecoverable VAT		
Loss on disposal of fixed assets	-	46,702
Depreciation of tangible fixed assets	174,667	146,380
Payments under operating leases – land and buildings	193,933	194,701
Payments under operating leases – plant and machinery	9,222	13,131

3 Information regarding employees and trustees

	2015	2014
	Number	Number
Full-time employees	71	54
Part-time employees	4	4
	<u>75</u>	<u>58</u>
	£	£
Salaries	2,535,320	1,873,550
National insurance	257,486	182,377
Other pension costs	139,562	70,431
	<u>2,932,368</u>	<u>2,126,358</u>

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

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

All of the above individuals are members of the defined contribution pension scheme, contributions during the year totalled £26,093 (2014: £9,000). Included within creditors at the year end is £34,560 (2014: £3,270) of outstanding pension contributions. Trustees are not remunerated nor reimbursed for their expenses.

4 Voluntary income

	Unrestricted funds	Restricted funds	Total 2015	Total 2014
	£	£	£	£
Charitable Trusts	440,061	1,870,861	2,310,922	1,507,379
Legacy income	5,570,142	142,500	5,712,642	4,826,808
Other donations	7,757,815	566,428	8,324,243	7,153,016
Donated services	185,239	-	185,239	21,035
	<u>13,953,257</u>	<u>2,579,789</u>	<u>16,533,046</u>	<u>13,508,238</u>

5 Investment income

	Total 2015	Total 2014
	£	£
Government stocks	3,333	5,995
Bank deposits	83,299	11,193
Dividend income	609,463	561,698
	<u>696,095</u>	<u>578,886</u>

6 Resources expended - Group

	Cost of generating funds	Research	Information	Advocacy	Governance	Total 2015	Total 2014
	£	£	£	£	£	£	£
Direct costs	4,799,922	8,556,462	2,533,922	400,504	96,104	16,386,914	12,232,513
Support costs:							
Human resources	100,914	179,891	53,273	8,420	2,013	344,511	412,840
Premises	85,237	151,946	44,998	7,112	1,700	290,993	293,922
Finance	38,212	68,117	20,172	3,189	762	130,452	112,743
Corporate	52,972	94,429	27,964	4,420	1,056	180,841	34,085
IT & office costs	94,716	168,844	50,002	7,903	1,889	323,354	240,580
Depreciation	51,163	91,204	27,011	4,270	1,019	174,667	192,930
	<u>5,223,136</u>	<u>9,310,893</u>	<u>2,757,342</u>	<u>435,818</u>	<u>104,543</u>	<u>17,831,732</u>	<u>13,519,613</u>
Charity	<u>5,173,981</u>	<u>9,313,203</u>	<u>2,758,024</u>	<u>435,925</u>	<u>100,586</u>	<u>17,781,719</u>	<u>13,453,560</u>

7 Grant giving

	Total 2014	Total 2013
	£	£
New research commitments entered into during the year	8,067,828	7,621,291
Release of provisions no longer required	(170,321)	(187,225)
Direct research payment	51,716	31,058
Amount charged to the Statement of Financial Activities	<u>7,949,223</u>	<u>7,465,124</u>

8 Tangible fixed assets (group and charity)

	Leasehold improvements	Fixtures and office equipment	Total
	£	£	£
Cost			
At 1 September 2014	677,549	236,714	914,263
Additions	23,739	42,909	66,648
At 31 August 2015	701,288	279,623	980,911
Depreciation			
At 1 September 2014	144,365	122,327	266,692
Charge for the year	130,568	44,099	174,667
At 31 August 2015	274,933	166,426	441,359
Net book value			
At 31 August 2015	426,355	113,197	539,552
At 31 August 2014	533,184	114,387	647,571

All tangible fixed assets are held for charitable purposes.

9 Investments

	Investment portfolio	Shares in subsidiary	Share of joint venture	Total 2015	Total 2014
	£	£	£	£	£
Market value 1 September 2014	14,624,448	20,000	118,809	14,763,257	13,994,537
Additions	2,754,507	-	-	2,754,507	3,180,194
Disposals	(2,789,462)	-	-	(2,789,462)	(3,023,798)
Realised and unrealised investment (losses)/ gains	(8,763)	-	-	(8,763)	620,743
Movement in joint venture	-	-	(9,109)	(9,109)	(8,419)
Market value 31 August 2015	14,580,730	20,000	109,700	14,710,430	14,763,257
Group	14,580,730	-	109,700	14,690,430	14,743,257
Charity	14,580,730	20,000	-	14,600,730	14,644,448
Cost at 31 August 2015	13,499,769	20,000	109,700	13,629,469	13,966,156

The following investments each comprise more than 5% of total investments:

9 Investments (continued)

Significant holdings	2015	2014
	%	%
Legal and General Index Trust	4.88	5.03

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

Composition of investment portfolio (Quilter Cheviot)	2015	2014
	£	£
UK Corporate bonds	7,057,952	7,585,443
UK Gilts	409,080	199,960
UK Bond trusts	1,623,007	1,993,532
Cash deposits	157,965	257,474
UK alternative investments	2,443,492	1,390,251
Non UK alternative investments	-	387,319
UK equity investments	2,236,502	2,325,970
Non UK equity investments	652,732	484,499
	<u>14,580,730</u>	<u>14,624,448</u>

Presentation of investments	2015 Group	2015 Charity	2014 Group	2014 Charity
	£	£	£	£
Fixed asset investments	9,199,737	9,110,037	10,285,632	10,186,823
Current asset investments	5,490,693	5,490,693	4,457,625	4,457,625
Current investment cash	-	-	-	-
	<u>14,690,430</u>	<u>14,600,730</u>	<u>14,743,257</u>	<u>14,644,448</u>

Joint Venture investment

Alzheimer's Brain Bank (ABBUK) is a company limited by guarantee (number 5762960) and a registered charity (number 1114578). It has two members, Alzheimer's Research UK and Alzheimer's Society. The main objectives of the charity are to protect and promote the health of the public, in particular by establishing, promoting and maintaining banks of brain tissue for research into the cause, prevention, treatment and cure of Alzheimer's disease and associated neurodegenerative diseases and disorders.

The Charity owns a 50% share in ABBUK and its share of the net assets is £109,700 (2014: £118,809) comprised £1,435,763 (2014: £1,701,227) current assets, £626,225 (2014: £521,966) current liabilities and £699,839 (2014: £1,060,452) long term liabilities. Alzheimer's Research UK's share of voluntary income for the year totalled £50 (2014: £94,466), its share of charitable expenditure is £7,119 (2014: £100,725) and of governance is £2,040 (2014: £2,160) bringing Alzheimer's Research UK's share of the net result to (£9,109) (2014: (£8,419)). This joint venture is accounted for in accordance with FRS 9 and the Charities SORP under the gross equity method.

Subsidiary company

Alzheimer's Research Trading Limited, registered company number 3880026, is a wholly owned subsidiary of Alzheimer's Research UK whose profits are gift aided to its parent. The trading company receives income from the sale of merchandise with each sale helping to support our cause. The trading company has a loan owing to the charity upon which interest is charged at 2% above base rate with the loan balance of £37,500 repayable in 2015.

9 Investments (continued)

	2015	2014
	£	£
Income	57,310	70,014
Expenditure	(60,506)	(76,975)
Loss on ordinary activities	<u>(3,196)</u>	<u>(6,961)</u>
Fixed assets	10,500	12,250
Net current assets (liabilities)/assets	(18,992)	(17,546)
Net (liabilities)/ assets	<u>(8,492)</u>	<u>(5,296)</u>
Financed by:		
Ordinary share capital	20,000	20,000
Unrestricted funds	(28,492)	(25,296)
	<u>(8,492)</u>	<u>(5,296)</u>

10 Stocks

	2015	2014
	£	£
Group		
Merchandise and products	<u>7,966</u>	<u>9,820</u>

11 Debtors

	2015	2014
	£	£
Group		
Other debtors	311,992	735,227
Charities Aid Foundation	18,222	2,329
Accrued income and prepayments	951,264	684,258
	<u>1,281,478</u>	<u>1,421,814</u>

	2015	2014
	£	£
Charity		
Other debtors	311,932	733,187
Amounts due from group undertakings	56,960	66,033
Charities Aid Foundation	18,222	2,329
Accrued income and prepayments	951,264	684,258
	<u>1,338,378</u>	<u>1,485,807</u>

12 Creditors: amounts falling due within one year

	2015	2014
	£	£
Group		
Trade creditors	1,378,949	919,847
Accruals	109,357	59,901
Other taxes and social security	79,837	74,396
Other creditors	34,560	3,824
Research commitments	11,679,938	7,412,706
	<u>13,282,641</u>	<u>8,470,674</u>

	2015	2014
	£	£
Charity		
Trade creditors	1,372,558	901,773
Accruals and deferred income	106,157	56,701
Other taxes and social security	79,084	74,396
Other creditors	34,560	3,823
Research commitments	11,679,938	7,412,706
	<u>13,272,297</u>	<u>8,449,399</u>

At the balance sheet date, the charity had entered into agreements with 3 universities with regard to Drug Discovery Institutes, to provide maximum funding of £27 million over a period of 5 years. The on-going commitment will be part of an independent, thorough systematic review, and future funding levels will be recommitted on an annual basis. These have not been included in the financial statements as they are not considered to meet the accounting framework definition of a liability.

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

	2015	2014
	£	£
Research commitments	7,934,326	9,622,458
Rent accrual	96,100	134,522
	<u>8,030,426</u>	<u>9,756,980</u>
Ageing of long term liabilities		
- 2017	5,795,781	5,326,602
- 2018	2,234,645	3,556,306
- 2019	-	628,620
- 2020	-	245,452
	<u>8,030,426</u>	<u>9,756,980</u>

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

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

	Balance 1 September 2014	Income	Expenditure	Transfer to unrestricted general fund	Balance 31 August 2015
	£	£	£	£	£
Programme grants	-	401,565	-	(401,565)	-
1946 Cohort	-	264,157	-	(264,157)	-
Global Clinical Trials	-	100,000	-	-	100,000
Network Co-operative grants	-	10,291	-	(10,291)	-
Tau Consortium	-	284,806	(284,806)	-	-
Equipment	-	35,080	-	(35,080)	-
Sabbaticals	-	1,026	-	(1,026)	-
Pilot Projects	-	132,953	(54,867)	(78,086)	-
Senior Research Fellowship	-	74,030	-	(74,030)	-
Clinical Research Fellowship	-	69,747	-	(69,747)	-
Research Fellowship	-	155,711	-	(155,711)	-
Travelling Research Fellowship	-	471	-	(471)	-
PhD	-	149,029	(15)	(149,014)	-
Conference	-	70,094	(70,094)	-	-
Network	-	278,164	-	(278,164)	-
Brains for Dementia Research	-	127,000	-	(127,000)	-
Stem Cell Research Centre	-	363,763	-	(363,763)	-
Dementia Consortium	-	212,008	(212,008)	-	-
Interdisciplinary	-	20,987	-	(20,987)	-
Drug Discovery Institute	25,000	-	(25,000)	-	-
ICAP	10,283	-	(6,107)	-	4,176
Conference prize giving	2,250	-	(250)	-	2,000
Information leaflets	-	25,000	-	(25,000)	-
Children's website	-	84,000	(28,645)	-	55,355
Other	-	2,009	(2)	(2,007)	-
Total restricted funds	<u>37,533</u>	<u>2,861,891</u>	<u>(681,794)</u>	<u>2,056,099</u>	<u>161,531</u>

Restricted research funding

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

Restricted fund transfers

Transfers made to the unrestricted fund represent income which has been committed to research projects which commenced in an earlier accounting period meaning the commitment to fund the project and therefore the expenditure had been recorded through the Statement of Financial Activities in an earlier accounting period also.

Drug Discovery Institute

During the previous year £25,000 was received to help fund a Drug Discovery Institute and these funds have been fully expended in the year.

ICAP

During the previous year, income of £10,283 was restricted to be spent on producing a leaflet called "What is Alzheimer's disease". This work largely took place during the year with completion scheduled during 2015/16.

Conference prize giving

Income raised in the prior year of £2,250 has been restricted to fund an annual prize of £250 per year for the most effective presentation at the Alzheimer's Research UK annual conference.

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

Global Clinical Trials

The Global Clinical Trials Fund has been established to support high quality proposals for clinical trials in Alzheimer's or other dementias. Applications are invited from around the world and reviewed by an international panel of experts. Over the five years of the Defeat Dementia campaign, we aim to see the Global Clinical Trials Fund grow to a value of £20m, supporting a range of trials.

Children's website

Our new children's website, Dementia Explained, is being developed by Alzheimer's Research UK to help children and teenagers understand dementia, how it affects someone and how this could impact their lives.

15 Movement in unrestricted funds

	Balance at 1 September 2014	Income	Expenditure gains and losses	Transfers	Balance at 31 August 2015
	£	£	£	£	£
General fund	105,646	14,841,379	(17,119,145)	856,099	(1,316,021)
Designated funds:				-	
Revaluation reserve	1,170,807	-	10,457	-	1,181,264
DDI reserve	1,500,000	-	-	1,200,000	2,700,000
Charity unrestricted funds	2,776,453	14,841,379	(17,108,688)	2,056,099	2,565,243
General fund	186,909	14,889,946	(17,178,267)	856,099	(1,245,313)
Designated funds:					
Revaluation reserve	1,170,807	-	10,457	-	1,181,264
DDI reserve	1,500,000	-	-	1,200,000	2,700,000
Group unrestricted funds	2,857,716	14,889,946	(17,167,810)	2,056,099	2,635,951

The transfer from the restricted fund to the unrestricted fund represents income received during the year which carries donor imposed conditions to be expended upon specific projects. The cost of these projects has been recognised through the statement of financial activities in a prior period when the commitment was originally made and therefore when the income is received it is transferred to the unrestricted fund to follow the treatment of the expenditure when it was recognised.

General Fund

The deficit on the general fund is a planned position that has been reached after careful consideration by the Trustees. As noted above, total unrestricted funds were £2,635,951. After careful review of the reserves policy, the Trustees concluded that the most appropriate measure is to be reference to the liquidity position. At 31 August 2015, the charity is comfortably within the agreed policy as set out on page 15.

Revaluation reserve

The revaluation reserve represents unrealised investment gains on the investment portfolio which due to the unpredictable nature of investment valuations should not be relied upon to fund future expenditure.

DDI reserve

During the previous year the Trustees authorised expenditure of £30m over the next five years for the establishment of three Drug Discovery Institutes. The commitment required in the year ended 31 August 2016 will be £5.4m. At 31 August 2015 the Trustees have designated £2.7m to represent 50% of the commitment for the year ended 31 August 2016.

16 Analysis of assets and liabilities between funds

	Designated funds	General funds	Restricted funds	Total
	£	£	£	£
Group				
Fixed assets				
Tangible fixed assets	-	539,552	-	539,552
Investments	3,881,264	5,318,473	-	9,199,737
Current assets				
Stocks	-	7,966	-	7,966
Debtors	-	1,281,478	-	1,281,478
Current asset investments	-	5,490,693	-	5,490,693
Cash at bank and in hand	-	7,429,592	161,531	7,591,123
Creditors				
Due within one year	-	(13,282,641)	-	(13,282,641)
Due in more than one year	-	(8,030,426)	-	(8,030,426)
	3,881,264	(1,245,313)	161,531	2,797,482
Charity: allocated on the same basis as the group figures	3,881,264	(1,316,021)	161,531	2,726,774

17 Taxation

The income and gains of the charity are exempt from corporation tax to the extent they are applied to its charitable objectives.

18 Commitments under operating leases

	2015	2014
	£	£
Other		
Within 1 year	12,966	-
Expiring within 1-2 years	-	13,131
Land and buildings		
Expiring within more than 5 years	233,320	226,563

19 Related party transactions

In accordance with the provisions of FRS8 intragroup transactions have not been disclosed.

During the year £21,910 (2014 - £9,284) was paid for legal advice from Withers LLP. AJ Thompson is a trustee and is a consultant at Withers LLP. At the year end a balance of £360 (2014: £3,114) was outstanding.

During the year, £532,322 (2014: £440,539) was paid and an additional commitment of £94,857 was made in respect of the Brains for Dementia Research Project (Alzheimer's Brain Bank UK) and at the year end there is a commitment made for the project, of £699,840 (2014: £1,137,305). Alzheimer's Brain Bank UK is a Joint Venture between Alzheimer's Research UK and Alzheimer's Society.

20 Contingent liability

The Charity is a member of a VAT group with Alzheimer's Research Trading Limited, all members have joint and several liability. At 31 August 2015 the amounts owed by the VAT group totalled £754.

Alzheimer's Research UK is the world's largest dedicated charity funder of dementia research.

Visit www.alzheimersresearchuk.org to find out more.



**Alzheimer's
Research
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The Power to Defeat Dementia

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