

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

For the year ended 31 March 2018



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

Company Number SC149069

Charity Number SC022315

**Directors' Report, Strategic Report and Financial Statements**

**For the year ended 31 March 2018**

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<b>Contents</b>	<b>Page</b>
Directors' Report – including Strategic Report	3 – 24
Independent Auditor's Report	25 – 27
Consolidated Statement of Financial Activities	28
Consolidated and Company Balance Sheets	29
Consolidated Statement of Cash Flows	30
Notes forming part of the financial statements	31 – 47

## Directors' Report – including Strategic Report

### 1. References and administrative details

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

Scottish charity number: SC022315 Company registration number: SC149069

**Principal and registered office**

160 Dundee Street  
EDINBURGH  
Scotland  
EH11 1DQ

**Chief Executive**

Henry Simmons

**Company Secretary**

Kevin Craik

**Solicitor**

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

**Auditor**

BDO LLP  
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65 Haymarket Terrace  
EDINBURGH  
EH12 5HD

**Banker**

The Bank of Scotland  
20-22 Shandwick Place  
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**Directors**

David McClements (Convener) – Elected November 2017  
Ian Bell (Treasurer)  
Archie Noone (Vice Convener) – Elected November 2017  
Diane Goldberg (Honorary Secretary) – Elected November 2017

Noni Cobban  
Caroline Crawford  
Susanne Forrest  
Dianne Howieson  
Alan Jacques  
John Laurie  
Mary-Frances Morris  
Pamela Brankin – Elected November 2017  
Tom Carroll – Elected November 2017  
Keith Chapman – Elected November 2017  
Bernard O'Hagan – Elected November 2017  
Jayne Pashley – Elected November 2017  
Barbara Barnes – Resigned November 2017  
Chris McGregor – Resigned November 2017  
John Starr – Resigned November 2017

## **2. Structure, governance and management**

Alzheimer Scotland is a company limited by guarantee and has obtained permission from the Registrar of Companies to omit the word 'limited' from the company name. Alzheimer Scotland is governed by its Memorandum and Articles of Association (last amended November 2013) and the Rules of the Organisation (last amended December 2015).

The Directors of the Company, in this Report referred to as "The Directors", are elected from the membership for three-year terms of office by the members at the Annual General Meeting (AGM). The office bearers of the organisation are elected from and by the Directors. Alzheimer Scotland has increased its membership as at March 2018 to 8,824 (8,459 members - 2016/17). The Board of Directors (who are also the Trustees of Alzheimer Scotland for the purposes of charity law) established a Nominations Committee in 2016/17 for the purpose of recruiting new Trustees, and this worked successfully with five new trustees recruited to the Board. Member's contribution on winding up is £1.

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

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

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

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

The Board regularly reviews the most significant risks to the organisation. Again, the main areas of concern continue to be the impact of the economic downturn on public sector budgets and potential reductions in funding for the organisation's commissioned services and on its fundraised income. Alzheimer Scotland is working hard on reducing this reliance and over the last few years it has also been fortunate to receive an increase in its legacy income, which has offset some of these pressures.

## **3. Objectives and activities**

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

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

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

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

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

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

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

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

At 31 March 2018, Alzheimer Scotland had 552 staff (832 - 2016/17) - the average number of full time equivalent employees during the year was 346 (429 - 2016/17) - and 938 active volunteers (865 – 2016/17) operating in 60 sites throughout Scotland. The reduction in staff numbers is mostly due to transferring staff over to Caledonia Social Care. Alzheimer Scotland's commitment to working with volunteers throughout the organisation is a strength because of the wide-ranging experience and knowledge they bring to governance, service provision and fundraising.

## **4. Mission**

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

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

## **5. Strategic Report**

### **5.1 Achievements and performance**

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

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

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

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

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

Progress against the Strategic Plan is reported to the Board every 6 months.

### 5.2 Risk Management

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

Other risks that we face include:

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

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

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

**Information Security** – This item is ever higher on the risk programme of many organisations. It is vitally important that we defend our IT systems from malicious attacks and protect the personal data we hold from unauthorised access and misuse. We recently invested in additional protection measures and brought on board security consultants to

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

help ensure that the organisation remains secure. Policies and procedures are also in place for protecting data within the working environment. The organisation was also awarded the Cyber Essentials badge in March 2018.

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

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

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

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

The Risk Management review and assessment includes:

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

## 6. Directors’ Report

### 6.1 Staff

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

Our achievements are only possible with the support of the trained and talented people who work for Alzheimer Scotland and we remain committed to a policy of recruitment and promotion on the basis of aptitude without negative discrimination of any kind. Our staff continue to deliver a high quality of support and commitment to people with dementia, their families and carers. All new employees attend induction events throughout the country.

We regard ongoing, regular engagement with our employees as a top priority. We continue to build on the important role of the Staff Engagement Group for ensuring staff have an effective voice, which includes making sure we have representatives from many localities. The aim of this group is to ensure that we listen and respond to the views of staff, which is especially important for us, given the dispersed nature of our activities and locations.

For the year ended 31 March 2018

## **6.2 Internal communications**

2017 saw the creation and introduction of an Internal Communications Strategy to aid staff engagement and their participation in organisation-wide activities and processes, along with increased awareness of national messaging and position statements.

Phase one consisted of introducing an online social platform (Yammer) and an internal fortnightly e-Newsletter. This saw an increase in staff engagement including a notable improvement in cross-directorial collaboration and knowledge exchange.

Phase two will include the introduction of networked TV's and computer screen savers so internal communication messages can be rolled out into environments where staff are not logged onto computers., along with the introduction of online surgeries and bite-sized webinars for during lunch breaks

## **6.3 Volunteering**

It is pleasing to highlight that our volunteer numbers have continued to grow over the last 12 months. We now have over 938 volunteers who undertake a variety of volunteering roles across Scotland. These volunteers give their time, dedication and expertise to support our activities, helping Alzheimer Scotland in its aim to make sure nobody faces dementia alone. Over the last few years we have also build up support networks for the volunteers – through the National Volunteer Co-Ordinator and with the introduction of local Volunteer Co-Ordinators. This has also enabled the organisation to bring in better induction, training and support for volunteers.

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

## **6.4 Policy and campaigning**

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

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

### Scotland's third National Dementia Strategy 2017-20

Scotland's third National Dementia Strategy was published in June 2017 and builds on the previous two strategies. It was informed by people with dementia, carers and health and social care professionals through participation in local dialogue events, which were hosted by Alzheimer Scotland across the country. We worked with the Scottish Government and other partners, including the Scottish Dementia Working Group (SDWG) and National Dementia Carers Action Network (NDCAN), to shape this third National Dementia Strategy. This helped us to ensure the new strategy was in line with our longstanding vision for change, as detailed in our 5 Pillar Model of Post Diagnostic Support, 8 Pillar Model of Community Support and Advanced Dementia Practice Model.

Post diagnostic support has been a key focus of national dementia strategy since the launch of the one year post diagnostic support guarantee in spring 2013. However, a Scottish Government report on levels of dementia diagnosis, published in 2016, showed that diagnosis rates had been substantially underestimated. As such, there were not enough post diagnostic Link Workers to support people being diagnosed. In response to this, we made a successful case for a revised commitment to post diagnostic support from the Scottish Government, including the use of our 8 Pillar Model for people diagnosed at a later point in

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

the illness, or with more complex needs. This ensures that everyone entitled to post diagnostic support is supported appropriately. The revised commitment also provides the basis for the rollout of the Dementia Practice Coordinator role and 8 Pillar Model, as well as building capacity to deliver the post diagnostic support guarantee.

We also successfully made the case for post diagnostic support to be shifted into primary care settings. We have been working with partners to support a number of innovation sites; GP clusters in east Edinburgh, Shetland and Nithsdale (Dumfries and Galloway), who are facilitating this shift and further developing primary care-led diagnosis and post diagnostic support.

In addition, we secured a commitment to test our Advanced Dementia Practice Model. This sets out an integrated and comprehensive approach to providing care and support for people with advanced dementia and at end of life.

We have continued to work in partnership with the Focus on Dementia team (part of Healthcare Improvement Scotland) on a collaborative improvement. Focus on Dementia is providing national support to drive improvement in post diagnostic support, community support (8 Pillar Model), Acute Hospital Care and Specialist Dementia Care.

### Local Engagement

In recent years we have made considerable progress in shaping dementia policy and practice at both national and local level within Scotland. However, there are significant gaps between policy intentions and the lived experience of dementia in local communities. The responsibility for delivering the National Dementia Strategy commitments sits with Scotland's Health and Social Care Partnerships (HSCPs). HSCPs have devolved authority and financial autonomy to make decisions about how to meet the health and social care needs of their local populations.

We have worked to empower people with dementia and carers to influence local HSCPs, so that the commitments of the National Dementia Strategy (informed by local people, as outlined above) are funded and delivered locally. This year we formalised our approach to this local engagement and placed it at the heart of our campaigning focus. We have worked with locality colleagues and our national involvement groups (SDWG and NDCAN) to support engagement events with local people. We have used these events to share Alzheimer Scotland's vision of change, listen to local lived experience of dementia, find out what is working well in that community, what is missing and what needs improved. This approach helps us to identify our shared priorities for local campaigning. Alongside this, we have been gathering data as to how each HSCP is delivering on these commitments. This combination of lived experience and statistical data provides clear evidence of local priorities and supports our growing local networks to campaign effectively and proactively to achieve our shared vision.

We have held almost 50 engagement events with our local networks across Scotland, connecting with almost 1,000 local people. Over the coming year, we will start to invite locally-elected representatives to meet with our networks and establish strong relationships. We will ask these representatives to use their influence to ensure HSCPs deliver our shared priorities for people with dementia and carers at local level.

### McLeish Commission

We have also been working with an independent expert commission, led by former First Minister Henry McLeish, to consider how HSCPs can deliver key dementia policies and close the gap in delivery at local level. This commission's focus is taking forward the recommendation in our Advanced Dementia Practice Model; that the needs of people with advanced dementia are primarily health care needs and should not be subject to social care

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

charges. The commission has been working to develop the case for change, and to identify the costs and benefits to support this recommendation. Its work will conclude in July 2018 and the final report will be published in November 2018.

### Healthcare

Our Alzheimer Scotland Dementia Nurse Consultants continue to support the Dementia Champions programme (which now has over 800 graduates), working to deliver improvement in acute hospital care. In 2017, our National Allied Health Professions (AHP) Consultant led the development and publication of the 'Connecting People, Connecting Support' framework. Developed collaboratively with the Scottish Government, the AHP community and the experiences of people living with dementia, 'Connecting People, Connecting Support' sets out a framework for how allied health professionals in Scotland can improve their support for people with dementia, families and carers to enable them to have positive, fulfilling and independent lives for as long as possible.

For the past two years, Alzheimer Scotland has worked on producing the Transforming Specialist Dementia NHS Care report. This report, commissioned by the Scottish Government, is a detailed review of the nature and challenges of specialist dementia care across Scotland. It introduces a vision of what a good specialist dementia unit should be, based on the evidence and work of many committed practitioners who helped us develop the report and the views of people with dementia and carers. The report explores the nature of the teams, the quality of care, the size of specialist dementia units and crucially highlights that, in many areas, current units are not fit for purpose and must be rebuilt. The report also develops a model of safe transition for those whose needs do not require this level of specialist care. The report includes financial modelling which assists those safe transitions and reinvestment to fund an ambitious programme to transform specialist dementia care. The Scottish Government support the report's principles and recommendations and have indicated that they intend to publish this in the summer of 2018.

### Participation, research, and international engagement

We have also continued to be involved in other related (and sometimes specialised) areas of public policy, including responding to consultations on the forthcoming Scottish Social Security Bill; The Carers Act and Regulations; the review of National Care Standards; Technology in Health Care; extension of free personal care to those under the age of 65; and Adults with Incapacity legislation. We responded to the Scottish Parliament's Health and Sport Committee call for evidence on the 2018/19 health and social care budget. In addition, we continue to publish our monthly (internal) public policy updates for colleagues across the organisation to keep them informed of our work and developments in the wider policy landscape in Scotland.

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

Alzheimer Scotland has a key role in the facilitation, collaboration and investment in Scottish dementia research. Crucially, we often act as an intermediary in bringing key stakeholders in dementia research together and facilitating collaborative research which can build on the strengths of Scottish dementia researchers. Our relationship with institutions, alongside our knowledge and experience of influencing change, makes us well placed to act in this role. We have continued to support the work of the Scottish Dementia Research Consortium

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

(SDRC), which brings together researchers, practitioners, social scientists, and policy makers who are working on all aspects of dementia research across Scotland.

Alzheimer Scotland's international reputation continues to grow and there is considerable interest in our human rights and evidence-based approach to developing public policy. This attracts a number of international visitors and requests to speak at events held by partners in other countries. We continue to have representation on the Board of Alzheimer Europe and this year we have supported Alzheimer Europe's Carer Survey. The survey captures the experience of carers from several European countries, including Scotland, and the results will be published in June 2018.

### **6.5 Localities**

Each of our localities is a defined geographic area, where the vast majority of our support for people with dementia and those who care for them – from diagnosis to end of life – will be delivered. This ranges from initial post diagnostic support from our Link Workers, to community activities based on the principles of therapeutic benefit (such as singing, gardening, yoga and reminiscence) to empowering people with dementia and their carers to be heard and recognised by local decision-makers

#### Transfer of Home Support

Following the transfer of the majority of our home support activity to Caledonia Social Care in April 2017 we have taken a renewed focus on the sustainability and development of all our localities. As previously noted these changes have resulted in a reduction in workforce numbers but a significant improvement in contractual arrangements for remaining staff and an increased focus upon how we utilise our staff and volunteers across all of our locality activities. We continue our partnership relationship with Caledonia Social Care and continue to provide a supported living environment to a group of people in their own tenancies in partnership with a housing association.

#### Link Workers

Link Workers have continued to provide high quality support to people post diagnosis; having gained our first successful tender in Glasgow last year we have this year tendered successfully for post diagnostic support work in Edinburgh. We expect that there will be further developments with this approach by commissioning bodies. This has meant that for staff and people using this service it has become more secure, having moved away from year to year funding. This level of increased security and sustainability is something we continue to pursue in the areas where we have not yet achieved this. Along with our partners we have experienced many challenges with the increasing rate of diagnosis and the demands this places on the limited resources we must provide via our Link Workers. However, we continue to work with partners to ensure that the Link Worker resources are used to best effect. The third National Dementia Strategy has opened further opportunities for people with diagnosis to remain on the Link Workers' caseloads and we are working with partners to look at how this can be done in localities. Efficient and effective multi- disciplinary and multi-agency working continues to be a vital facet of successful post diagnostic support.

#### Our localities

Within localities we have a range of activities and functions including Day Support Services, Dementia Advisors and Community Activity Organisers. We have continued to embed our network of Dementia Resource Centres (DRC), and all areas have seen an increase in the number of groups and activities taking place within the DRCs and in the wider local communities. We are focusing on finding out what people enjoy and gain therapeutic benefit from; undertaking taster events and having sessions which are open to anyone living with dementia and are less structured. These can include open "tea and blether" events and closed group activities which take place over a number of weeks with a fixed group of attendees such as musical, film and crafting groups, as well as outdoor activities. Both

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

approaches are being well received. We continue to work to involve our volunteers in the running of the DRCs and to increase access to the DRCs for those who can benefit from it, including at weekends and out of traditional working hours.

In our day support services, we have been working with our staff and volunteers on further developing the opportunities which we provide both to people living with dementia and their families and carers. The increased interaction and cohesion between formal day support services and our other activities such as those provided by for example Dementia Advisors and Community Activity Organisers has also increased opportunities available to people.

All localities are working hard to hear the voices of people living with dementia and their families – allowing them to use the information gained to help develop DRCs where we have them, to improve the wider provision of services in localities, and to inform Integrated Joint Boards of the needs and wishes of local people.

### **6.6 Quality**

During 2017-18, the number of inspections carried out by the Care Inspectorate more than halved compared to the previous two years. Of our 23 regulated services, seven were inspected. This reflects the fact that day services are generally inspected on a three-yearly cycle as opposed to the annual inspection we had been used to for our care at home services.

Seven services were inspected in 2017-18. All were inspected on the theme of Quality of Care and Support and all were graded “very good” or “excellent”. Five services were also inspected on Quality of Management and Leadership and were graded “very good” or “excellent”. Two services were also inspected on Quality of Staffing and maintained their grades of “very good”. One service also was inspected on Quality of the Environment improving its grade to “good”.

All the services received recognition for the work they do to ensure that people we support feel valued, respected and have choice and control over the support they receive whilst using our services. Croftspar, our housing support service, was recognised for the support provided to a person in the end stages of dementia; feedback from the person’s family showed how their mother’s palliative care needs had been managed sensitively, leading to a “good death” at home surrounded by those who loved her.

Our annual Customer Satisfaction Survey also reflected positive outcomes. People with dementia reported feeling more secure, valued, respected, less isolated, listened to and happier as a result of our support. They told us that our services enabled them to meet and reconnect with other people, maintain mobility and independence and lifted their mood. They also reported that as a result of using our services they experienced increased confidence and a better understanding of their illness.

Carers’ comments also reflected positive outcomes for themselves and/or for the person they care for. These included feeling listened to, responded to and respected; better informed about dementia leading to improved understanding; being able to remain at work and manage their caring role. Carers also noted improved outcomes for the person they support which matched those given by people with dementia themselves.

Throughout the year, we have been building staff capacity and confidence in self-directed support (SDS) to support people with dementia and families. SDS is a key feature of our learning programmes and is now complemented by range of new resources, including a digital toolkit with relevant information, guidance and case studies, and two short videos describing the benefit and potential of SDS in relation to our day services. In addition, a new leaflet for people with dementia and families, describing what SDS is and its benefits was

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

produced following consultation with members of local engagement groups, the Scottish Dementia Working Group and the National Dementia Carers Action Network. The leaflet for people with dementia and families is a useful tool for staff to start conversations around SDS.

Our aim to develop health and safety awareness, improve understanding of responsibilities and encourage staff to be more involved in health and safety has been enhanced this year following the introduction of the digital learning lounge. Use of this technology has enabled us to reach a greater number of our workforce and increase access to learning opportunities around health and safety practice. This has been of benefit to our workforce and in turn benefits the people we support.

As part of our work to ensure that Alzheimer Scotland is an inclusive organisation and representative of the communities we engage with, our LGBT Champions Network has continued to raise awareness of dementia and LGBT issues through our learning and development programme, partnership work with other agencies and a visible presence at conferences and community events. LGBT and dementia also featured in one of 5 Spotlight events. "Spotlight" provides a forum for our staff, external agencies and people with dementia and families to come together and explore topics of mutual interest and this year included a particular focus on diversity and dementia.

### **6.7 Workforce Development**

During the last year we have successfully developed our external training offer, generating income for Alzheimer Scotland through a diverse range of customers. These have included financial call centres; theatre venues; schools; solicitors' firms and transport providers. We know the training is having an impact through the changes our customers are making in their understanding and approach to their customers who are living with dementia. For example, the People's Postcode Lottery which previously avoided engagement with anyone living with dementia, effectively excluding them from playing the Lottery, has developed clear guidelines for its operatives based on its understanding of capacity and the progressive nature of dementia, recognising that people can live well and be perfectly able to take their chances on a Lottery win.

We are in year two of our four-year commitment to The Lens, the intrapreneurship programme that encourages and develops ideas amongst our staff for innovation in dementia care and practice. This year the programme is extended throughout Scotland and we are delighted with the range of ideas, including several from the Highlands and Islands that reflect the unique circumstances of those localities.

We have a talent pool amongst our workforce that is committed to building a career in Alzheimer Scotland so for 2018/19 we are investing in 16 of our staff across a range of localities and national roles by way of our Future Leaders programme, delivered in collaboration with the Social Enterprise Academy. This intensive leadership programme asks managers and leaders to actively support the participants in their learning, so that the programme becomes part of mainstream development.

We know that our staff and advisors are always developing new ways of supporting people living with dementia and their families. We also know that we do not always capture and share this innovation, so we have made a series of films that showcase and celebrate some of the best of the therapeutic practice in our localities. The Creative Practice series includes reminiscence in a forest in the Highlands; yoga in Stonehaven; sensory day support in Dumfries; Tai Chi in Paisley; our allotment in Glasgow's Southside and the Brain Gym in Falkirk. The films are backed up by academic evidence of the value and impact of these activities; these are also useful for workforce development as well as describing both when and how we engage with and support people living with dementia and their families.

## **6.8 Development**

### Dementia Dog project

A collaboration between Alzheimer Scotland and Dogs for Good, the Dementia Dog Project initially started as a concept from students at the Glasgow School of Art, who were commissioned by Alzheimer Scotland in 2011 to inject fresh perspectives into service design for people living with dementia.

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

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

To help achieve this, the Dementia Dog team work in close collaboration with the Scottish Prison Service and Paws for Progress CIC to establish Scotland's first prison-based assistance dog training programme.

Based at HMP Castle Huntly open prison, where focus lies on job readiness, positive citizenship and rehabilitation, this innovative partnership provides an operational base and capacity boost for the Dementia Dog team, while enabling men in custody to develop employability skills and build a non-criminal identity to reduce risks of future re-offending. Prison participants complete an introductory dog training and welfare course run by Paws for Progress, then progressing on to work with the Dementia Dog team to help with the training of assistance dogs. The programme aims to develop employability skills, enhance engagement with education through Fife College, and make a positive and lasting contribution through the provision of highly trained assistance dogs to help people living with dementia in the community. To date, 14 men in custody have benefited through involvement in the training of five dementia assistance dogs.

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

Over the coming months, the Dementia Dog Project will also be taking their learnings beyond an individual assistance dog approach to develop ways to support more people with dementia in broader community settings, thanks to a recent National Lottery grant from the Big Lottery Fund. The funding will allow the team to pilot a small-scale series of 'Dog Day' community events and goal-oriented animal assisted intervention pilots in Scotland and trial areas in England, using trained dogs.

In 2017 two new dog partnerships were successfully qualified, with both families reporting significant benefits to their lives with the addition of the dog to their family. The project is being formally evaluated by Hammond Care and a full report will be published in 2019.

### Purple Alert

Purple Alert is a smartphone app which helps to find people living with dementia if they become lost. It has been developed by Alzheimer Scotland alongside People Living with

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

Dementia and is free to download and use. A family can upload a profile for the person they care about and can raise an alert which is shared with the Purple Alert community within a 30-mile radius. It has been developed alongside partners including Police Scotland to ensure its fit with their missing persons protocols.

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

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

### Tech Team

The Technology Team at Alzheimer Scotland has developed a lifelong learning program based on the Scottish Social Services Council (SSSC) Open Badges system. Open Badges are digital records of achievements and skills that are tied to assessment and evidence.

Open Badges are a straightforward way to collect, manage and share evidence of learning in today's digital world. Participants can collect them to evidence learning and share them in places that matter, including offline as printable certificates. When a participant shows a badge to someone, they will be able to see criteria against which the badge was issued and request any evidence to prove that criteria were met.

The SSSC and many other social service organisations issue Open Badges to recognise continuous and informal learning that would otherwise go unrecorded.

### Confident Conversations about Technology

Throughout 2017 Alzheimer Scotland developed and demonstrated that a change in culture is created by positive storytelling from influential and inspiring individuals. This mantra is evidenced by our widespread recognition as well as the reflections detailed by delegates, using SSSC Open Badges, who have passed through the programme and continue to be friends and advocates of the work Alzheimer Scotland's Technology Team is cultivating.

Alongside the ever-increasing number of families who inform our work, we continue to feed the growing need for appropriate, up to date and accessible resources, leading the decisions of the future.

The Confident Conversations about Technology learning programme has created pathways to digital leadership for over 600 practitioners across health and social care, housing, NHS, third and private sectors including volunteers and unpaid carers - critically voicing and promoting the rights and wishes of citizens living with dementia.

### Attend Anywhere

As part of our Confident Conversations learning days, Alzheimer Scotland demonstrated Attend Anywhere (AA), a video conferencing platform being adopted by NHS Scotland, to over 600 participants, mainly from the health and social care and housing sectors. We encouraged practitioners to consider how they might adopt the platform, which allows access to services to people living in remote and rural areas where they might have long travel time to see a specialist, or to give access at times out with the standard operating norms.

Initial suggestions for use included adoption in cases where practitioners worked in areas where travel times restricted the number of visits they might be able to carry out in a day, and offering the option to have a video consultation, which might mean a quicker intervention than would otherwise be possible.

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

Uptake has been relatively steady, with an initial burst of interest, followed by a period of consideration while it becomes embedded. As with any new system, staff using it need to feel confident before they will suggest it as an option in their day to day work.

We are now facilitating the rollout of the AA platform for example:

- Digital Dementia Advisor – As part of our wider digital strategy we are examining how our members expect to engage with us, and as well as adding digital options to our Helpline, we are implementing a digital dementia advisor, who will be available for one to one appointments for people living with dementia and family members across the country. As part of an appointment they may be linked in with local services, but it might be the case that their immediate needs can be addressed by way of an online consultation.
- Team Meetings – National teams working in locations across the country are using AA to have face to face team meetings. The screen sharing facility offers the opportunity to collaborate on pieces of work, and to have external parties join in from time to time without them having to use specific pieces of software such as Skype.
- Dementia Dog Project – The selection process for a dementia assistance dog is necessarily thorough, but with a small team it is labour intensive. They are trialling the option to carry out some of the initial conversations using AA in order to make best use of the team resources, and to manage the expectations of those applying.
- Software Training Scotland – An external training company who have successfully worked with the Scottish Dementia Working Group, teaching the use of iPads and apps such as Twitter, Facebook and the use of email are building the option to offer remote support to people via the AA platform so that members living in remote locations can be involved.
- Tech Surgeries – The Technology Team have implemented fortnightly one to one support surgeries, initially for internal staff, but with the intention of widening that in the months to come. Where staff are having conversations with families about implementing a personalised support package that includes technology, we can answer any specific questions they might have that require more specialised knowledge. This can be done with the person living with dementia and any carers being a full part of the conversation using AA.

### Partnerships

Commercial partnerships have allowed us to build a range of products available for testing. In a mutually beneficial relationship, large and small companies have made items available to us, in return for the benefit of the Dementia Circle review – a user-experience led process where a person living with dementia or carer gives a considered critique of a product based on a set of criteria that have been developed by people living with dementia, Alzheimer Scotland staff and health practitioners including occupational therapists.

Our independent nature means that we offer unbiased reviews, sharing them from people with lived experience, and the products are tested on that basis.

Partners include;

Proximity Care  
Doro  
MyHomeHelper  
Other GPS Devices

Storii Care  
MindMate  
The Keysafe Company  
Tynetec

Tunstall  
Just Checking  
Canary Care  
Buddy

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

Some of the partners also delivered sessions at our Confident Conversation days so that participants could increase their knowledge of new developments and innovations coming to the market.

Partnership have also allowed us to extend the range of Open Badges we can offer, for example Wheatley Group through the 415 Project (a property equipped with a range of enabling technologies) have supported the achievement of an Open Badge by way of a visit to the facility there. Similarly, a visit to the Safe and Well House at the Scottish Fire and Rescue Headquarters has a badge attached.

Other partnerships have allowed us to develop a suite of information pamphlets around the consideration of technology for people living with dementia. Scottish Fire and Rescue, Tynetec and the Scottish Centre for Telehealth and Telecare. These have followed the development of the Technology Charter for People Living with Dementia and the general Dementia and Technology leaflets and give guidance in plain English about the questions you should ask when considering the purchase of a technology solution. These pamphlets have six headings: Safe and Secure, Getting Out and About, Technology Enabled Cared, Staying Connected, Everyday Living and Having a Meaningful Life.

A significant piece of work has been done to promote safer walking for people living with dementia, including the use of GPS technology (GNSS). Partners involved in this included HSCPs and Scottish Fire and Rescue, Community Safety, Glasgow, Police Scotland. This was planned to complement the development of Purple Alert.

Informal partnerships have developed over the course of our work, with the Alzheimer Scotland Technology Team supporting work across a range of HSCPs, Housing Associations and Care Providers. Some of these include;

East Renfrewshire – Supporting the adoption of technology as part of their telecare offering. Offering advice and guidance on appropriate purchases including Amazon Echo devices and virtual reality hardware.

Blackwood Housing – Offering specialist guidance on the use of technology in the home, particularly around voice assistants. Working with them as they develop smart meter technology as a means of environmental monitoring in the home in conjunction with Edinburgh University.

Cognihealth – A companion app for carers developed by an Edinburgh University Neuroscience graduate with professional caring experience. Alzheimer Scotland has entered into a year's partnership in order to fully develop the app content, language and linked resources.

Loreburn Housing Association– Guidance around dementia friendly design and technology to be embedded in a new smart housing development in Dumfries.

We are seeking to develop relationships with commercial software developers, and initially have plans to visit CodeClan and Rookie Oven. We have a relationship with Waracle through the sessions they have facilitated for development of voice platform skills.

### **6.9 Communications & Marketing**

#### **Events**

In 2017 we hosted our annual conference in the Edinburgh International Conference Centre and were delighted to welcome over 600 delegates, 50 exhibitors and 60 poster presentations. The theme of the conference was 'International Insights; National Innovation; Local Inspiration'. The

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

programme included expert speakers from Scotland, the UK, Ireland, Prague, USA, and Australia, with representatives from Alzheimer Europe in attendance.

We hosted the annual Scottish Dementia Research Consortium conference in Dundee during April 2017; brought together a number of experts from the sporting and dementia research sectors to host the first 'Football and dementia' summit at Hampden Park in June 2017; co-produced and delivered a round table discussion with regards to the 'SDS: your choice, your right' report in June 2017; opened the Dundee summer hut and garden during the summer months; delivered Scotland's Dementia Awards with our partners at NHS Health Scotland, NHS Education for Scotland (NES) and the Scottish Social Services Council (SSSC) on World Alzheimer's Day in September 2017. We also delivered our own Staff, Volunteers' and Members' conference (including the AGM) in November 2017 and co-hosted the first annual winter lecture in partnership with the Alzheimer Scotland Centre for Policy and Practice, at The University of the West of Scotland.

Our annual Christmas lecture, welcomed 300 delegates to The Hub in Edinburgh and featured an inquisitive lecture from Professor Frank Gunn-Moore, from the University of St. Andrews, entitled 'Why is it that only humans get dementia?'

### Membership

Membership over the year rose to nearly 9,000 and we had excellent member representation at key events including the annual conference, staff conference and AGM and the Christmas lecture. During the year, Henry Simmons, our Chief Executive, continued with the series of locality engagement sessions around the country, supported by local teams and the Public Policy team. Local members were invited to these sessions along with MSPs, Dementia Friends, volunteers and local supporters. These sessions continue to be successful insights into people's experience of post diagnostic support, as well as care and support from Alzheimer Scotland. The sessions have evolved to also encompass awareness raising about the support Alzheimer Scotland can provide and why it is so vital to raise funds to continue these supports. We will carry on building the local engagement work, with the Policy team, to embed participation and support for the organisation, whilst facilitating a collective voice to influence the decision making that has been devolved to the local integrated joint boards.

Dementia in Scotland magazine continues to be one of our main opportunities to communicate with our members, along with a monthly e-Newsletter. During 2017, we delivered three editions of Dementia in Scotland (spring, summer and autumn) with a readership of around 20,000.

### Raising awareness

Dementia Awareness Week ran from 29 May to 4 June 2017, showcasing the importance of 'friendships'. In a poll of more than 500 participants, the 'Friendship and Dementia' survey from Spring 2017 found that two out of three people living with dementia have lost friendships following their diagnosis.

60% of people living with dementia feel reluctant to attend social situations, such as birthdays or weddings with family and friends and 91% of participants felt that the public did not know enough about dementia and what it is like to live with the illness. During the 2017 awareness week we shared information and stories to help raise awareness of these issues and help the general public to become more informed and empowered if they discover a friend has been diagnosed with dementia.

The week also featured a specific fundraising ask to get involved with a 'Tea & Blether' to encourage people to tell personal stories and share simple hints and tips to help friends, family and

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

For the year ended 31 March 2018

colleagues to understand a bit more about dementia, whilst rising vital funds to continue support for people living in Scotland.

Supporters, partner organisations, volunteers, members, branches and staff held various awareness raising events throughout the week and we benefited from enhanced media coverage including articles in The Daily Record, The Sunday Post, blanket coverage through the Johnston Press outlets, with audio and TV interviews on BBC Radio Scotland, Good Morning Scotland and STV 'Live at 5'.

Our media engagement during the year continued to increase, with our attention split between reactive responses to press enquiries (risk reduction and increased diagnostic rates being regular requests) and proactive approaches to securing press coverage for our campaigns and fundraising activity. This year we secured press coverage in The Herald, during World Alzheimer's Day, reflecting upon the progress that has been achieved to date, whilst highlighting the large gaps that still need to be addressed. We also secured an opportunity to run a series of TV adverts during the month of December to promote the Alzheimer Scotland tartan and raise awareness of the need for further investment in dementia research. Coverage was across STV and featured local faces from the Scottish Dementia Working Group; Archie Noone, Stewart Black (who sadly passed away late 2017), Henry Rankin and Helen Kelly. In addition, national media coverage was secured through Third Force News and Johnston Press and celebrity endorsement for the tartan was received from Martin Compston, Gail Porter and Amy Macdonald. Further celebrity endorsement was secured from Henry Pyrgos to increase awareness of the Dementia Friends Programme.

Given the above achievements and resulting impact, we have begun to shift our PR focus towards supporting local staff, to share stories from their area about the people they work with and support and are diverting capacity away from responding to sensationalised headlines.

Our online presence has also steadily grown over the year, particularly social media engagement. By year end we had 20,700 followers on Facebook and 19,500 followers on Twitter.

Due to various changes in the team, this year has provided an opportunity to review all current digital channels (Facebook, Twitter, website, monthly emails) for the organisation, with a strategic approach being planned for delivery in 2018/2019 to streamline and enhance our offerings.

### **6.10 Fundraising**

The fundraising income for the year has performed well and indicates the enormous dedication of Alzheimer Scotland's supporters, volunteers and colleagues to engage with the organisation and act to ensure that we can sustain our important work. Without our fantastic supporters we would not be able to continue our work.

Overall £5.8m was raised in 2017/18, which is a fantastic achievement. Every donation we receive makes a difference and we have continued to ensure best practice in every aspect of our fundraising work. We do not operate door-step or street collections, nor do we use call centres or issue cold-call mailings. All senior fundraising staff are members of the Institute of Fundraising and adhere to their practices and policies.

Our National Events programme continues to grow and is proving to be an excellent fundraising avenue – key events include Edinburgh Marathon Festival which brought in £108,000 and the Kiltwalk series which raised over £120,000 with minimal investment. We invested in a Memory Walk Fundraiser which resulted in our most successful year for the signature walk series as we attracted

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

over 3,000 walkers across 15 locations. We have also seen great success with some of our smaller events such as London Marathon, Stirling Marathon and Zipslide across the Clyde.

We are continuing to expand and develop our challenge and sponsored events portfolio and have implemented a robust event evaluation process in order to make the correct investments for the future.

### Legacies

In 2017/18 we received £1.13m from generous supporters who left us gifts in their wills. We will be looking to increase our information and publications around legacies during 2018 and highlight the vital work that this supports.

### Corporate fundraising

Throughout the year, the Corporate Team has continued to actively prospect and build new business partnerships in Scotland – this meant that the year ended with corporate fundraising generating £791,000 income. 2017/18 corporate partners have included HSBC, Card Factory, Capita, Kier Group, Iceland and Johnson & Johnson.

We were recipients of proceeds from various Gala Balls, including our Crystal Ball at Prestonfield House, Edinburgh, which generated nearly £50,000. We also held similar gala events in Glasgow and Inverness as well as a Women of Scotland lunch; all were great events for raising not only funds but also awareness and bringing our supporters together.

We have strengthened the Community Fundraising team during the year, to expand their reach throughout Scotland and this is enabling local businesses and our local services to work better together to raise valuable funds.

We have also improved our processes for handling Gift Aid and have bolstered the support team to ensure that all Gift Aid is processed and maximised.

### Dementia Friends

During the year we have continued to engage with a huge number of businesses and organisations. We have had numerous discussions with the Scottish Government which led to a Dementia Friends session being delivered to the Scottish Cabinet. This was met with fantastic feedback and led to further discussions which enabled another session to be delivered to the Scottish Government Directorate. On the back of this, agreement was made to deliver sessions to all 5,000 staff within each Directorate. This work has been started and will continue to be rolled out over the course of the next year. This has also enabled Scottish Government staff to engage with Alzheimer Scotland through various channels and fundraising was part of the discussion. There are also on-going engagements with Barclays Bank, RBS, Edinburgh Airport, Racing Together, various hospitals and many more. Many thanks are due to Scottish Power Foundation which has agreed to continue funding The Dementia Friends programme for next year.

### Future Fundraising

During the Summer of 2018 we aim to prepare and implement a new overarching strategy for our fundraising, looking at new payment systems and improved IT systems, including contactless payments, and better on-line payment options as well as a new e-commerce platform for new merchandise lines. We will continue to ensure our database of donors is appropriately and adequately updated and held securely.

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### 7. Financial review

We ended the financial year with a deficit of £241,983 (2016/17 - £717,951).

The Statement of Financial Activities shows that total annual income of £16,330,550 was down by 12.3% (£18,617,917 – 2016/17), and total expenditure of £16,522,108 was down by 8.2% (£17,999,733 – 2016/17). Net loss on investments is £50,425 (gain of £99,767 – 2016/17). This gives us the net deficit of £241,983 (surplus of £717,951 - 2016/17).

The reduction in both income and expenditure this year is mainly due to the transfer of service contracts and staff to Caledonia Social Care Ltd on the 1<sup>st</sup> April 2017. After reviewing the 2018 year end results of Caledonia Social Care Ltd it was agreed to make an impairment provision for full amount of the loan to our associate of £475,000. Alzheimer Scotland will look to continue to support Caledonia Social Care Ltd during 2018/19 by assisting with marketing and PR, along with some day-to-day support in the back-office functions.

Tangible assets reduced by 6.5% from £7,525,564 to £7,035,110, as a result of the sale of Drumsheugh Gardens offset by the creation of our learning lounge in Oxford Street and refurbishment of our Motherwell property. The learning lounge will be used for both internal and external dementia specific training. Details of fixed assets are shown in Note 13 to the financial statements.

The group (being Alzheimer Scotland – Action on Dementia and Dementia Scotland Limited) has free reserves of £3,277,454 (£3,924,062 - 2016/17).

The free reserves relate to services, branches and national office. Each service aims to have around twelve weeks' running costs as cash reserves, which makes the unrestricted funds balance are less than the £3.8 million required – however, our investments with Sarasin would be liquidated back to cash if required. The Board of Directors considers the key measure of sustainability for Alzheimer Scotland to be the current and future liquidity cover, rather than the surplus or loss accounting position. Directors have decided that at all times we should maintain cash and readily realisable assets sufficient to fund twelve weeks of cash outflow. The twelve weeks' running costs is to allow, in the event of having to close all services and projects, for having sufficient funds to ensure a safe closure in terms of Care Inspectorate and staff notice periods.

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

The group has restricted reserves of £1,295,228 (£1,320,527 - 2016/17). This includes restricted income funds of £96,428 and the restricted legacy reserve of £1,198,800. Restricted reserves must be used for the purpose or area for which they were given, and the group seeks opportunities to use these reserves, where appropriate, in agreement with the providers.

The endowment fund of £123,118 (£122,623 - 2016/17) is the Michael Clutterbuck Bequest. Under the terms of the bequest, the group retains the capital of £100,000 and when sufficient interest accumulates, spends the interest on innovative home support services.

Total reserves are now £14,032,160 (£14,191,111 - 2016/17) (1.1% decrease on 2016/17), £4,695,800 of which is net current assets. The proportion of total reserves that is unrestricted is 89.3% (90% 2016/17).

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

The principal funding sources for Alzheimer Scotland are Local Authorities (34%), NHS Boards (13%), Scottish Government and specific grants (5%), fundraising, trusts and donations (30%), legacies (7%), Gain on Disposal of Drumsheugh Gardens (6%), private individual payments for SDS and home private purchase (3%) and other (2%).

Most of the organisation's expenditure is spent on care related services at 91.87%. The other 8.13% is split fundraising 2.59%, campaigning 0.66%, research 1.91%, involvement 1.87%, awareness raising 0.60% and share of loss of associate 0.5%. Support costs included in the above is 7.24% of total expenditure and includes governance of 0.30%.

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

The investment income in 2017/18 of £71,518 (2016/17 £59,745) comprises of bank interest earned £18,173 and £53,345 income from our investments with Sarasin.

### **8. Future Plans**

In 2018-19 we will continue to develop the potential of our localities. We will introduce a new Locality Leadership Directorate and matrix into this new structure Community Fundraising Teams and senior representatives from our Policy, Communications and Finance Teams. This restructuring will allow for a much more effective synergy between each of our localities and these crucial components of our organisational framework. Our aim is to ensure that in each locality we will have: an effective Engagement Group representing the collective voice of people with dementia, their families and our members; a broad range of community activities and creative practice opportunities; high quality day services and post diagnostic support; Dementia Friends and Dementia Friendly Community Engagement and a high level of Community Fundraising engaging with local supporters and donors. Simultaneously we will reshape our central Fundraising Team and increase our investment in our Corporate, Legacy and general national fundraising work.

We will develop a Self Directed Support-funded model of Day Care and begin to build this into the core of future funding for our Day Services. In each locality, we will seek to introduce a clear fundraising strategy and investment plan that will be working towards the vital future funding of our core roles of Dementia Advisor, Community Activity Organiser and Volunteer Co-ordinator. Alongside this strategy we will continue to take dementia to the high street and aim to invest in more local Dementia Resource Centres.

In order to ensure that our staff enjoy the best possible quality of work experience, we will adopt and introduce the Fair Work Framework as part of a new People Strategy and combine this with the introduction of a new Future Leadership Course, a Mentor Programme for existing managers and staff and continue our ongoing commitment to the LENS intrapreneurship programme.

We will improve our overall communication strategy by developing our website and introducing a new Digital Strategy. A new Digital Leadership Team will be launched in June 2018 and we are

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

committed to continuing to lead the way in the use of enabling technology and innovations that can benefit people with dementia and their families. We will continue to offer training and consultancy in this area and will also open three new Alzheimer Scotland Technology Suites, which people can visit to test and use the most current technologies and products. We will also deliver training and educational awareness in these new suites.

We will work closely with the Scottish Government to introduce our findings and recommendations on the future vision for Specialist Dementia Care Units in the NHS throughout Scotland and continue to work closely with our partners in NHS, NHS Education for Scotland, Scottish Social Services Council, Focus on Dementia and other stakeholders to monitor and implement the third National Dementia Strategy. Within each of our localities, we will ensure that there is a well informed and effective relationship with local policy makers and our Local Engagement Groups and continue to mobilise the collective voice of citizens living with dementia in our localities in order to close the gap between national policy and local practice. We will look to building up our membership and seek to improve the level of engagement with our members in each locality.

We will publish the findings of the McLeish Commission on Fair Dementia Care, highlighting the inequity for many people with dementia who, in the advanced stages of the illness, still have to pay for their total care costs.

We will continue to support the work of our Research Centres at Edinburgh University and the University of the West of Scotland while also maintaining the support we provide to the Scottish Dementia Research Consortium and increase our investment in this. We will continue to explore the development of a Scottish Dementia Informatics Platform and seek to engage Government and Public Health bodies in a discussion around dementia prevention and brain health. We will also nurture our very positive, strategic alliances with Universities such as Queen Margaret and Glasgow Caledonian and maintain our small level of funding commitments to several other academic institutions throughout Scotland.

We will ensure that all our work and policy development are driven from a rights-based perspective, informed fully by our expert members in the Scottish Dementia Working Group and the National Dementia Carers Action Network. We will continue both to fund and seek further funding to maintain the strength and pivotal role these groups play through Scotland, Europe and beyond.

### **9. Going concern**

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

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

### **10. Statement of Directors' responsibilities**

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

Charity and company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law, the Directors must not approve the

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

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

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

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

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

**Auditor**

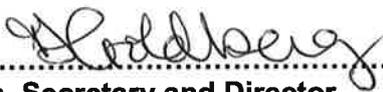
BDO LLP has expressed its willingness to continue in office as auditor of the company. The Finance Audit Committee of the organisation has reviewed and affirmed the effectiveness of the external auditor. A resolution will be proposed at the next AGM for the appointment of auditors.

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

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

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

**By order of the Board of Directors**



**Hon. Secretary and Director**

*Diane Goldberg*

Edinburgh 31<sup>st</sup> August 2018

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF ALZHEIMER SCOTLAND - ACTION ON DEMENTIA**

#### **Opinion**

We have audited the financial statements of Alzheimer Scotland – Action on Dementia (“the Parent Charitable Company”) and its subsidiaries (“the Group”) for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Charitable Company’s affairs as at 31 March 2018 and of the Group’s incoming resources and application of resources and the Parent Charitable Company’s incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Basis for opinion**

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

#### **Conclusions related to going concern**

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

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

#### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The other information comprises: Directors’ Report – including Strategic Report. The Directors are responsible for the other information.

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Director's report.

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

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

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

**Use of our report**

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

*BDO LLP*

**Martin Gill** (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Edinburgh

United Kingdom

Date *14 September 2018*

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

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**Consolidated Statement of Financial Activities  
Incorporating income and expenditure account**

For the year ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2018 Total £	2017 Total £
<b>Income and endowments from</b>						
Donations and legacies	4	5,123,398	690,368	0	5,813,766	6,485,302
Other trading activities	5	400,898	0	0	400,898	406,495
Income from charitable activities	6	557,042	8,533,676	0	9,090,718	11,597,196
Income from investments		67,327	3,696	495	71,518	59,745
Other (gain on disposal of tangible assets)		953,650	0	0	953,650	69,179
<b>Total income</b>		<b>7,102,315</b>	<b>9,227,740</b>	<b>495</b>	<b>16,330,550</b>	<b>18,617,917</b>
<b>Expenditure on</b>						
Raising funds	7	(427,539)	(648)	0	(428,187)	(440,119)
Charitable activities	8	(5,466,479)	(10,544,410)	0	(16,010,889)	(17,559,614)
Share of loss of associate	15	(83,032)	0	0	(83,032)	0
<b>Total expenditure</b>		<b>(5,977,050)</b>	<b>(10,545,058)</b>	<b>0</b>	<b>(16,522,108)</b>	<b>(17,999,733)</b>
Net gains/(loss) on investments		(50,425)	0	0	(50,425)	99,767
<b>Net income/(expenditure)</b>		<b>1,074,840</b>	<b>(1,317,318)</b>	<b>495</b>	<b>(241,983)</b>	<b>717,951</b>
Transfers between funds	20,22	(1,292,019)	1,292,019	0	0	0
<b>Net movement in funds</b>		<b>(217,179)</b>	<b>(25,299)</b>	<b>495</b>	<b>(241,983)</b>	<b>717,951</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		12,747,961	1,320,527	122,623	14,191,111	13,473,160
<b>Total funds carried forward</b>	20-23	<b>12,530,782</b>	<b>1,295,228</b>	<b>123,118</b>	<b>13,949,128</b>	<b>14,191,111</b>

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

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

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**Consolidated and Company Balance Sheets**

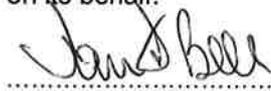
**At 31 March 2018**

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Fixed assets</b>					
Tangible assets	13	7,035,110	7,525,564	7,035,110	7,525,564
Investments	14	2,176,250	1,173,335	2,176,250	1,173,335
Investments in subsidiary and associate undertakings	15	41,968	125,000	126,000	126,000
<b>Total fixed assets</b>		<b>9,253,328</b>	<b>8,823,899</b>	<b>9,337,360</b>	<b>8,824,899</b>
<b>Current assets</b>					
Debtors: amounts due in greater than one year	16	0	475,000	0	475,000
Debtors: amounts due within one year	16	1,547,518	2,199,127	1,533,580	2,195,127
Cash at bank and in hand		4,555,888	5,380,512	4,534,013	5,363,071
<b>Total current assets</b>		<b>6,103,406</b>	<b>8,054,639</b>	<b>6,067,593</b>	<b>8,033,198</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	17	(1,407,606)	(2,687,427)	(1,372,793)	(2,666,986)
<b>Net current assets</b>		<b>4,695,800</b>	<b>5,367,212</b>	<b>4,694,800</b>	<b>5,366,212</b>
<b>Total assets less current liabilities</b>		<b>13,949,128</b>	<b>14,191,111</b>	<b>14,032,160</b>	<b>14,191,111</b>
<b>Funds</b>					
Restricted income funds	20	1,295,228	1,320,527	1,295,228	1,320,527
Endowment funds	21	123,118	122,623	123,118	122,623
<b>Total restricted funds</b>		<b>1,418,346</b>	<b>1,443,150</b>	<b>1,418,346</b>	<b>1,443,150</b>
Unrestricted funds	22	12,530,782	12,747,961	12,613,814	12,747,961
<b>Total unrestricted funds</b>		<b>12,530,782</b>	<b>12,747,961</b>	<b>12,613,814</b>	<b>12,747,961</b>
<b>Total Funds</b>		<b>13,949,128</b>	<b>14,191,111</b>	<b>14,032,160</b>	<b>14,191,111</b>

Parent company result: The deficit for the year of the charitable company is £158,951 (2016/17 surplus £702,104).

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

The financial statements were authorised and approved by the directors on 31<sup>st</sup> August 2018 and were signed on its behalf:



Ian Bell  
Treasurer and Director



Diane Goldberg  
Hon. Secretary and Director

Company registration number SC149069  
Charity number SC022315

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

For the year ended 31 March 2018

**Consolidated statement of Cash Flows**

**For the year ended 31 March 2018**

	2018	2017
	£	£
<b>Cash flows from operating activities</b>		
Net (expenditure)/income for the reporting period (as per statement of financial activities)	(241,983)	717,951
Depreciation charges	466,123	473,563
(Increase)/decrease in debtors	1,126,609	(280,243)
Increase/(decrease) in creditors	(1,213,010)	57,247
(Gains)/Losses on investments	50,246	(92,568)
Share of losses of associates	83,032	0
Gain on disposal of fixed assets	(953,651)	(69,179)
Donated asset	0	(22,645)
Dividends, interest and rents from investments	(71,518)	(59,745)
<b>Net cash (used in)/provided by operating activities</b>	<b>(754,152)</b>	<b>724,382</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	1,276,900	90,669
Purchase of fixed assets	(242,549)	(740,392)
Proceeds from sale of investments	227,027	183,432
Purchase of investments	(1,271,027)	(218,357)
Purchase of associates investments	(125,000)	0
Dividends and interest from investments	71,518	59,745
Purchase of fixed term deposits	(11,245)	(11,927)
<b>Net cash (used in) investing activities</b>	<b>(72,376)</b>	<b>(636,610)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(826,528)</b>	<b>87,772</b>
<b>Cash and cash equivalents at start of year</b>	<b>2,847,910</b>	<b>2,760,138</b>
<b>Cash and cash equivalents at end of year</b>	<b>2,021,382</b>	<b>2,847,910</b>
<b>Analysis of cash and cash equivalents</b>		
	2018	2017
	£	£
Cash in hand – bank	1,002,336	1,832,204
Cash held by investment manager	19,046	9,706
Notice deposits (less than 3 months)	1,000,000	1,000,000
<b>Total for cash flow purposes</b>	<b>2,021,382</b>	<b>2,847,910</b>
Term deposits	2,553,553	2,542,308
Less cash held by investment manager	(19,046)	(9,706)
<b>Total cash at bank and in hand</b>	<b>4,555,889</b>	<b>5,380,512</b>

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### 1. General information

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

### 2. Accounting policies

#### (a) Basis of accounting

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charity and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

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

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

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

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

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

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

#### (b) Branch financial statements

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

#### (c) Public funding and trust grants

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

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

#### (d) Donations and legacies

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

#### (e) Membership subscriptions

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

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### (f) Donated goods/services

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

### (g) Expenditure

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

### (h) Allocation of expenditure

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

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

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

### (i) Operating leases

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

### (j) Tangible fixed assets

All fixed assets costing over £5,000 (2016/17 £5,000) including VAT are capitalised and depreciated.

### (k) Cash flow and liquid resources

Cash flows comprise increases and decreases in cash and include cash in hand and cash at bank.

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

### (l) Fund accounting

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

### (m) Investments

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

### (n) Associates

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

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

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

The investment has reduced to £41,968 (note 15) on a consolidated group basis as recognition of the 31% share of the loss from CSC under the equity method of accounting. The investment recognised by the company remains at £125,000.

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

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

### (o) Depreciation of tangible fixed assets

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

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

### (p) Pension costs

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

### (q) Value added tax

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

### (r) Financial instruments

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

### (s) Going Concern

The organisation has strong reserves of over £14m, which includes cash and debtors exceeding £6.1m. The trustees are of the view that the future plans of the organisation are sound and measures taken subsequent to the year-end to reduce operating costs have secured the long-term future of the organisation and that on this basis the charity is a going concern. A three-year forecast has been prepared to ensure the 12 month period from sign off is covered.

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### (t) Holiday pay

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

### (u) Termination benefits

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

### (v) Dilapidation provision

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

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

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

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

### Other key sources of estimation uncertainty

#### Tangible fixed assets (see note 13)

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**3. SOFA prior year comparison disclosure**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2017 Total £
<b>Income and endowments from</b>				
Donations and legacies	6,044,124	441,178	0	6,485,302
Other trading activities	73,381	333,114	0	406,495
Income from charitable activities	1,103,908	10,493,288	0	11,597,196
Income from investments	54,301	4,929	515	59,745
Other (Gain on disposal of assets)	2,889	66,290	0	69,179
<b>Total income</b>	<b>7,278,603</b>	<b>11,338,799</b>	<b>515</b>	<b>18,617,917</b>
<b>Expenditure on</b>				
Raising funds	(438,790)	(1,329)	0	(440,119)
Charitable activities	(4,364,648)	(13,194,966)	0	(17,559,614)
<b>Total expenditure</b>	<b>(4,803,438)</b>	<b>(13,196,295)</b>	<b>0</b>	<b>(17,999,733)</b>
Net gains/(losses) on investments	99,767	0	0	99,767
<b>Net income/(expenditure)</b>	<b>2,574,932</b>	<b>(1,857,496)</b>	<b>515</b>	<b>717,951</b>
Transfers between funds	(2,076,328)	2,076,328	0	0
<b>Net movement in funds</b>	<b>498,604</b>	<b>218,832</b>	<b>515</b>	<b>717,951</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	12,249,357	1,101,695	122,108	13,473,160
<b>Total funds carried forward</b>	<b>12,747,961</b>	<b>1,320,527</b>	<b>122,623</b>	<b>14,191,111</b>

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

For the year ended 31 March 2018

#### 4. Donations and legacies

	2018	2017
	£	£
Donations	3,925,075	3,853,443
Donated goods (asset)	0	22,645
Legacies	1,126,220	2,008,665
Trust grants	762,471	600,549
<b>Total</b>	<b>5,813,766</b>	<b>6,485,302</b>

#### 5. Other trading activities

Other trading activities	2018	2017
	£	£
Events	203,981	156,597
Appeals and direct marketing	0	1,160
Merchandise sales	2,837	6,483
Dementia Scotland including shops	194,080	242,255
<b>Total</b>	<b>400,898</b>	<b>406,495</b>

#### 6. Income from charitable activities

	Provision of care related services	Awareness raising	Campaigning	Involvement	2018 Total	2017 Total
	£	£	£	£	£	£
Public funding	8,177,287	(7,675)	20,873	299,933	8,490,418	10,493,288
Service user income	423,584	0	0	0	423,584	996,081
Other charitable income	64,955	35,258	73,273	3,230	176,716	107,827
<b>Total</b>	<b>8,665,826</b>	<b>27,583</b>	<b>94,146</b>	<b>303,163</b>	<b>9,090,718</b>	<b>11,597,196</b>

#### Public funding included the following Scottish Government grants:

	2018	2017
	£	£
TEC Funding – Development	406,983	247,170
Dementia Nurses Funding	170,872	204,733
AHP Project	123,600	172,500
Section 10, Social Work (Scotland) Act 1968	167,000	167,000
National Dementia Programme – JIT	0	10,965
Focus on Dementia - Policy	0	2,467
Promoting Excellence Funding – 2016 funds returned	(9,625)	0
<b>Total</b>	<b>858,830</b>	<b>804,835</b>

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### 7. Raising funds

	Activities undertaken directly £	Support costs (Note 9) £	2018 Total £	2017 Total £
Fundraising costs	241,534	19,584	261,118	214,787
Trading activities	167,069	0	167,069	225,332
<b>Total</b>	<b>408,603</b>	<b>19,584</b>	<b>428,187</b>	<b>440,119</b>

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

### 8. Charitable activities

	Activities undertaken directly £	Support Costs (Note 9) £	2018 Total £	2017 Total £
Provision of care related services	14,039,614	1,138,347	15,177,961	16,750,527
Awareness raising	92,025	7,461	99,486	35,073
Campaigning	100,975	8,187	109,162	156,016
Involvement	285,014	23,109	308,123	335,411
Research	316,157	0	316,157	282,587
<b>Total</b>	<b>14,833,410</b>	<b>1,177,104</b>	<b>16,010,889</b>	<b>17,559,614</b>

Operating lease rentals of £211,207 (2017 £98,918) are included in activities undertaken directly. An impairment provision of £475,000 (2017 £0) in relation to the loan to our associate is included within the 'Provision of care related services.'

### 9. Analysis of support costs

Support cost	Fundraising incl. shops £	Provision of care related services £	Awareness Raising £	Campaigning £	Involvement £	2018 Total (Note 7&8) £	2017 Total £
Governance (note 10)	1,172	47,544	80	668	404	49,868	57,640
Management	1,917	113,572	768	783	2,364	119,404	308,451
Finance	5,448	322,757	2,184	2,225	6,718	339,332	294,542
IT	5,665	335,643	2,271	2,313	6,986	352,878	363,900
Human resources	5,382	318,831	2,158	2,198	6,637	335,206	287,352
<b>Total</b>	<b>19,584</b>	<b>1,138,347</b>	<b>7,461</b>	<b>8,187</b>	<b>23,109</b>	<b>1,196,688</b>	<b>1,311,885</b>

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

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

For the year ended 31 March 2018

## 10. Governance costs

<b>Governance costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit fees	19,650	21,220
Non-audit fees for tax compliance	725	108
Directors' indemnity insurance	1,828	1,095
Directors' meetings and other costs (includes AGM costs)	27,665	35,217
<b>Total</b>	<b>49,868</b>	<b>57,640</b>

Within Directors' meetings and other costs, 5 members of the Board received travel and subsistence expenses of £2,572 (2017 - 5 members received £3,378). The organisation has put in place qualifying third-party indemnity provisions for all of the directors of the Group.

## 11. Staff payroll costs and numbers

<b>Staff payroll costs and numbers</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,931,654	10,972,052
Social security costs	691,191	781,740
Pension costs	422,101	474,105
Redundancy and termination	228,949	290,834
<b>Total</b>	<b>10,273,895</b>	<b>12,518,731</b>

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

The total number of employees during the year was 552 staff (2017: 832) and the average number of full time equivalent was 346, which comprised 230 support staff and 116 administrative staff (2017: 318 support staff, 111 administrative, total: 429).

## 12. Key Management Remuneration and Related parties

The total amount of the five key management personnel is £405,569 (2017: £382,477).

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

No trustees received any remuneration from the company during the year (2017 - £nil).

Russell + Aitken received £1,647 (2017 - £4,437) for legal advice given during the year at their standard price. David McClements, a member of Board is also a member of Russell + Aitken.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

Alzheimer Scotland hold 31% of the shares in Caledonia Social Care Limited and has a significant influence over the entity and as such this has been recorded as an associate company. Included within the Company Investments in Associates, Note 15, is the initial £125,000 share capital, with our share of the 2017/18 deficit deducted. Included in Debtors, Note 16, is the £475,000 interest-bearing loan and an impairment provision made against it.

**13. Tangible fixed assets**

<b>Group and Company</b>	<b>Freehold property</b>	<b>Leasehold property</b>	<b>Motor vehicles</b>	<b>Fixtures &amp; Fittings</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
At beginning of the year	7,713,248	173,329	282,386	2,074,908	10,243,871
Additions	0	0	0	300,918	300,918
Disposals	(482,998)	0	(28,461)	(182,582)	(694,041)
<b>At end of the year</b>	<b>7,230,250</b>	<b>173,329</b>	<b>253,925</b>	<b>2,193,244</b>	<b>9,850,748</b>
<b>Depreciation</b>					
At beginning of the year	(1,074,159)	(112,665)	(231,836)	(1,299,647)	(2,718,307)
Depreciation	(146,211)	(4,334)	(13,928)	(301,650)	(466,123)
Disposals	178,612	0	0	161,719	368,792
<b>At end of the year</b>	<b>(1,041,758)</b>	<b>(116,999)</b>	<b>(217,303)</b>	<b>(1,439,578)</b>	<b>(2,815,638)</b>
<b>Net book value at the beginning of the year</b>	<b>6,639,089</b>	<b>60,664</b>	<b>50,550</b>	<b>775,261</b>	<b>7,525,564</b>
<b>Net book value at end of the year</b>	<b>6,188,492</b>	<b>56,330</b>	<b>36,622</b>	<b>753,666</b>	<b>7,035,110</b>

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**14. Investments - funds**

Investments – funds (Group and Company)	2018 £	2017 £
<b>Market value:</b>		
At 1 April 2017	1,163,629	1,036,136
Purchase of investments at cost	1,271,027	218,357
Disposals at opening book value	(232,240)	(183,432)
	2,202,416	1,071,061
Movement in market value	(45,212)	92,568
Management fees	0	0
Cash held for investment	19,046	9,706
<b>At 31 March 2018</b>	<b>2,176,250</b>	<b>1,173,335</b>
<b>Represented by:</b>		
Listed equities	2,157,204	1,163,629
Cash held for investment purposes	19,046	9,706
	2,176,250	1,173,335
Fixed income	311,735	297,089
UK equities	395,691	290,944
Global equities	1,008,745	393,453
Property	225,657	87,617
Alternative investments	154,639	68,877
	2,096,467	1,137,980
Liquid investments	60,737	25,649
Cash	19,046	9,706
<b>At 31 March 2018</b>	<b>2,176,250</b>	<b>1,173,335</b>
<b>Historical cost:</b>		
Listed equities	2,126,852	1,077,102
Cash held for investment purposes	19,046	9,706
	2,145,898	1,086,808

Listed investments included in the fund are overseas investments of £1,312,279 (60.3%) (2017: £535,041, 45.6%).

The investments are held within Sarasin Endowment Fund Class A INC.

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**15. Investments – subsidiary and associate undertakings**

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

2017	Group £	Company £
At 1 April 2016	0	1,000
Investment in associate	125,000	125,000
<b>At 31 March 2017</b>	<b>125,000</b>	<b>126,000</b>

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

Subsidiary	Principal activity	Class of Share	Holding %	Aggregate capital and reserves £	Surplus after gift aid for year £
Dementia Scotland Limited 160 Dundee Street, Edinburgh, Scotland, EH11 1DQ SC296817	Retail & Events (minimum sponsorship)	Ordinary	100	1,000	0

Dementia Scotland Limited - Summary of Results	2018 £	2017 £
Turnover	194,080	242,255
Operating expenses – operations	(167,069)	(225,332)
Operating expenses - audit fees	(4,775)	(4,000)
Gift to Alzheimer Scotland - Action on Dementia	22,236	2,924
	0	15,847
<b>Net assets</b>	<b>1,000</b>	<b>1,000</b>

Associate	Principal activity	Class of Share	Holding %	AS Investment £	Share of deficit for the year £
Caledonia Social Care Limited, 81 Oxford Street Glasgow, G5 9EO SC537263	Provision of care at home	Ordinary	31	125,000	(83,032)

Caledonia Social Care Limited	2018 £	2017 £
<b>Aggregate capital and reserves</b>	<b>(142,844)</b>	<b>125,000</b>

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

For the year ended 31 March 2018

## 16. Debtors

Amounts due in greater than one year	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Loan to associated undertaking	0	475,000	0	475,000
<b>Amounts due within one year</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£
Service debtors	350,605	471,629	350,605	471,629
Other debtors	864,730	1,414,102	886,715	1,445,639
Prepayments	332,183	313,396	296,260	277,859
<b>Total</b>	<b>1,547,518</b>	<b>2,199,127</b>	<b>1,533,580</b>	<b>2,195,127</b>

An impairment provision of £475,000 has been made during the year for the loan to our associate.

## 17. Creditors: amounts falling due within one year

	Notes	Group		Company	
		2018	2017	2018	2017
		£	£	£	£
Deferred income	18	297,904	926,820	285,215	918,070
Trade creditors		307,959	341,849	306,313	339,766
Accruals		513,244	451,866	507,922	444,059
Other creditors		107,487	111,906	93,090	111,820
Amounts due to associated undertakings		0	600,000	0	600,000
Pension costs		0	48,225	0	48,188
Social security costs and other taxes		181,012	206,761	180,253	205,083
<b>Total</b>		<b>1,407,606</b>	<b>2,687,427</b>	<b>1,372,793</b>	<b>2,666,986</b>

## 18. Deferred income

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Balance brought forward	926,820	730,653	918,070	722,341
Deferred income receivable	251,654	926,820	247,715	918,070
Deferred income released to statement of financial activities	(880,570)	(730,653)	(880,570)	(722,341)
<b>Balance carried forward</b>	<b>297,904</b>	<b>926,820</b>	<b>285,215</b>	<b>918,070</b>

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

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

For the year ended 31 March 2018

**19. Financial Instruments**

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
<b>Financial Assets</b>				
Financial Assets at fair value through income & expenditure	<b>2,218,218</b>	1,298,335	<b>2,302,250</b>	1,229,335
Financial assets measures at amortised cost	<b>5,771,223</b>	7,741,243	<b>5,771,333</b>	7,755,339
<b>Financial Liabilities</b>				
Financial Liabilities measured at amortised cost	<b>928,691</b>	1,533,846	<b>907,325</b>	1,543,833

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

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

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

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

## ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

### 20. Restricted funds

	Notes	Fund balances brought forward £	Income £	Expenditure £	Transfers £	Fund balances carried forward £
<b>Income funds:</b>						
National Office	a	29,404	914,593	(1,024,969)	104,101	23,129
Services	b	0	7,611,083	(8,926,046)	1,314,963	0
Life Changes Trust - Dementia friendly communities	c	5,542	16,676	(19,775)	0	2,443
Life Changes Trust - Befriending and peer support	d	0	26,608	(31,829)	5,221	0
Life Changes Trust - Befriending and peer support	e	19,877	19,475	(30,669)	0	8,683
Life Changes Trust - Dementia friendly communities	f	48,226	117,611	(162,125)	(1,141)	2,571
Life Changes Trust - Dementia dog	g	33,988	122,715	(113,166)	(7,279)	36,258
Post Code Lottery – Befriending Project	h	0	62,500	(39,156)	0	23,344
		<b>137,037</b>	<b>8,891,261</b>	<b>(10,347,735)</b>	<b>1,415,865</b>	<b>96,428</b>
<b>Other funds:</b>						
Restricted legacy reserve	i	926,720	283,696	(3,616)	(8,000)	1,198,800
Research reserve	j	247,770	52,783	(185,002)	(115,551)	0
Short Break reserve	k	9,000	0	(8,705)	(295)	0
		<b>1,183,490</b>	<b>336,479</b>	<b>(197,323)</b>	<b>(123,846)</b>	<b>1,198,800</b>
<b>Total company and group restricted funds</b>		<b>1,320,527</b>	<b>9,227,740</b>	<b>(10,545,058)</b>	<b>1,292,019</b>	<b>1,295,228</b>

#### Notes:

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

Income funds include funds received through local authorities which must be spent in accordance with the conditions imposed by the relevant authority. The transfers column shows the charity moving its own funds from one heading to another so that funds are available where needed to meet charitable and other expenditure; this includes transfers between unrestricted and restricted funds and includes; internal funding relating to any service development plans, transferred to cover redesign of services, reserves covering all our fixed assets and internal rents paid by services housed within owned properties. The subsidiary companies have no restricted funds.

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**21. Endowment fund**

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>The Michael Clutterbuck Bequest</b>		
Opening Balance	122,623	122,108
Interest	495	515
	<b>123,118</b>	<b>122,623</b>
Expenditure	0	0
<b>Closing balance</b>	<b>123,118</b>	<b>122,623</b>

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

**22. Unrestricted Funds**

	Fund balances brought forward	Income	Investment gain/(loss)	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£	£
General funds	12,747,961	6,908,236	(50,425)	(5,722,175)	(1,269,783)	12,613,814
<b>Total company unrestricted funds</b>	<b>12,747,961</b>	<b>6,908,236</b>	<b>(50,425)</b>	<b>(5,722,175)</b>	<b>(1,269,783)</b>	<b>12,613,814</b>
Subsidiary undertaking profit and loss account reserves	0	194,080	0	(171,844)	(22,236)	0
Share of loss of associate	0	0	0	(83,032)	0	(83,032)
<b>Total group unrestricted funds</b>	<b>12,747,961</b>	<b>7,102,316</b>	<b>(50,425)</b>	<b>(5,977,051)</b>	<b>(1,292,019)</b>	<b>12,350,782</b>

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

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

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**23. Analysis of assets and liabilities among funds**

	General Funds	Restricted Funds	Endowment Funds	Total Funds
<b>2018</b>	£	£	£	£
<b>Company</b>				
Tangible fixed assets	7,035,110	0	0	7,035,110
Investments – Sarasin	2,176,250	0	0	2,176,250
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,276,454	1,295,228	123,118	4,694,800
<b>Total</b>	<b>12,613,814</b>	<b>1,295,228</b>	<b>123,118</b>	<b>14,032,160</b>
<b>Group</b>				
Tangible fixed assets	7,035,110	0	0	7,035,110
Investments – Sarasin	2,176,250	0	0	2,176,250
Investments – subsidiary and associate undertakings	41,968	0	0	41,968
Net current assets	3,277,454	1,295,228	123,118	4,695,800
<b>Total</b>	<b>12,530,782</b>	<b>1,295,228</b>	<b>123,118</b>	<b>13,949,128</b>
<b>2017</b>	£	£	£	£
<b>Company</b>				
Tangible fixed assets	7,525,564	0	0	7,525,564
Investments – Sarasin	1,173,335	0	0	1,173,335
Investments – subsidiary and associate undertakings	126,000	0	0	126,000
Net current assets	3,923,062	1,320,527	122,623	5,366,212
<b>Total</b>	<b>12,747,961</b>	<b>1,320,527</b>	<b>122,623</b>	<b>14,191,111</b>
<b>Group</b>				
Tangible fixed assets	7,525,564	0	0	7,525,564
Investments – Sarasin	1,173,335	0	0	1,173,335
Investments – subsidiary and associate undertakings	125,000	0	0	125,000
Net current assets	3,924,062	1,320,527	122,623	5,367,212
<b>Total</b>	<b>12,747,961</b>	<b>1,320,527</b>	<b>122,623</b>	<b>14,191,111</b>

ALZHEIMER SCOTLAND – ACTION ON DEMENTIA

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

For the year ended 31 March 2018

**24. Pension and retirement benefits**

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

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

The contribution for the year amounted to £422,101 (2017 - £474,105).

**25. Operating lease commitments**

	Group		Company	
	Land & buildings	Land & buildings	Land & buildings	Land & buildings
	2018	2017	2018	2017
	£	£	£	£
The company had total commitments under non-cancellable leases expiring as follows.				
Within one year	218,639	124,761	199,591	119,761
2-5 years	459,409	582,055	459,409	571,555
Over 5 years	0	0	0	0
<b>Total</b>	<b>678,048</b>	<b>706,816</b>	<b>659,000</b>	<b>691,316</b>

Operating lease expense charged to the SOFA for the year amounted to £222,547 (2017 - £98,918)

