

Company number: 07462605

Charity number: 1140287

**Alcohol Research UK**

**Report and Financial Statements**

**31 March 2014**

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auditors and advisors

# **Alcohol Research UK**

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**For the year ended 31 March 2014**

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**Alcohol Research UK****Reference and administrative details****For the year ended 31 March 2014**

**Company number** 07462605

**Charity number** 1140287

**Registered office  
and operational  
address** 83 Victoria Street  
London  
SW1H 0HW

Directors who served during the period 1 April 2013 to date:

Professor Robin Davidson	Retired 31 March 2014	Chair. Member of Finance and General Purposes Committee (F&GPC) and Scrutiny and Review Committee (S&RC). Advisory member of Grants Advisory Panel (GAP). Member of Nominations Committee (NC)
Ms Annette Fleming		Vice-Chair. Member of F&GPC. Chair of NC
Mr Andrew May		Treasurer. Chair of F&GPC
Professor Virginia Berridge	Retired 31 March 2014	Chair of GAP (Advisory)
Professor Sally Dibb		Member of S&RC and Development Advisory Panel (DAP). Member of NC
Professor Sir Ian Gilmore	Retired 31 March 2014	
Professor Nick Heather		Member of S&RC
Mrs Lesley King Lewis	Retired 31 March 2014	Member of F&GPC and DAP
Professor Alan Maryon-Davis		Appointed Chair from 31 March 2014. Member of S&RC. Advisory member of GAP. Member of NC.
Mr Gerry O'Donnell	Retired 31 March 2014	Member of DAP
Mrs Valerie Jolliffe		Member of F&GPC
Professor John Underwood		Member of DAP
Dr Michael Cross	Appointed 19 March 2014	Member of DAP
Professor Derek Heim	Appointed 19 March 2014	Member of S&RC. Advisory member of GAP
Ms Helen Boaden	Appointed 19 March 2014	Member of DAP

## **Alcohol Research UK**

### **Reference and administrative details**

**For the year ended 31 March 2014**

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<b>Principal staff</b>	Mr Dave Roberts	Chief Executive
	Professor Ray Hodgson (retired 31 March 2014)	Research Director
	Dr. James Nicholls (commenced 1 April 2014)	Director of Research and Policy Development
<b>Bankers</b>	CAF Bank Ltd, King's Hill West Malling Kent ME19 4TA	
<b>Investment Managers</b>	Investec Wealth and Investment Limited 2 Gresham Street London EC2V 7QN	
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 2-6 Cannon Street London EC4M 6YH	
<b>Auditors</b>	Sayer Vincent LLP Chartered Accountants and Registered Auditors 8 Angel Gate City Road London EC1V 2SJ	

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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We, the directors of Alcohol Research UK, present our report and financial statements for the year ended 31st March 2014. This is the third annual report of the charity. The financial statements comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' and the Financial Reporting Manual (FRM) and guidance published by the Charity Commission.

Alcohol Research UK is constituted as a company limited by guarantee and not having a share capital. It is registered as a company in England and Wales number 07462605 and its principal governing documents are its Memorandum and Articles of Association. The charity is registered with the Charity Commission number 1140287.

Alcohol Research UK took over the assets and undertakings of the Alcohol Education and Research Council (AERC), charity number 284748, in March 2011. The Council was wound up by the Secretary of State for Health in July 2012.

#### **Objects and Significant Activities**

The charity's object, as set out in the Memorandum and Articles of Association, is "the reduction of alcohol-related harm to individuals, families and communities".

We support this object by building and disseminating scientific evidence that helps to inform policy and practice around the prevention of alcohol-related harm. We identify gaps in the evidence-base and fund new research or other projects that will help to fill them. Most of the funding that we provide is in the form of charitable grants to recognised research bodies and institutions. We finance those grants with investment income (we inherited an endowment from the AERC), or donations and grants from other individuals and organisations that are interested in our work.

Our Vision is "to see a reduction in levels of alcohol-related harm by ensuring that policy and practice can be developed on the basis of reliable, research-based, evidence".

Our mission is "to work to reduce levels of alcohol-related harm by ensuring that policy and practice can always be developed on the basis of research-based evidence. We are a lead funder of high quality research into the causes, impact and prevention of alcohol-related harm and are the only organisation exclusively dedicated to building an evidence base in this area".

Our Values are:

**Independent** – we are governed by a board of directors that represents the diversity and complexity of the issues relating to alcohol harm reduction, including public health, clinicians, marketing experts, practitioners and the academic community. We regularly refresh and review our governance arrangements to make sure that it is representative of the key issues relating to alcohol harm. We do not accept funds from the alcohol industry.

**Objective** – through the promotion of the existing evidence base we aim to be a balanced and objective voice in the policy debate. We have no vested interest other than promoting the existing evidence base and highlighting, identifying and filling gaps in it, through the provision of research funding to the scientific research community and other projects that contribute to the evidence-base.

**Evidence-based** – We are experts in the current evidence base around alcohol harm and alcohol harm reduction and highlight where evidence is clear and where further research is needed.

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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Accessible - We aim to foster links between the research community, policy makers and the public, in order to increase awareness of the causes as well as the problems relating to alcohol harm.

### **Organisational Structure, Governance and Management**

Alcohol Research UK is overseen by a board of directors, who are also its trustees and its members. They are responsible for the strategic direction of the charity and for maintaining proper governance. The board meets twice a year.

The board is supported by, and delegates specified decision-making authority to, three committees that exclusively comprise directors. A Finance and General Purposes Committee oversees the financial and administrative functions of the charity; a Scrutiny and Review Committee oversees our grant-making and research activity (including our relationships with third-party funders) and a Nominations Committee oversees the recruitment of new trustees and the appointment of existing trustees to offices.

Applications that we receive for research and development grants are considered by a Grants Advisory Panel (GAP), which comprises experts in the alcohol field who are not directors. This separates the development of research priorities from the day-to-day consideration of applications. The Panel recommends to the Scrutiny and Review Committee those applications that it thinks should be funded. A sub-group of the GAP considers applications to the studentship schemes.

A Development Advisory Panel, which focuses on fund development and marketing, comprises both directors and non-directors and supports the executive team in the delivery of fund development and marketing activity.

All of our committees and panels operate according to approved terms of reference.

Responsibility for day-to-day activity at the charity is delegated to the small staff team, headed by the Chief Executive, who reports directly to the board.

Alcohol Research UK has a comprehensive range of organisational policies and procedures commensurate with an organisation of its size and the range of activities that it undertakes. Some of the key ones can be viewed on our website.

### **Membership of the Board**

The directors who served during the year are listed on page 2 of this Annual Report. Directors can initially serve for a period of three years but can be reappointed for a second term of the same duration. Therefore, under normal circumstances the maximum possible term for which any director can serve is six years. However, the Articles of Association do allow a trustee to remain on the board for an additional period (of not normally more than one year) where there is a proven organisational need for them to do so.

The board (through the Nominations Committee) undertakes an annual analysis of the board's collective skills to identify gaps that need to be filled. The directors advertise vacancies through various media, include national newspapers. Candidates are invited to submit a CV and describe how they will meet the job specification. They are then interviewed by a panel of trustees, which makes a recommendation to the full board. Three new directors were appointed through this process in early 2014.

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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Directors' job descriptions require them to undertake training at least once a year and to take part in an annual development appraisal led by the Chair. Training can include attendance at Alcohol Research UK's strategy and development day that is held at least once each year.

Five directors retired in March 2014 as they had reached the end of their maximum terms. They included Professor Robin Davidson, who had been our Chair since the charity's inception (in addition to three years as Chair of the AERC before that). As of 31<sup>st</sup> March 2014, no trustees are employed within the alcohol industry.

Job descriptions exist for the roles of director, chair/ vice-chair and treasurer. New directors undertake formal induction and receive a handbook containing background information, key policy documents and other material relating to their role within the charity.

Directors are unpaid but may be reimbursed for reasonable expenses, such as travel.

We have access to independent financial and legal advice to ensure that we manage our affairs in a proper manner. Details of our professional advisors are provided on page 3.

#### **Strategic Aims**

We have a five-year Business Plan, which is reviewed in March each year. The 2013-18 Business Plan has two strategic goals

- Increase the quantity of high quality research that we fund
- Improve the way we evaluate and disseminate important research findings

The Business Plan breaks these strategic goals down into 16 core objectives across the areas of (i) fund development (ii) grant-making & research and (iii) governance.

At a meeting in March 2014, the board agreed to undertake a fundamental review of the charity's strategic goals, including its funding programmes. This review will be completed in 2015.

#### **Director, Panel Member and Staff Interests**

A copy of our policy on conflicts of interest and the associated register of interests of directors, panel members and staff can be viewed on our website. Details of related party transactions in 2013/14 are disclosed in note 16 in the financial statements.

#### **Networks**

Alcohol Research UK is autonomous in so much as it is not a branch or subsidiary of a larger organisation. Further, its policy is that it will only join membership organisations where it can be confident that doing so will not conflict with its values, above. Presently, the only such organisation of which it is a member is the Association of Medical Research Charities.

## **Alcohol Research UK**

### **Report of the directors**

**For the year ended 31 March 2014**

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#### **Public Benefit**

We refer to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

With that in mind, we can confirm that Alcohol Research UK benefits the public by managing a charitable endowment and distributing the income as grants to support charitable activities that help to reduce and/or understand the health problems caused by excessive drinking of alcohol. Before any grant is made, the board carefully and thoroughly assesses the potential public benefit of the proposed activities. It subsequently evaluates the impact of the completed grant.

The main end-beneficiaries of our work are people who are suffering, or are at risk of suffering, from the negative consequences of excessive alcohol consumption. Our area of benefit is the whole of the United Kingdom. We adhere to best practice in making sure that the grant programmes and the evidence base that we create are widely accessible. It is a condition of all grant awards that the findings be made available to the general public by being posted on our website. We also ask that researchers publishing in academic journals should, as far as possible, ensure that the papers are available to the general public through the 'open access' scheme.

Any benefit received by researchers, research institutions and healthcare bodies in receiving a grant is purely co-incidental to the objects of our work.

#### **Grant-Making Policies**

Our grant-making and research strategy is set out within the business plan. We have also adopted a range of policies to guide the identification, selection and delivery of projects. Those that potential applicants need to be aware of can be viewed on our website. We follow best practice in maintaining the independence of research funding and ensuring that funded researchers and research institutions abide by best practice in research ethics and minimising the likelihood of harm to volunteers. The Association of Medical Research Charities has certified us as providing "best practice in medical and health research peer review".

Most of our grant-making budget is allocated to our research and development programme. Last year, this offered grants of up to £60,000. Applications were assessed against a number of core criteria being value for money; the strength of the team/ methodology; the likely impact on policy and practice and a project's achievability/ feasibility. Preference was given to projects that met our research priorities. Priorities for the three years from 2012/13 were identified through a consultation exercise involving 40 leading experts in the field. They are:

- Identification, treatment and recovery
- Policy and culture change
- Marketing and media
- Information and education
- Developing research methods

We also offer a limited number of PhD studentship grants (£21,000 over three years) and taught course bursary grants (£1,200) for people already working in the field who want to gain an appropriate qualification. The purpose of these studentship schemes is to encourage research in the alcohol field and to improve the quality of service provided for those with drinking problems.



## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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We fund small grants (usually pilot research studies or demonstration projects) with a strong evaluation component, up to a maximum of £5,000.

From time-to-time we will invite applications for a flagship grant of up to £300,000, or more if co-financed with another organisation.

We also offer grants through our co-financing programme, where we work alongside other funders. The amounts awarded vary.

From time-to-time, we will also issue calls for proposals to undertake specific work that we are delivering on behalf of, or in partnership with, another organisation. Again, the levels of funding are different in each case.

Further details of each of the grant programmes, including an explanation of how they are funded, are available on our website.

All of our grant programmes are advertised on our website, through our e-newsletter, social media and elsewhere. The research and development, PhD studentships and taught course bursary programmes are identified through an annual call for proposals. Small grants are available throughout the year as long as funds remain. All of the other programmes are advertised on an ad hoc basis.

The decision-making process is slightly different for each of the programmes but essentially involves an initial assessment by staff and a sub-group of the GAP, peer review, formal consideration by the GAP (or Studentship Advisory Panel) and ratification by the Scrutiny and Review Committee. A copy of the detailed process map for each programme is available on request.

All completed projects are required to produce a final report (in the case of research projects this will be a full academic report) and a shorter version of the same, which is called an Alcohol Insight. Copies of final reports and Alcohol Insights are available on our website.

### **Review of Risks**

In March of each year, we undertake a comprehensive review of the risks we face within the categories of governance, external environment, operations, data/ technology, human resources and compliance/ the law.

This year, we also completed the Charity Commission's 'Board Talk' exercise which allowed us to consider how appropriately we are responding to key risk areas where charities can be vulnerable. Our conclusion was that, overall, we are dealing with such risks in an appropriate manner.

We consider strategic risks annually as part of our business planning process. This includes a review of strengths, weaknesses, opportunities and threats (SWOT analysis), which helps to inform the development of business goals and objectives.

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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#### **Achievements and Performance**

##### **Strategic Development**

The focus this year was on continuing to drive forward the new strategic direction of Alcohol Research UK.

Some of the key strategic developments in the year were:

- Completion of 5-year project to restructure board
- Change of Chair and Research Director
- Alcohol industry representation on board ceased
- First co-financed flagship grant
- Restructuring of website
- Adoption of Media Strategy
- Regular programme of presenting at conferences and seminars
- First PhD and Early Career Researcher Symposium
- Commencement of major strategic review of funding activities

We maintained our policy, first introduced in March 2012, of using a formula that allows some of the endowment capital to be released in order to supplement investment income, where there has been a period of sustained capital growth. The formula, which had allowed £1,004,897 to be divested in the preceding two years, permitted a further £178,373 to be divested in March 2014. This sum will be allocated as part of the strategic review mentioned above.

##### **Research and Development**

Seventy-eight outline applications were received this year (2012/13 - 58). These were assessed by a sub-group of the Grants Advisory Panel, which approved 13 for progression to a full application. Each of these was peer reviewed by at least two experts in the field before being considered by the full Grants Advisory Panel. The Panel met just after the year end and recommended that four be approved, totalling £258,826. The Scrutiny and Review Committee endorsed their recommendation. As the commitments were made within next year's accounting period, this figure is provided for information only and is subject to audit. The approved projects are titled:

- 'Development of the Addiction Therapist Rating Scale (ATRS)' (The Leeds Addiction Unit)
- 'Frequent attenders to accident and emergency departments: qualitative study of individuals who repeatedly present with alcohol-related health conditions' (The Institute of Psychiatry)
- 'Alcohol Marketing to young people via social media: Implications for the Advertising Standards Code of Practice' (University of Bath)
- 'Investigation of the association between alcohol outlet density and alcohol related hospital admission rates in England' (SchARR, University of Sheffield)
- We also commenced work on a co-financed project with the Thomas Pocklington Charitable Trust ('Alcohol and sight loss – a scoping study').

Alcohol Insights are available on our website for the following recently completed Research and Development grants:

- an analysis of alcohol industry sponsorship and hazardous drinking in UK university sport (Manchester University).
- two projects have reported on a topical concern – alcohol and older people. The Tilda Goldberg Centre at the University of Bedfordshire has investigated the problem of undiagnosed cognitive impairment in people aged over 55 years attending substance misuse services and Brunel University has led on a feasibility study of alcohol-related elder abuse.

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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- the Tilda Goldberg Centre has also examined alcohol and other drugs in relation to both social work and social care practice;
- Queen's University Belfast investigated how parental monitoring, school and family influences adolescent alcohol use;
- a community interest company, CSN, undertook an evaluation and feasibility study of a life skills education programme for 9 to 14 year olds called In:tuition;

Another feature of our website is that it provides an aid for people wishing to access or carry out research in the alcohol field. There is an overview of online resources available and we have also brought together a summary of the key UK Governmental documents on alcohol policy since 2002.

#### **Small grants**

We awarded new small grants totalling £31,083 (2012/13 - £35,492) before taking account of grant de-commitments. Awards included:

- ADFAM for a study: 'What recovery means for families'
- UK Centre for Tobacco and Alcohol Control Studies for a study: 'Effects of Varenicline on alcohol enjoyment and consumption'
- Medical Council on Alcohol towards their annual meeting and symposium 'Adolescence and Alcohol: Causes, Consequences & Solutions'
- University of Liverpool for a study: 'Beliefs and the alcohol priming effect'

The following Small grants have recently completed:

- Edge Hill University explored the use of a bespoke smartphone app to track alcohol consumption
- An independent researcher examined a brief intervention for children and young people living with parental substance misuse and/or parental mental health problems
- Eaves for Women studied alcohol misuse in women involved in prostitution
- the University of Bristol looked at how glass shape influences the rate of alcohol consumption
- Middlesex University undertook a feasibility study to explore how Polish street drinkers engaged with alcohol services in a London borough.

#### **Studentship grants**

Twelve applications were received for PhD funding (2012/13 – 4). Four were approved, meaning a commitment of £89,000 (2012/13 - £63,000). A new approach was adopted this year, whereby applicants were invited to submit possible topics without necessarily having a student in place. We then co-ordinated the recruitment of students. The topics were:

- 'Alcohol licensing at local level: stakeholders' roles in decision making'
- 'The experiences and recovery needs of alcohol dependent patients following detoxification programmes (POST DETOX): An exploratory qualitative study'
- 'Group regulation of alcohol consumption behaviours'
- 'The impact of alcohol consumption on adolescent neuropsychological development'

We congratulate our PhD students who have recently completed their studies and been awarded doctorates for innovative research in the following areas:

- Young people's cultural discourses on alcohol'

## **Alcohol Research UK**

### **Report of the directors**

#### **For the year ended 31 March 2014**

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- The effects of impulsivity on the development and maintenance of alcohol abuse'
- Designing and testing an intervention to prevent alcohol misuse in adolescents based on the Prototype Willingness Model of health risk behaviour'
- Maternal alcohol misuse: prevalence, nature, identification and impact'
- Investigating the health of non-drinkers; the sick-quitter and sick non starter hypotheses'

We are developing a section on our website that will be dedicated to our sponsored PhD students, containing summaries of their research with links to the full PhD theses.

Fourteen applications were received for taught courses (2012/13 - 24), of which ten were awarded, totalling £12,000 (2012/13 - £12,000).

#### **Income generation**

An analysis of investment income is provided in the Financial Review on page 13. Achieving non-investment income remains a relatively new area of activity for us and is a key focus of our business plan. In particular, we seek to secure income from the public sector, other trusts and foundations, companies and individual donors who are interested in working with us to fund research into the prevention of alcohol-related harm.

Non-investment income received during the year totalled £265,490 (2012/13 - £158,214). This comprised donations of £102,252 (2012/13 - £77,011), grants of £178,115 (2012/13 - £75,628), conference income of £8,955 (2012/13 - £5,575), and other income of £696

The figure for 'donations' includes the contribution from Man Group plc towards our office costs (see Donations in Kind, below).

The figure for 'grants' includes income from The Drinkaware Charitable Trust and Thomas Pocklington Trust for specific research projects that we are undertaking for each of them.

#### **Organisational performance**

Organisational performance is primarily measured through a series of key performance indicators that relate to the business Plan's strategic objectives. Progress against them is reported to the board at each meeting through the use of a corporate performance scorecard and supporting analyses.

## **Alcohol Research UK**

### **Report of the directors**

**For the year ended 31 March 2014**

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#### **Financial review**

The figures provided in Significant Activities above relate to new awards made in the year. The following table provides an analysis of all grant commitments, including those made in previous years:

Programme	Grant funded activities	Support costs	Total
(Figures are net of grant de-commitments)	£	£	£
Research and Development	258,481	225,330	483,811
Small grants	30,622	26,510	57,132
Studentships	87,800	79,529	167,329
Total	376,903	331,369	708,272

#### **Future plans**

Our future plans are set out in our business plan and are summarised in Strategic Aims above.

#### **Donations in Kind**

We received no significant donations in kind during the year.

However, our office accommodation in Victoria, London, is leased from Man Group plc. Man Group plc make a regular donation to the charity, which is equivalent to the rent paid, thereby meaning that the accommodation is effectively rent free. The lease and donation agreement will come to an end in September 2014. We are very grateful for Man Group plc's support.

#### **Use of Volunteers**

All of the directors are volunteers. Collectively, we give around 100 days of time annually.

All members of the grants and studentship advisory panels are volunteers. Collectively, they give around 25 days of time annually.

#### **Basis of preparation of Financial Statements**

The Financial Statements have been prepared in accordance with our Accounting Policies, as set out on page 23.

#### **Going Concern**

As previously mentioned, we undertake an annual Risk Assessment, which gives careful consideration to factors that may impact upon Alcohol Research UK's ability to move forward as a going concern. The most recent assessment, carried out in March 2014, gave us confidence that any risks had been sufficiently mitigated.

**Report of the directors**

**For the year ended 31 March 2014**

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**Remuneration Report**

The members of the Finance & General Purposes Committee, as detailed on page 2, undertook the duties and responsibilities of a remuneration committee.

The members of the Committee themselves are not remunerated but they were paid expenses against receipted claims (see note 6). The board's policy on the remuneration of employees is to adopt a career grading system comprising annual increments that are achieved through satisfactory performance (up to a specified maximum) alongside an inflation related element, where the board considers this to be appropriate. All staff receive annual appraisals and work plans.

Employees also received pension contributions, or payments in lieu of pension contributions, of 6% of salary. Two employees opted to exchange a further 6% of their salary for an increased pension contribution. Payments in lieu of pension contributions were subject to Income Tax and National Insurance Contributions.

There were no staff sickness or absence issues to report.

The Chief Executive received emoluments of £66,300 during 2013/14 (2012/13: £66,300), including pension contributions.

**Financial Review**

**Results for the year**

The value of the investment fund on 31 March 2014 was £14,979,469, an increase of £428,736 compared to 31 March 2013 (£14,550,733). This increase takes account £300,000 that was divested from the fund during the year, in order to meet outstanding grant commitments.

Our investment managers, Investec, were appointed in January 2011 for a period of five years, subject to performance. This year, we commissioned a mid-term independent review of Investec's performance and of our investment strategy more generally. The review provided reassurances in both respects.

The overall objective of our investment strategy is "to create sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the invested funds while they are retained".

The total income of the Charity in the financial year was £827,549 (2012/13 - £703,273).

Total expenditure amounted to £865,962 (2012/13 - £1,352,764), of which, £58,668 (2012/13 - £52,295) was accounted for by governance costs. See Notes 4 to these accounts for more detail.

## Alcohol Research UK

### Report of the directors

For the year ended 31 March 2014

#### Investment Powers

The charity's investment powers are prescribed by its Memorandum and Articles of Association. The directors have approved an Investment Strategy and have adopted Policies on Fund Management and Financial Control (both documents last reviewed in March 2014).

#### Review of Investment Policy and Performance

	<i>Standard Criteria</i>
<b>Objective</b>	Balanced return between income and capital
<b>Risk</b>	Medium
<b>Mandate</b>	Discretionary

The Investment Strategy's targets for asset allocation are:

Asset Class	Ranges	Benchmark	Comparative Indices
	%	%	
Fixed Interest	10 - 30	20	FTSE Government All Stocks Index
UK Equities	30 - 50	40	FTSE All Share Index
Overseas Equities	10 - 30	20	FTSE World (ex-UK) Index £
Property	5 - 15	10	Investment Property Databank monthly index
Infrastructure	3 - 13	8	Bank of England base rate+2%
Hedge Funds	0 - 5	0	Bank of England base rate+2%
Cash	0 - 10	2	Bank of England base rate - 0.5%
<b>Total</b>		<b>100</b>	<b>Bespoke benchmark</b>

Other considerations include:

1. The primary objective is for the total investment return, from both income and capital appreciation, to outperform the bespoke benchmark above by 1% per annum over rolling 5 year periods.
2. A target of £517,000 for investment income was agreed for the year to 31st March 2014. This was later adjusted to £514,415 to take account of divestments that we made during the year. The investment manager was given flexibility to deviate from the income target by up to 10%. In the event, income of £535,851 was achieved.
3. The investment manager is expected to notify us if pooled fund exposure or direct exposure to bonds rated lower than B exceed 10% or portfolio exposure exceed 5% in total.
4. Direct investment in negotiable instruments known as "derivatives" is not permitted under any circumstances. There is to be no investment in structured products or unquoted private equity funds without our prior consent.
5. With respect to ethical considerations, our investment policy currently states that:  
"The directors wish to preclude investment in tobacco, defined as companies or funds with more than 10% of their turnover in these activities. As a charity involved in addictive health issues the directors consider that it would be extremely damaging to its reputation were it to be seen by the public at large to be investing in tobacco companies. They reserve the right to exclude other companies that carry out activities contrary to their aims or from holding particular investments which damage the charity's reputation. They are of the opinion that this

## Alcohol Research UK

### Report of the directors

#### For the year ended 31 March 2014

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restriction falls within the acceptable criteria outlined in the Charity Commissioners Guidance Note CC14 – Investment of Charitable Funds”

At a meeting in March 2014, the board determined to review this policy. In particular it wishes to preclude investment in companies that produce alcohol. The exact wording of the policy and the extent of this and any other exclusion will be agreed at a further meeting in October 2014.

Each month, the investment manager transfers to the charity's deposit account with CAF Bank Ltd the investment income and bank interest that had been received in the previous month.

The investment manager submits a quarterly report to the directors that includes the valuation of the fund, a summary of transactions in the portfolio, an overview of performance, a report on the economic outlook and a discussion of other relevant issues.

The following is an analysis of performance of the fund against the total return (income and capital growth) benchmark. The investment managers are expected to outperform the benchmark by at least 1% per annum:

		<b>Fund</b>	<b>Benchmark</b>	<b>Difference</b>
1 year rolling		9.2	6.2	+4.0
2 year rolling		26.5	18.7	+7.8

#### Fundraising

Most of the targets for fundraising within the business plan relate to the charity acting as an intermediary for research on behalf of or in partnership with other organisations. The target for 2013/14 was £307,296 against which the charity achieved income of £198,691. However, this is largely due to timing issues, with donations having been secured but not being receivable until future years.

Alcohol Research UK is a member of the Fundraising Standards Board.

#### Reserves policy

It is our policy to maintain around 2% of the investment fund in cash under the control of the investment manager, although the permitted range is 0 – 10%. At 31st March 2014, the total cash held by the investment manager was £417,190, or 2.8% of the Fund. We hold these reserves in order to meet the immediate cash-flow needs of the charity, which generally include the need to meet significant grant commitments.

The directors have considered the Charity Commission Guidance Note CC 19 dated April 2002. It is their intention not to accumulate reserves, but to expend income year on year. However, due to the nature of the projects that the charity funds, it is possible for them to overspend or underspend in any one year depending on the timing of grant claims, which are usually spread over multiple financial years. They review this policy on an annual basis.



## **Alcohol Research UK**

### **Report of the directors**

**For the year ended 31 March 2014**

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#### **Statement of Responsibilities of the directors**

The directors, who are also trustees of Alcohol Research UK for the purposes of charity law, are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with regulations made under the Companies Act 2006 and the Charities Act 2003. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

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

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

**Alcohol Research UK**

**Report of the directors**

**For the year ended 31 March 2014**

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**Audit**

A resolution proposing that Sayer Vincent LLP be reappointed as auditors will be made to members.

The report of the directors has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the board of directors on 22 October 2014 and signed on their behalf by



Professor Alan Maryon-Davis

Chair

## **Independent auditors' report**

### **To the members of**

#### **Alcohol Research UK**

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We have audited the financial statements of Alcohol Research UK for the period ended 31 March 2014 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

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

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the report of the directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report**

**To the members of**

**Alcohol Research UK**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the report of the directors and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Jonathan Orchard, Senior Statutory Auditor

6 November 2014

for and on behalf of Sayer Vincent LLP, Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

**Alcohol Research UK**

**Statement of Financial Activities (incorporating an Income and Expenditure Account)**

**For the year ended 31 March 2014**

				<b>31 March 2014 Total £</b>	<b>31 March 2013 Total £</b>
	<b>Note</b>	<b>Restricted £</b>	<b>Unrestricted £</b>		
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary donations		-	102,252	<b>102,252</b>	77,011
Investment income	2	-	537,531	<b>537,531</b>	545,059
Other incoming resources		-	9,651	<b>9,651</b>	5,575
<i>Incoming resources from charitable activities</i>					
	3	<u>178,115</u>	<u>-</u>	<b>178,115</b>	<u>75,628</u>
<b>Total incoming resources</b>		<u>178,115</u>	<u>649,434</u>	<b>827,549</b>	<u>703,273</u>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		-	32,225	<b>32,225</b>	67,620
Investment management costs		-	66,799	<b>66,799</b>	62,436
<i>Charitable activities</i>					
Research and development projects		-	483,811	<b>483,811</b>	1,031,308
Small Grants		-	57,132	<b>57,132</b>	43,436
Studentship		-	167,329	<b>167,329</b>	95,669
<i>Governance costs</i>		<u>-</u>	<u>58,668</u>	<b>58,668</b>	<u>52,295</u>
<b>Total resources expended</b>	4	<u>-</u>	<u>865,964</u>	<b>865,964</b>	<u>1,352,764</u>
<b>Net outgoing resources before other recognised gains and losses</b>					
		178,115	(216,530)	<b>(38,415)</b>	(649,491)
Realised gains		<u>-</u>	<u>2,316</u>	<b>2,316</b>	<u>65,037</u>
<b>Net deficit for the year</b>		178,115	(214,214)	<b>(36,099)</b>	(584,454)
Unrealised gains	10	<u>-</u>	<u>786,059</u>	<b>786,059</b>	<u>1,424,857</u>
<b>Net movement in funds</b>		178,115	571,845	<b>749,960</b>	840,403
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>(257,839)</u>	<u>13,941,684</u>	<b>13,683,845</b>	<u>12,843,442</u>
<b>Total funds carried forward</b>	14	<u>(79,724)</u>	<u>14,513,529</u>	<b>14,433,805</b>	<u>13,683,845</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Alcohol Research UK

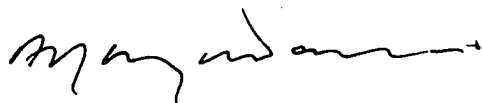
Balance sheet

Company No. 07462605

As at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
<b>Fixed assets</b>			
Tangible fixed assets	9	3,071	4,824
Investments	10	<u>14,979,469</u>	<u>14,550,733</u>
		<b>14,982,540</b>	<b>14,555,557</b>
<b>Current assets</b>			
Debtors	11	147,178	169,408
Cash at bank		<u>160,427</u>	<u>135,884</u>
		<b>307,605</b>	<b>305,292</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	12	<u>766,888</u>	<u>862,625</u>
<b>Net current (liabilities)/assets</b>		<u><b>(459,283)</b></u>	<u><b>(557,333)</b></u>
<b>Total assets less current liabilities</b>		<b>14,523,257</b>	<b>13,998,224</b>
Creditors: amounts falling due after more than one year	5	<u>89,452</u>	<u>314,379</u>
<b>Net assets</b>		<u><b>14,433,805</b></u>	<u><b>13,683,845</b></u>
<b>The funds of the charity</b>	14		
Restricted funds		(79,724)	(257,839)
Unrestricted funds			
General reserve		11,759,877	11,446,064
Revaluation reserve		<u>2,753,652</u>	<u>2,495,620</u>
<b>Total charity funds</b>		<u><b>14,433,805</b></u>	<u><b>13,683,845</b></u>

Approved by the board of directors on 22nd October 2014 and signed on their behalf by:



Professor Alan Maryon-Davis  
Chair

Notes to the financial statements

For the year ended 31 March 2014

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**1. Accounting policies**

**1.1 Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

**1.2 Investment income**

Investment income comprises interest and dividends receivable in the year and is shown inclusive of recoverable tax.

**1.3 Income from charitable activities**

Revenue grants are credited to the Statement of Financial Activities when received or receivable.

**1.4 Deferred Income**

Grants are recognised in full in the statement of financial activities in the year in which they are receivable and the charity is entitled to the income. Where amounts are received which relate specifically for use in a future period, they are deferred and recognised in the accounting period to which they relate, when entitlement arises

**1.5 Expenditure**

Grants are accounted for by recognising the grants at the date on which they receive formal approval. All approved grants are therefore regarded as commitments. Grants not drawn down in the year are carried forward. These grants are due when a claim is made and are reported as due within one year. Outstanding grant commitments are reviewed annually to identify amounts that will not be paid in full and are cancelled (see note 5).

Administrative and other expenditure is charged to the statement of financial activities in the year in which it is incurred. The allocation of costs is as stated in note 4.

Where possible expenditure has been allocated to specific categories in the SOFA and where this is not possible the costs have been allocated as stated in note 4.

**1.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £500 or more are capitalised on initial acquisition and included in the balance sheet at cost or valuation including costs attributable to bringing the assets into working condition for their intended use. Expenditure which enhances the tangible fixed assets is capitalised at cost. Fixed assets donated for the Trust's own use are capitalised at their current value.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment over 3 years straight line.

**1.7 Investments**

Investments held as fixed assets are revalued at mid-market value at the balance sheet date. Investment gains or losses for the period, including any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value, are taken to the Statement of Financial Activities.

# Alcohol Research UK

## Notes to the financial statements

### For the year ended 31 March 2014

#### 1. Accounting policies (continued)

##### 1.8 Taxation

As a registered charity Alcohol Research UK is not liable to taxation on its charitable activities.

##### 1.9 Funds

The Unrestricted Funds comprise income which the charity is free to use in accordance with its objects.

Restricted Funds comprise income which the charity can only use in accordance with terms set out in a written agreement with the original donor or funder.

##### 1.10 Pension

The charity does not have an Occupational pension scheme, but contributes a proportion of employees' salaries to private pension schemes. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

##### 1.11 Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.

#### 2. Investment Income

	31 March 2014	31 March 2013
	Total £	Total £
Fixed Interest		
Corporate bonds and British Government stocks	137,842	156,339
Overseas Bonds	38,425	153,534
Equities - UK franked	386,795	235,472
Irrecoverable tax on Equities	(27,211)	(23,981)
	<b>535,851</b>	<b>521,364</b>
BNY Mellon	-	22,741
Bank deposit interest	1,680	954
	<b>537,531</b>	<b>545,059</b>

#### 3. Incoming resources from charitable activities

			31 March 2014	31 March 2013
	Restricted £	Unrestricted £	Total	Total £
The DrinkawareTrust	151,449	-	151,449	48,128
Thomas Pocklington Trust	26,666	-	26,666	-
Alcohol Health Network	-	-	-	27,500
Total	178,115	-	178,115	75,628



Alcohol Research UK

Notes to the financial statements

For the year ended 31 March 2014

4. Total resources expended

	Charitable activities £	Investment management costs £	Costs of generating voluntary income £	Governance £	31 March 2014 £	31 March 2013 £
Staff costs	165,121	-	19,500	33,077	217,698	190,896
Building costs	112,541	-	-	-	112,541	111,798
IT costs	7,389	-	3,000	3,000	13,389	13,125
Printing, postage and stationery	2,309	-	-	-	2,309	3,120
Subscriptions	1,536	-	-	-	1,536	1,215
Chief executive's expenses	4,075	-	2,037	2,037	8,149	8,849
Chairman's expenses	-	-	-	3,165	3,165	3,840
Meetings of full board	-	-	-	5,209	5,209	4,931
Other meetings and staff expenses	7,919	-	-	-	7,919	7,667
Investment management fee	-	66,799	-	-	66,799	62,436
Legal fees & professional fee	377	-	-	3,300	3,677	871
Auditors remuneration for audit services	-	-	-	8,880	8,880	8,640
Research dissemination and marketing	25,876	-	7,688	-	33,564	36,425
Bank charges	324	-	-	-	324	48
Depreciation	2,632	-	-	-	2,632	2,628
Peer review costs	1,270	-	-	-	1,270	1,730
	<u>331,369</u>	<u>66,799</u>	<u>32,225</u>	<u>58,668</u>	<u>489,061</u>	<u>458,219</u>
<b>Grants payable</b>						
Research and development grants	258,826	-	-	-	258,826	826,440
Small grants	31,083	-	-	-	31,083	35,492
Studentship grants	89,000	-	-	-	89,000	75,000
	<u>378,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,909</u>	<u>936,932</u>
Grant de-commitments	<u>(2,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,006)</u>	<u>(42,387)</u>
<b>Total</b>	<u>708,272</u>	<u>66,799</u>	<u>32,225</u>	<u>58,668</u>	<u>865,964</u>	<u>1,352,764</u>

4. Total resources expended (continued)

**Allocation of costs**

The Chief Executive's expenses and salary with associated national insurance and pension costs have been apportioned as 50% for charitable activities, 25% costs of generating voluntary income and 25% governance.

Peer review costs and subscription fees for grant making purposes are wholly attributable to grant applications. Direct administration costs such as the costs associated with Finance and General Purposes Committee Meetings, audit and accounting fees and strategy plan professional fees, are accounted exclusively as Governance Costs.

**Analysis of charitable expenditure**

					31 March 2014	31 March 2013
	%	Grants £	Allocation of support costs £	Grant de- commitments £		£
Research and development grants	68%	258,826	225,330	(345)	<b>483,811</b>	1,031,308
Small grants	8%	31,083	26,510	(461)	<b>57,132</b>	43,436
Studentship grant	24%	89,000	79,529	(1,200)	<b>167,329</b>	95,669
<b>Total</b>	<b>100</b>	<b>378,909</b>	<b>331,369</b>	<b>(2,006)</b>	<b>708,272</b>	<b>1,170,413</b>

Alcohol Research UK

Notes to the financial statements

For the year ended 31 March 2014

5. Grants payable summary

	Small grants	Research and development grants	Studentship grants	31 March 2014	31 March 2013
	£	£	£	£	£
At 31 March 2013	20,789	958,061	64,000	1,042,850	633,913
Awarded in year	31,083	258,826	89,000	378,909	936,932
Paid in the year	(30,770)	(686,765)	(43,800)	(761,335)	(485,607)
Grants cancelled	(461)	(345)	(1,200)	(2,006)	(42,387)
Carried forward	20,641	529,777	108,000	658,418	1,042,851
Falling due within one year	20,641	494,324	54,000	568,965	728,474
Falling due after more than one year	-	35,452	54,000	89,452	314,377

Full details of grants paid during the year and outstanding at the year end are listed in Appendix 1 to the Financial Statements.

**Grants to individuals (studentship grants)**

The grants covered course fees and, in some instances, included maintenance and other allowances on an agreed scale.

6. Net outgoing resources for the year

	31 March 2014	31 March 2013
This is stated after charging:		£
Auditors remuneration	7,400	7,200
Depreciation	3,071	2,628

Included in the cost of meetings in note 4 there is a total of £5,177 (2013: £5,509) of travel and hotel costs reimbursed to or paid directly on behalf of 9 (2013: 8) directors. No remuneration is paid to directors. Grant funding received for projects in which directors are involved is disclosed in Note 16.

# Alcohol Research UK

## Notes to the financial statements

### For the year ended 31 March 2014

#### 7. Staff costs and numbers

The charity has employed 2 full-time and 3 part time members during the period, who were engaged in administrative duties. In 2014, this equated to 3.6 full time equivalent members of staff (2013: 3.5).

	31 March 2014 £	31 March 2013 £
Salaries and wages	183,680	158,546
Social security costs	19,116	16,594
Pension contributions	10,970	6,788
	<u>213,766</u>	<u>181,928</u>

There was 1 employee whose annual emoluments were between £60,000 and £69,999 with pension contributions of £3,978.

#### 8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

#### 9. Tangible fixed assets

	Equipment £	Total £
<b>Cost</b>		
At 1 April	16,530	16,530
Additions in the period	879	879
	<u>17,409</u>	<u>17,409</u>
<b>Depreciation</b>		
At 1 April	11,706	11,706
Charge for the period	2,632	2,632
	<u>14,338</u>	<u>14,338</u>
<b>Net book value</b>		
At 31 March 2014	<u>3,071</u>	<u>3,071</u>
<b>Net book value</b>		
At 1 April 2013	<u>4,824</u>	<u>4,824</u>

Alcohol Research UK

Notes to the financial statements

For the year ended 31 March 2014

10. Investments

Investments are included at their market value.

	31 March 2014	31 March 2013
	£	£
<b>At valuation:</b>		
Brought forward	14,071,028	13,241,715
Additions at cost	1,657,626	1,577,505
Disposals at carrying value	(1,952,434)	(2,173,049)
Unrealised gain	786,059	1,424,857
<b>Total</b>	<b>14,562,279</b>	<b>14,071,028</b>
Cash held pending re-investment	417,190	479,705
<b>Market value at 31 March</b>	<b>14,979,469</b>	<b>14,550,733</b>
<b>Historic cost</b>	<b>12,225,817</b>	<b>12,055,113</b>

Analysis by type

	31 March 2014	31 March 2013
	Market Value	Market Value
	£	£
Fixed Interest:		
Corporate bonds and British Government stocks	2,270,167	2,353,484
Overseas	209,503	364,920
Equities	9,206,390	9,050,878
Property	1,675,569	1,212,454
Alternative assets	1,200,650	1,089,292
Cash	417,190	479,705
	<b>14,979,469</b>	<b>14,550,733</b>

Alcohol Research UK

Notes to the financial statements

For the year ended 31 March 2014

11. Debtors

	31 March 2014 £	31 March 2013 £
Equity dividends declared but not yet received	49,971	56,959
Trade Debtors	214	-
Prepayments and accrued income	96,993	112,449
	<b>147,178</b>	<b>169,408</b>

All amounts due within one year.

12. Creditors

	31 March 2014 £	31 March 2013 £
Trade Creditors	17,479	14,181
Accrued expenses	180,444	119,970
Grants payable (see note 5)	568,965	728,474
	<b>766,888</b>	<b>862,625</b>

13. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	3,071	-	3,071
Investments	14,979,469	-	14,979,469
Net current assets	(379,559)	(79,724)	(459,283)
Long term creditors	(89,452)	-	(89,452)
<b>Net assets at 28 March 2014</b>	<b>14,513,529</b>	<b>(79,724)</b>	<b>14,433,805</b>

# Alcohol Research UK

## Notes to the financial statements

For the year ended 31 March 2014

### 14. Movements in funds

	At the start of the year £	Incoming resources and gains £	Outgoing resources £	At the end of the year £
<b>Restricted funds:</b>				
The Drinkaware Trust	(257,839)	151,449	-	(106,390)
Thomas Pocklington Trust	-	26,666	-	26,666
<b>Total restricted funds</b>	<b>(257,839)</b>	<b>178,115</b>	<b>-</b>	<b>(79,724)</b>
<b>Unrestricted funds:</b>				
<b>Revaluation reserve</b>	<b>2,495,620</b>	<b>258,032</b>	<b>-</b>	<b>2,753,652</b>
<b>General funds</b>	<b>11,446,064</b>	<b>1,179,777</b>	<b>(865,964)</b>	<b>11,759,877</b>
<b>Total funds</b>	<b>13,683,845</b>	<b>1,615,924</b>	<b>(865,964)</b>	<b>14,433,805</b>

#### Purposes of restricted funds

Restricted Funds comprise income which the charity can only use in accordance with terms set out in a written agreement with the original donor or funder. Projects which received funding in this way in 2013/14 are shown below:

- The Thomas Pocklington Trust provided co-funding for a scoping study on alcohol and sight loss.
- The Drinkaware Trust provided funds for In:Tuition 2, a trial evaluation of the programme. The grant was made to the National Foundation for Educational Research. The full grant was recognised in expenditure however the income from the grant is only receivable as invoices fall due. This has led to a deficit in restricted funds at the year end although funds will be received to make up the deficit over the coming period.

**Alcohol Research UK**

**Notes to the financial statements**

**For the year ended 31 March 2014**

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**15. Operating lease commitments**

The charity had annual commitments at the year end under operating leases expiring as follows:

	<b>Property 2014 £</b>	<b>2013 £</b>
Less than a year	<b>49,805</b>	
1 - 2 Years	<b>-</b>	<b>150,444</b>
	<b>49,805</b>	<b>150,444</b>



**16. Related party transactions**

Of the grants paid during the year, the following Directors and/or Associates have been involved in projects and, during the course of the project, they or their unit have received funding from the institution to which the grant was made. The details are as follows:

**R2011/05 Aquarius**

Grantholder, Ms Annette Fleming, is a Trustee of Alcohol Research UK.

**R2011/07 University of York**

Grantholder, Mr Charlie Lloyd, is an Associate of Alcohol Research UK.

**RS 12/03 PhD Student at Edge Hill University**

Professor Derek Heim of Edge Hill University, is a Trustee of Alcohol Research UK.

**R2013/04 University of Stirling**

Ms Martine Stead of Stirling University is an Associate of Alcohol Research UK.

**R2013/06 Middlesex University**

Grantholder, Professor Betsy Thom, is an Associate of Alcohol Research UK.

**R2013/08 University of Sheffield**

Grantholder, Dr John Holmes, is an Associate of Alcohol Research UK.

**SG 13/14 186 Edge Hill University**

Grantholder, Professor Derek Heim, is a Trustee of Alcohol Research UK.

**RS 14/01 Middlesex University**

Professor Betsy Thom of Middlesex University, is an Associate of Alcohol Research UK.

**RS 14/03 Edge Hill University**

Professor Derek Heim of Edge Hill University, is a Trustee of Alcohol Research UK.

**7 Bursaries to taught course students at London South Bank University**

Professor Robin Davidson, Chair, is an Honorary Professor at London South Bank University.

In addition, fees amounting to £12,000 (2012/13: £12,150) were paid in the year to a relative of the Research Director for IT services. The work paid for was commissioned and following a competitive tendering process, which did not involve the Research Director, and which confirmed the quotation accepted as being the lowest received.